

SALEE PRINTING PUBLIC COMPANY LIMITED

**INTERIM FINANCIAL INFORMATION
(UNAUDITED)**

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

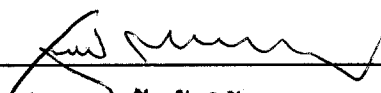
A handwritten signature in black ink, reading "Sa-nga Chokenitisawat".

Sa-nga Chokenitisawat
Certified Public Accountant (Thailand) No. 11251
Bangkok
10 November 2021


Salee Printing Public Company Limited
Statement of Financial Position
As at 30 September 2021

		Unaudited 30 September 2021 Thousand Baht	Audited 31 December 2020 Thousand Baht
	Notes		
Assets			
Current assets			
Cash and cash equivalents		62,067	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	114,632	99,872
Inventories, net	7	98,085	57,557
Current portion of financial assets measured at amortised cost	8	19,964	-
Other current assets		7,145	2,940
Total current assets		441,893	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	60,040	79,989
Machinery and equipment, net	9	322,059	266,307
Intangible assets, net		8,910	8,834
Right-of-use assets, net	12 c)	51,497	67,662
Deferred tax assets, net		15,949	17,751
Other non-current assets		29,309	18,899
Total non-current assets		548,701	560,379
Total assets		990,594	1,009,099

Director


(นายธนะชัย สันติชัยกุล)

Director


(นายประยุทธ์ จันทะพริต)

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 September 2021

		Unaudited 30 September 2021	Audited 31 December 2020
	Note	Thousand Baht	Thousand Baht
Liabilities and equity			
Current liabilities			
Trade and other payables	10	44,982	35,264
Current portion of lease liabilities		21,250	20,563
Other current liabilities		3,484	1,103
Total current liabilities		69,716	56,930
Non-current liabilities			
Lease liabilities, net		41,869	57,892
Employee benefit obligations		9,009	7,909
Total non-current liabilities		50,878	65,801
Total liabilities		120,594	122,731
Equity			
Share capital			
Authorised share capital			
1,200,000,000 ordinary shares			
at par value of Baht 0.25 each		300,000	300,000
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		(79,162)	(62,794)
Total equity		870,000	886,368
Total liabilities and equity		990,594	1,009,099

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 September 2021

		Unaudited 30 September 2021	Unaudited 30 September 2020
	Note	Thousand Baht	Thousand Baht
Revenues from sales		105,694	108,196
Costs of sales		(89,069)	(91,405)
Gross profit		16,625	16,791
Other income		1,077	2,343
Selling expenses		(5,805)	(5,582)
Administrative expenses		(17,801)	(16,553)
Loss before finance costs and income tax (expense)		(5,904)	(3,001)
Finance costs		(740)	(517)
Loss before income tax		(6,644)	(3,518)
Income tax (expense)	11	-	(1,737)
Net loss for the period		(6,644)	(5,255)
Other comprehensive income for the period		-	-
Total comprehensive expense for the period		(6,644)	(5,255)
Net loss per share (Baht)			
Basic loss per share		(0.0055)	(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 nine-month period ended 30 September 2021

		Unaudited 30 September 2021	Unaudited 30 September 2020
	Note	Thousand Baht	Thousand Baht
Revenues from sales		324,226	319,677
Costs of sales		(271,339)	(269,152)
Gross profit		52,887	50,525
Other income		3,394	9,319
Selling expenses		(15,653)	(17,110)
Administrative expenses		(52,776)	(51,022)
Loss before finance costs and income tax (expenses)		(12,148)	(8,288)
Finance costs		(2,418)	(1,588)
Loss before income tax		(14,566)	(9,876)
Income tax (expenses)	11	(1,802)	(921)
Net loss for the period		(16,368)	(10,797)
Other comprehensive income for the period		-	-
Total comprehensive expense for the period		(16,368)	(10,797)
Net loss per share (Baht)			
Basic loss per share		(0.0136)	(0.0090)

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 nine-month period ended 30 September 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)	909,246
Total comprehensive expense for the period	-	-	-	(10,797)	(10,797)
Ending balance at 30 September 2020	300,000	619,162	30,000	(50,713)	898,449
Opening balance at 1 January 2021	300,000	619,162	30,000	(62,794)	886,368
Total comprehensive expense for the period	-	-	-	(16,368)	(16,368)
Ending balance at 30 September 2021	300,000	619,162	30,000	(79,162)	870,000

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

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

	Unaudited 30 September 2021 Thousand Baht	Unaudited 30 September 2020 Thousand Baht
Cash flows from operating activities		
Loss before income tax	(14,566)	(9,876)
Adjustments for:		
Depreciation and amortisation	52,444	39,727
(Reversal of) Allowance for expected credit loss	(356)	83
(Reversal of) Allowance for decrease in cost of inventory to net realisable value	(3,078)	9,519
(Gain) on disposals of machinery and equipment	(168)	(2,449)
(Gain) on termination of lease agreement	-	(61)
Employee benefit obligation	1,100	926
Unrealised loss on exchange rate	118	9
Interest income	(2,945)	(6,657)
Finance costs	2,418	1,588
Cash flow before change in operating assets and liabilities	34,967	32,809
Change in operating assets and liabilities		
Trade and other receivables	(14,021)	(14,029)
Inventories	(37,450)	(10,567)
Other current assets	(4,205)	78
Other non-current assets	(1,740)	-
Trade and other payables	22,938	1,461
Other current liabilities	2,381	1,008
Cash generated from operating activities	2,870	10,760
Income tax paid	(8,670)	(5,782)
Income tax refunded	-	8,329
Net cash generated from (used in) operating activities	(5,800)	13,307

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 nine-month period ended 30 September 2021

	Unaudited 30 September 2021 Thousand Baht	Unaudited 30 September 2020 Thousand Baht
Cash flows from investing activities		
Proceeds from disposals of machinery and equipment	204	2,552
Payment of machinery and equipment	(50,108)	(29,613)
Payment of intangible assets	(1,530)	(714)
Payment of deposit in machinery and computer software	(51,497)	-
Proceeds from short-term investments	-	60,865
Payment of long-term investment	-	(40,000)
Payment in financial assets measured at amortised cost	(15)	-
Proceeds from interest income	2,570	5,256
Net cash (used in) investing activities	(100,376)	(1,654)
Cash flows from financing activities		
Payments on short-term borrowing from bank	-	(1,021)
Payments on lease liabilities	(17,690)	(4,256)
Interest paid	(2,418)	-
Net cash (used in) financing activities	(20,108)	(5,277)
Net (decrease) increase in cash and cash equivalents	(126,284)	6,376
Cash and cash equivalents at the beginning of the period	188,351	13,273
Cash and cash equivalents at end of the period	62,067	19,649
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	2,359	1,765
Transfer of asset held-for-sale to machinery and equipment	-	7,975
Transfer of deposits for machinery to machinery and equipment	(59,202)	-

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 10 November 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 September 2021 Thousand Baht	31 December 2020 Thousand Baht
Trade receivables - third parties	111,626	98,302
<u>Less</u> Expected credit losses	(400)	(756)
Trade receivables - third parties, net	111,226	97,546
Trade receivables - related parties	275	203
Other receivables - third parties	132	56
Unearned revenue	1,487	1,112
Prepayments	1,512	955
	114,632	99,872

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

	30 September 2021 Thousand Baht	31 December 2020 Thousand Baht
Not overdue (due within 1 month)	85,268	77,384
Overdue		
Up to 3 months	25,121	19,751
3 - 6 months	681	203
6 - 12 months	339	416
Over 12 months	217	548
	111,626	98,302
<u>Less</u> Expected credit losses	(400)	(756)
	111,226	97,546

7 Inventories, net

	30 September 2021 Thousand Baht	31 December 2020 Thousand Baht
Raw materials	52,107	24,395
Finished goods	67,255	57,517
	119,362	81,912
<u>Less</u> Allowance for decrease in cost of inventory to net realisable value		
- Raw materials	(1,157)	(2,422)
- Finished goods	(20,120)	(21,933)
	98,085	57,557

8 Financial assets measured at amortised cost

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

	Thousand Baht
Current portion	
Opening net book amount	-
Receive transfer from current portion	19,964
Closing net book amount	19,964
Non-current portion	
Opening net book amount	79,989
Addition during the period	15
Transfer to current portion	(19,964)
Closing net book amount	60,040

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 nine-month period ended 30 September 2021 are as follows:

	Thousand Baht
Opening net book amount	266,307
Additions	90,613
Disposals	
- Cost	(6,743)
- Accumulated depreciation	6,707
Write-off	
- Cost	(125)
- Accumulated depreciation	125
Depreciation charged during the period	(34,825)
Closing net book amount	322,059

10 Trade and other payables

	30 September 2021 Thousand Baht	31 December 2020 Thousand Baht
Trade payables - third parties	34,069	12,025
Trade payables - related parties	83	45
Other payables - third parties	7,648	20,353
Accrued expense - third parties	3,182	2,841
	44,982	35,264

11 Income tax

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

For the three-month period ended 30 September

	2021 Thousand Baht	2020 Thousand Baht
Current tax	-	-
Deferred tax	-	(1,737)
	-	(1,737)

For the nine-month period ended 30 September

	2021 Thousand Baht	2020 Thousand Baht
Current tax	-	-
Deferred tax	(1,802)	(921)
	(1,802)	(921)

The interim income tax (expense) 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 September	2021 Thousand Baht	2020 Thousand Baht	Pricing policy
Rental and service expenses			
Parent	5,490	4,517	Contractually agreed prices
Interest expenses			
Parent	740	517	Contractually agreed prices
Utilities expenses			
Parent	253	101	Cost plus margin
Revenue from sales			
Related parties	322	403	Market prices
For the nine-month period ended 30 September	2021 Thousand Baht	2020 Thousand Baht	Pricing policy
Rental and service expenses			
Parent	16,470	12,731	Contractually agreed prices
Interest expenses			
Parent	2,390	1,588	Contractually agreed prices
Utilities expenses			
Parent	769	664	Cost plus margin
Revenue from sales			
Related parties	1,048	1,180	Market prices

c) Outstanding balances arising from sales and purchases of goods and services

	30 September 2021 Thousand Baht	31 December 2020 Thousand Baht
Trade receivables		
Related parties	275	203
Other payables		
Related parties	83	45
Right-of-use assets, net		
Parent	51,497	67,662
Lease liabilities		
Parent		
Not later than 1 year	21,214	20,563
Later than 1 year	41,869	57,892
	63,083	78,455

d) Director and management compensation

For the three-month period ended 30 September

	2021 Thousand Baht	2020 Thousand Baht
Short-term employee benefits	4,204	3,883
Retirement benefits	133	117
	4,337	4,000

For the nine-month period ended 30 September

	2021 Thousand Baht	2020 Thousand Baht
Short-term employee benefits	12,660	11,547
Retirement benefits	400	350
	13,060	11,897

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 September 2021 Thousand Baht	31 December 2020 Thousand Baht
Purchase contract for machinery, equipment and computer software	22,133	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 September 2021 Thousand Baht	31 December 2020 Thousand Baht
Not over 1 year	26	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 September 2021 Thousand Baht	31 December 2020 Thousand Baht
Not over 1 year	275	145

d) Letter of guarantees

As at 30 September 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.