

**Crown Seal Public Company Limited**

**Notes to interim financial statements**

**For the three-month and six-month periods ended 30 June 2022**

**1. General information**

**1.1 Basis for the preparation of interim financial information**

These interim financial information are prepared in accordance with Thai Accounting Standard No. 34 (revised 2016) *Interim Financial Reporting*, with the Company choosing to present condensed interim financial information. However, the Company has presented the statements of financial position, income, comprehensive income, changes in shareholders' equity, and cash flows in the same format as that used for the annual financial statements.

The interim financial information are intended to provide information additional to that included in the latest annual financial statements. Accordingly, they focus on new activities, events and circumstances so as not to duplicate information previously reported. These interim financial information should therefore be read in conjunction with the latest annual financial statements.

The interim financial information in Thai language are the official statutory financial statements of the Company. The interim financial information in English language have been translated from the Thai language interim financial information.

**1.2 Significant accounting policies**

The interim financial statements are prepared by using the same accounting policies and methods of computation as were used for the financial statements for the year ended 31 December 2021.

The revised financial reporting standards which are effective for fiscal years beginning on or after 1 January 2022, do not have any significant impact on the Company's financial statements.

**2. Related party transactions**

During the periods, the Company had significant business transactions with related parties. Such transactions, which are summarised below, arose in the ordinary course of business and were concluded on commercial terms and bases agreed upon between the Company and related parties. There were no significant changes in the pricing policy of transactions with related parties during the current period.

(Unaudited but reviewed)

Summaries significant business transactions with related parties were as follows.

(Unit: Thousand Baht)

	For the three-month periods ended 30 June		For the six-month periods ended 30 June	
	2022	2021	2022	2021
<b><u>Transactions with related companies</u></b>				
Sales of caps	252,106	223,298	529,840	434,740
Service income from printing sheets	20,644	12,392	44,981	24,824
Rental income	563	563	1,126	1,126
Sales of raw materials and spare parts	11	450	191	636
Administrative income	2,963	3,480	9,535	9,840
Purchases of raw materials and spare parts	3,250	5,558	6,493	11,267
Purchases of equipment	1,379	3,192	12,182	3,417
Royalty fee expense	3,550	2,937	6,934	5,775
Claim payment for damaged goods	1,552	818	3,714	1,872
Dividends paid	63,986	86,668	63,986	86,668

**Directors and management's benefits**

The Company had employee benefit expenses payable to its directors and management as below.

(Unit: Thousand Baht)

	For the three-month periods ended 30 June		For the six-month periods ended 30 June	
	2022	2021	2022	2021
Short-term employee benefits	8,067	7,799	15,245	16,451
Post-employment benefits	151	156	301	312
Total	8,218	7,955	15,546	16,763

(Unaudited but reviewed)

### 3. Trade and other receivables

(Unit: Thousand Baht)

	30 June 2022	31 December 2021
<u>Trade accounts receivable - related parties</u>		
Aged on the basis of due dates		
Not yet due	119,667	120,566
Past due		
Up to 3 months	9,014	19,390
Total trade accounts receivable - related parties	128,681	139,956
<u>Trade accounts receivable - unrelated parties</u>		
Aged on the basis of due dates		
Not yet due	361,253	262,558
Past due		
Up to 3 months	124,660	113,594
3 - 6 months	46,812	25,151
6 - 12 months	17,398	-
Over 12 months	370	370
Total trade accounts receivable - unrelated parties	550,493	401,673
Less: Allowance for expected credit losses	(9,032)	(370)
Trade accounts receivable - unrelated parties, net	541,461	401,303
<u>Other receivables - related parties</u>		
Accrued income	1,894	2,170
Total other receivables - related parties	1,894	2,170
<u>Other receivables - unrelated parties</u>		
Advances	1,997	1,317
Receivable from scrap sales	1,791	1,869
Others	2,663	1,478
Total other receivables - unrelated parties	6,451	4,664
Total trade and other receivables	678,487	548,093

(Unaudited but reviewed)

#### 4. Inventories

##### Allowance for diminution in values of inventories

Movements in the allowance for diminution in values of inventories account during the six-month period ended 30 June 2022 are summarised below.

(Unit: Thousand Baht)

Net book value as at 1 January 2022	25,356
Reversal of allowance resulting from inventories destruction	(13,724)
Increase during the period	4,077
Net book value as at 30 June 2022	<u>15,709</u>

#### 5. Property, plant and equipment

Movements of the property, plant and equipment account during the six-month period ended 30 June 2022 are summarised below.

(Unit: Thousand Baht)

Net book value as at 1 January 2022	1,550,888
Acquisitions during period - at cost	87,216
Disposal/write-off during period - net book value	(1,837)
Depreciation for the period	(103,576)
Net book value as at 30 June 2022	<u>1,532,691</u>

The Company shares the ownership of some building and machinery with Bangkok Can Manufacturing Co., Ltd. and recorded the assets in proportion to its ownership. The carrying amount of its share as at 30 June 2022 was Baht 40 million (31 December 2021: Baht 42 million).

#### 6. Dividends paid

	Approved by	Total dividends (Thousand Baht)	Dividend per preferred share (Baht)	Dividend per ordinary share (Baht)
Final dividends for 2020	Annual General Meeting of shareholders on 23 April 2021	130,559	3.95	2.45
<b>Total dividends for 2021</b>		<u>130,559</u>	<u>3.95</u>	<u>2.45</u>
Final dividends for 2021	Annual General Meeting of shareholders on 22 April 2022	96,239	3.30	1.80
<b>Total dividends for 2022</b>		<u>96,239</u>	<u>3.30</u>	<u>1.80</u>

(Unaudited but reviewed)

The actual dividend paid for the year 2022 amounted to Baht 94.65 million (2021: Baht 128.39 million) since the remaining dividend related to the securities holders that did not comply with the regulations of the securities depository.

## 7. Income tax expense

Interim corporate income tax was calculated on profit before income tax for the period, using the estimated effective tax rate for the year.

Income tax expense was made up as follows:

(Unit: Thousand Baht)

	For the three-month periods		For the six-month periods	
	ended 30 June		ended 30 June	
	2022	2021	2022	2021
<b>Current income tax:</b>				
Interim corporate income tax charge	15,998	11,126	29,733	26,012
<b>Deferred tax:</b>				
Relating to origination and reversal of temporary differences	506	(292)	2,965	(370)
<b>Income tax expense reported in the statement of income</b>	<u>16,504</u>	<u>10,834</u>	<u>32,698</u>	<u>25,642</u>

## 8. Segment information

The Company is organised into business units based on its products and services. During the current period, the Company has not changed the organisation of its reportable segments.

The following tables present revenue and profit information regarding the Company's operating segments for the three-month and six-month periods ended 30 June 2022 and 2021, respectively.

(Unaudited but reviewed)

(Unit: Million Baht)

For the three-month periods ended 30 June

	Manufacture and sale of caps		Hire of printing sheets for can		Total	
	2022	2021	2022	2021	2022	2021
Sales and service income	887	694	23	12	910	706
<b>Operating results</b>						
Segment profit	125	103	5	3	130	106
Unallocated income and expenses						
Interest income					1	2
Other income					21	12
Administrative expenses					(63)	(53)
Profit before income tax expense					89	67
Income tax expense					(17)	(11)
Profit for the period					72	56

(Unit: Million Baht)

For the six-month periods ended 30 June

	Manufacture and sale of caps		Hire of printing sheets for can		Total	
	2022	2021	2022	2021	2022	2021
Sales and service income	1,783	1,394	48	25	1,831	1,420
<b>Operating results</b>						
Segment profit	241	227	14	5	255	232
Unallocated income and expenses						
Interest income					3	3
Other income					42	25
Administrative expenses					(115)	(113)
Profit before income tax expense					185	147
Income tax expense					(33)	(26)
Profit for the period					152	121

(Unaudited but reviewed)

## 9. Commitments and contingent liabilities

- a) The Company has commitments, which mature within one year, to local and overseas suppliers under purchase orders for purchase of machinery and equipment, as follows:

(Unit: Million)

Foreign Currency	30 June 2022
Baht	25.20
Euro	0.13

- b) As at 30 June 2022, the Company has bank guarantees issued by a bank on behalf of the Company of Baht 10.34 million for guarantee of electricity usage and Baht 0.07 million for the purchase-sell agreements with a state agency.

## 10. Financial Instrument

### 10.1 Fair value of financial instrument

Most of the Company's financial instruments are classified as short-term or have interest rates that are close to market rate. Therefore, the carrying amounts of these financial instruments are estimated to approximate their fair value.

### 10.2 Fair value hierarchy

The Company had the assets and liabilities that were measured at fair value using different levels of inputs as follows:

(Unit: Million Baht)

	30 June 2022			
	Level 1	Level 2	Level 3	Total
<b>Assets measured at fair value</b>				
Financial assets measured at FVTPL -				
Equity instruments	1	-	-	1
Financial assets measured at FVOCI -				
Equity instruments	-	-	15	15
Derivatives - Foreign currency forward contracts	-	1	-	1
<b>Liabilities measured at fair value</b>				
Derivatives - Foreign currency forward contracts	-	3	-	3

During the current period, the Company has not changed the method and assumptions used to estimate the fair value of financial instruments, and there is no transfer between the fair value hierarchy.

## 11. Approval of interim financial statements

These interim financial statements were authorised for issue by the Company's Board of Directors on 8 August 2022.