

Crown Seal Public Company Limited
Notes to interim financial statements
For the three-month period ended 31 March 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.

(Unaudited but reviewed)

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.

Summaries significant business transactions with related parties were as follows.

(Unit: Thousand Baht)

For the three-month
periods ended 31 March

	2022	2021
<u>Transactions with related companies</u>		
Sales of caps	277,734	211,100
Service income from printing sheets	24,338	12,432
Rental income	563	563
Sales of raw materials and spare parts	180	186
Administrative income	6,572	6,360
Purchases of raw materials and spare parts	3,243	5,709
Purchases of equipment	10,803	225
Royalty fee expense	3,385	2,839
Claim payment for damaged goods	2,163	1,289

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 31 March

	2022	2021
Short-term employee benefits	7,178	8,652
Post-employment benefits	151	156
Total	<u>7,329</u>	<u>8,808</u>

(Unaudited but reviewed)

3. Trade and other receivables

(Unit: Thousand Baht)

	31 March 2022	31 December 2021
<u>Trade accounts receivable - related parties</u>		
Aged on the basis of due dates		
Not yet due	127,041	120,566
Past due		
Up to 3 months	7,678	19,390
Total trade accounts receivable - related parties	134,719	139,956
<u>Trade accounts receivable - unrelated parties</u>		
Aged on the basis of due dates		
Not yet due	330,173	262,558
Past due		
Up to 3 months	134,190	113,594
3 - 6 months	35,032	25,151
6 - 12 months	4,019	-
Over 12 months	370	370
Total trade accounts receivable - unrelated parties	503,784	401,673
Less: Allowance for expected credit losses	(370)	(370)
Trade accounts receivable - unrelated parties, net	503,414	401,303
<u>Other receivables - related parties</u>		
Accrued income	6,343	2,170
Total other receivables - related parties	6,343	2,170
<u>Other receivables - unrelated parties</u>		
Advances	1,555	1,317
Receivable from scrap sales	977	1,869
Others	1,834	1,478
Total other receivables - unrelated parties	4,366	4,664
Total trade and other receivables	648,842	548,093

4. Inventories**Allowance for diminution in values of inventories**

Movements in the allowance for diminution in values of inventories account during the three-month period ended 31 March 2022 are summarised below.

(Unit: Thousand Baht)

Net book value as at 1 January 2022	25,356
Write-down of cost of inventories resulting from inventories destruction	(7,391)
Increase during the period	<u>56</u>
Net book value as at 31 March 2022	<u><u>18,021</u></u>

5. Property, plant and equipment

Movements of the property, plant and equipment account during the three-month period ended 31 March 2022 are summarised below.

(Unit: Thousand Baht)

Net book value as at 1 January 2022	1,550,888
Acquisitions during period - at cost	56,122
Disposal/write-off during period - net book value	(1,049)
Depreciation for the period	<u>(50,959)</u>
Net book value as at 31 March 2022	<u><u>1,555,002</u></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 31 March 2022 was Baht 41 million (31 December 2021: Baht 42 million).

6. 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.

(Unaudited but reviewed)

Income tax expense was made up as follows:

(Unit: Thousand Baht)

For the three-month
periods ended 31 March

	2022	2021
Current income tax:		
Interim corporate income tax charge	13,734	14,885
Deferred tax:		
Relating to origination and reversal of temporary differences	2,460	(78)
Income tax expense reported in the statement of income	16,194	14,807

7. 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 periods ended 31 March 2022 and 2021, respectively.

(Unit: Million Baht)

	For the three-month periods ended 31 March					
	Manufacture and sale of caps		Hire of printing sheets for can		Total	
	2022	2021	2022	2021	2022	2021
Sales and service income	896	700	26	13	922	713
Operating results						
Segment profit	76	100	9	2	85	102
Unallocated income and expenses						
Interest income					1	2
Other income					61	37
Administrative expenses					(51)	(61)
Profit before income tax expense					96	80
Income tax expense					(16)	(15)
Profit for the period					80	65

(Unaudited but reviewed)

8. 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	31 March 2022
Baht	38.11
Euro	0.13

- b) As at 31 March 2022, the Company has bank guarantees issued by a bank on behalf of the Company of Baht 10.26 million for guarantee of electricity usage and Baht 0.13 million for the purchase-sell agreements with a state agency.

9. Financial Instrument

9.1 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.

9.2 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)

	31 March 2022			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Financial assets measured at FVTPL -				
Equity instruments	1	-	-	1
Financial assets measured at FVOCI -				
Equity instruments	-	-	10	10
Derivatives - Foreign currency forward contracts	-	1	-	1
Liabilities measured at fair value				
Derivatives - Foreign currency forward contracts	-	1	-	1

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.

10. Event after the reporting period

The Company's Annual General Meeting of shareholders, held on 22 April 2022, approved dividend payments from the operating result for the year 2021 to the ordinary shareholders of Baht 93.60 million (Baht 1.80 per share), and to the preferred shareholders of Baht 2.64 million (Baht 3.30 per share), totaled Baht 96.24 million. The dividends will be paid to shareholders on 13 May 2022.

11. Approval of interim financial statements

These interim financial statements were authorised for issue by the Company's Board of Directors on 13 May 2022.