

Crown Seal Public Company Limited

Notes to interim financial statements

For the three-month and nine-month periods ended 30 September 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 September		For the nine-month periods ended 30 September	
	2022	2021	2022	2021
	<u>Transactions with related companies</u>			
Sales of caps	252,390	210,423	782,230	645,163
Service income from printing sheets	20,995	14,599	65,976	39,423
Rental income	563	563	1,689	1,689
Sales of raw materials and spare parts	494	396	685	1,032
Administrative income	2,774	2,864	12,309	12,704
Purchases of raw materials and spare parts	5,526	6,282	12,019	17,549
Purchases of equipment	4,763	221	16,946	3,638
Royalty fee expense	2,404	2,182	9,338	7,957
Claim payment for damaged goods	1,909	823	5,624	2,695
Dividends paid	-	-	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 September		For the nine-month periods ended 30 September	
	2022	2021	2022	2021
	Short-term employee benefits	7,788	8,223	23,033
Post-employment benefits	151	156	452	468
Total	7,939	8,379	23,485	25,142

(Unaudited but reviewed)

3. Trade and other receivables

(Unit: Thousand Baht)

	30 September 2022	31 December 2021
<u>Trade accounts receivable - related parties</u>		
Aged on the basis of due dates		
Not yet due	111,964	120,566
Past due		
Up to 3 months	9,795	19,390
Total trade accounts receivable - related parties	121,759	139,956
<u>Trade accounts receivable - unrelated parties</u>		
Aged on the basis of due dates		
Not yet due	357,217	262,558
Past due		
Up to 3 months	92,465	113,594
3 - 6 months	42,827	25,151
6 - 12 months	34,450	-
Over 12 months	-	370
Total trade accounts receivable - unrelated parties	526,959	401,673
Less: Allowance for expected credit losses	(7,921)	(370)
Trade accounts receivable - unrelated parties, net	519,038	401,303
<u>Other receivables - related parties</u>		
Accrued income	3,008	2,170
Total other receivables - related parties	3,008	2,170
<u>Other receivables - unrelated parties</u>		
Advances	2,221	1,317
Receivable from scrap sales	1,058	1,869
Others	2,304	1,478
Total other receivables - unrelated parties	5,583	4,664
Total trade and other receivables	649,388	548,093

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

Movements in the allowance for diminution in values of inventories account during the nine-month period ended 30 September 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	7,171
Net book value as at 30 September 2022	<u>18,803</u>

5. Property, plant and equipment

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

(Unit: Thousand Baht)

Net book value as at 1 January 2022	1,550,888
Acquisitions during period - at cost	123,186
Disposal/write-off during period - net book value	(3,106)
Depreciation for the period	<u>(157,347)</u>
Net book value as at 30 September 2022	<u>1,513,621</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 September 2022 was Baht 40 million (31 December 2021: Baht 42 million).

(Unaudited but reviewed)

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
Total dividends for 2021		130,559	3.95	2.45
Final dividends for 2021	Annual General Meeting of shareholders on 22 April 2022	96,239	3.30	1.80
Total dividends for 2022		96,239	3.30	1.80

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 ended 30 September		For the nine-month periods ended 30 September	
	2022	2021	2022	2021
Current income tax:				
Interim corporate income tax charge	11,414	8,149	41,148	34,161
Deferred tax:				
Relating to origination and reversal of temporary differences	(1,805)	150	1,160	(220)
Income tax expense reported in the statement of income	9,609	8,299	42,308	33,941

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 nine-month periods ended 30 September 2022 and 2021, respectively.

(Unaudited but reviewed)

(Unit: Thousand Baht)

For the three-month periods ended 30 September

	Manufacture		Hire of printing		Total	
	and sale of caps		sheets for can			
	2022	2021	2022	2021	2022	2021
Sales and service income	896,563	709,866	22,459	15,099	919,022	724,965
Operating results						
Segment profit	<u>91,198</u>	<u>87,151</u>	<u>6,168</u>	<u>2,408</u>	97,366	89,559
Unallocated income and expenses						
Interest income					1,082	1,617
Other income					14,766	13,534
Administrative expenses					(49,405)	(53,101)
Finance cost					(86)	(96)
Profit before income tax expense					63,723	51,513
Income tax expense					(9,609)	(8,299)
Profit for the period					<u>54,114</u>	<u>43,214</u>

(Unit: Thousand Baht)

For the nine-month periods ended 30 September

	Manufacture		Hire of printing		Total	
	and sale of caps		sheets for can			
	2022	2021	2022	2021	2022	2021
Sales and service income	2,765,190	2,154,760	70,890	40,523	2,836,080	2,195,283
Operating results						
Segment profit	<u>332,515</u>	<u>312,384</u>	<u>20,449</u>	<u>8,845</u>	352,964	321,229
Unallocated income and expenses						
Interest income					3,530	5,043
Other income					56,766	38,643
Administrative expenses					(164,224)	(166,523)
Finance cost					(287)	(317)
Profit before income tax expense					248,749	198,075
Income tax expense					(42,308)	(33,941)
Profit for the period					<u>206,441</u>	<u>164,134</u>

9. Commitments and contingent liabilities

- a) As at 30 September 2022, the Company has commitments, which mature within one year, to local and overseas suppliers under purchase orders for purchase of machinery and equipment of Baht 27.21 million
- b) As at 30 September 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 September 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	-	-	15	15
Derivatives - Foreign currency forward contracts	-	1	-	1
Liabilities measured at fair value				
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.

(Unaudited but reviewed)

11. Reclassification

Income from scrap sales, which was previously presented as other income, is presented as sales since the Company views these sales as being transactions in the normal course of business. This reclassification has no effect to previously reported net profit or shareholders' equity. The summary of reclassifications is as follow:

(Unit: Thousand Baht)

	For the three-month period ended		For the nine-month period ended	
	30 September 2021		30 September 2021	
	As reclassified	As previously reported	As reclassified	As brought forward
Sales	709,866	679,992	2,154,760	2,074,502
Other income	16,454	46,328	44,481	124,739

12. Approval of interim financial statements

These interim financial statements were authorised for issue by the Company's Board of Directors on 7 November 2022.