

SALEE PRINTING PUBLIC COMPANY LIMITED

**INTERIM FINANCIAL INFORMATION
(UNAUDITED)**

31 MARCH 2023



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 31 March 2023, the related statements of comprehensive income, changes in equity, and cash flows for the three-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 No.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 No.34, "Interim Financial Reporting".

PricewaterhouseCoopers ABAS Ltd.

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

Sa-nga Chokenitisawat

Certified Public Accountant (Thailand) No. 11251

Bangkok

12 May 2023

Salee Printing Public Company Limited
Statement of Financial Position
As at 31 March 2023

		Unaudited	Audited
		31 March	31 December
		2023	2022
	Notes	Thousand Baht	Thousand Baht
Assets			
Current assets			
Cash and cash equivalents		25,054	17,976
Short-term investments - Fixed deposit at a bank		190,000	190,000
Trade and other receivables, net	6	161,355	145,407
Inventories, net	7	81,852	96,734
Current portion of financial assets measured at amortised cost	8	-	10,000
Other current assets		6,386	6,403
Total current assets		464,647	466,520
Non-current assets			
Restricted deposits at a bank		939	939
Financial assets measured at amortised cost	8	70,015	70,019
Building and equipment, net	9	305,379	318,066
Intangible assets, net		7,864	8,393
Right-of-use assets, net	14 c)	19,659	25,145
Deferred tax assets, net		7,816	7,396
Other non-current assets	10	40,240	36,690
Total non-current assets		451,912	466,648
Total assets		916,559	933,168

Director _____ Director _____

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 31 March 2023

		Unaudited 31 March 2023	Audited 31 December 2022
	Notes	Thousand Baht	Thousand Baht
Liabilities and equity			
Current liabilities			
Trade and other payables	11	65,231	78,104
Short-term loan from a financial institution	12	10,000	-
Current portion of lease liabilities	14 c)	24,871	24,018
Other current liabilities		2,005	1,560
Total current liabilities		102,107	103,682
Non-current liabilities			
Lease liabilities, net	14 c)	6,528	12,994
Employee benefit obligations		9,950	9,588
Total non-current liabilities		16,478	22,582
Total liabilities		118,585	126,264
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		(151,188)	(142,258)
Total equity		797,974	806,904
Total liabilities and equity		916,559	933,168

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 31 March 2023

		Unaudited 31 March 2023	Unaudited 31 March 2022
	Note	Thousand Baht	Thousand Baht
Revenues from sales		135,632	157,881
Costs of sales		(122,254)	(128,216)
Gross profit		13,378	29,665
Other income		992	911
Selling expenses		(3,269)	(6,166)
Administrative expenses		(20,051)	(18,816)
Profit (Loss) before finance costs and income tax expense		(8,950)	5,594
Finance costs		(400)	(628)
Profit (Loss) before income tax expense		(9,350)	4,966
Income tax benefit (expense)	13	420	(905)
Net profit (loss) for the period		(8,930)	4,061
Total comprehensive income (expense) for the period		(8,930)	4,061
Net profit (loss) per share (Baht)			
Basic earnings (loss) per share		(0.0074)	0.0034

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 three-month period ended 31 March 2023

	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 2022	300,000	619,162	30,000	(100,565)	848,597
Total comprehensive income for the period	-	-	-	4,061	4,061
Closing balance at 31 March 2022	300,000	619,162	30,000	(96,504)	852,658
Opening balance at 1 January 2023	300,000	619,162	30,000	(142,258)	806,904
Total comprehensive expense for the period	-	-	-	(8,930)	(8,930)
Closing balance at 31 March 2023	300,000	619,162	30,000	(151,188)	797,974

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

Salee Printing Public Company Limited
Statement of Cash Flows
For the three-month period ended 31 March 2023

	Unaudited 31 March 2023 Thousand Baht	Unaudited 31 March 2022 Thousand Baht
Cash flows from operating activities		
Profit (loss) before income tax	(9,350)	4,966
Adjustments for:		
Depreciation and amortisation	20,123	19,674
(Reversal of) Expected credit losses	(157)	116
(Reversal of) Allowance on decrease in cost of inventories to net realisable value	3,274	(2,749)
(Gain) on disposals of machinery and equipment	(8)	-
Employee benefit obligation	362	387
Unrealised loss on exchange rate	48	55
Interest income	(919)	(883)
Finance costs	400	628
Change in operating assets and liabilities	13,773	22,194
Trade and other receivables	(15,910)	(40,706)
Inventories	11,608	(10,210)
Other current assets	17	5,680
Other non-current assets	-	(5,552)
Trade and other payables	(11,683)	48,619
Other current liabilities	445	(1,168)
Cash generated from (used in) operating activities	(1,750)	18,857
Income tax paid	(3,550)	(3,456)
Net cash generated from (used in) operating activities	(5,300)	15,401

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 three-month period ended 31 March 2023

	Unaudited 31 March 2023 Thousand Baht	Unaudited 31 March 2022 Thousand Baht
Cash flows from investing activities		
Proceeds from disposals of machinery and equipment	42	-
Payment of machinery and equipment	(2,021)	(9,540)
Payment of deposit in machinery and computer software	-	(14,506)
Payment of intangible assets	(281)	(240)
Proceeds from financial assets measured at amortised cost	10,004	-
Payment for purchase of financial assets measured at amortised cost	-	(5)
Proceeds from interest income	1,038	819
Net cash generated from (used in) investing activities	8,782	(23,472)
Cash flows from financing activities		
Proceeds from short-term loan from a financial institution	10,000	-
Interest paid	(400)	(628)
Payments of lease liabilities	(6,004)	(5,898)
Net cash generated from (used in) financing activities	3,596	(6,526)
Net increase (decrease) in cash and cash equivalents	7,078	(14,597)
Cash and cash equivalents at the beginning of the period	17,976	37,725
Cash and cash equivalents at end of the period	25,054	23,128
Supplement cash flows information :		
Non-cash transactions		
Payables from purchase of machinery and equipment	5,412	1,931
Transfer of deposits for machinery to machinery and equipment	(160)	(9,111)

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 12 May 2023.

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 2022.

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 2022 except for the new and amended Thai Financial Reporting Standards effective for the accounting periods beginning on or after 1 January 2023 which do not have material impact on the Company.

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 2022.

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 at point in time.

6 Trade and other receivables, net

	31 March 2023 Thousand Baht	31 December 2022 Thousand Baht
Trade receivables - third parties	156,984	142,291
<u>Less</u> Expected credit losses	(288)	(445)
Trade receivables - third parties, net	156,696	141,846
Trade receivables - related parties	165	186
Other receivables - third parties	47	-
Accrued income	1,496	2,223
Prepayments	2,951	1,152
	161,355	145,407

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

	31 March 2023 Thousand Baht	31 December 2022 Thousand Baht
Not overdue (due within 1 month)	143,294	128,462
Overdue		
Up to 3 months	13,306	13,247
3 - 6 months	170	92
6 - 12 months	121	281
Over 12 months	93	209
	156,984	142,291
<u>Less</u> Expected credit losses	(228)	(445)
	156,696	141,846

7 Inventories, net

	31 March 2023 Thousand Baht	31 December 2022 Thousand Baht
Raw materials	51,544	52,933
Finished goods	58,889	69,108
	110,433	122,041
<u>Less</u> Allowance for decrease in cost of inventory to net realisable value		
- Raw materials	(5,077)	(5,105)
- Finished goods	(23,504)	(20,202)
	81,852	96,734

8 Financial assets measured at amortised cost

Movements of financial assets measured at amortised cost for the three-month period ended 31 March 2023 are as follows:

	Thousand Baht
Opening net book amount	80,019
Decrease during the period	(10,004)
Closing net book amount	70,015
	Thousand Baht
Current	
Opening net book amount	10,000
Disposal during the period	(10,000)
Closing net book amount	-
Non-current	
Opening net book amount	70,019
Decrease during the period	(4)
Closing net book amount	70,015

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 Building and equipment, net

The movements of building and equipment, net during the three-month period ended 31 March 2023 are as follows:

	Thousand Baht
Opening net book amount	318,066
Additions	1,174
Disposals	
- Cost	(311)
- Accumulated depreciation	277
Write-off	
- Cost	(10)
- Accumulated depreciation	10
Depreciation charged during the period	(13,827)
Closing net book amount	305,379

10 Other non-current assets

	31 March 2023 Thousand Baht	31 December 2022 Thousand Baht
Withholding tax receivable	40,229	36,679
Deposits	11	11
	40,240	36,690

11 Trade and other payables

	31 March 2023 Thousand Baht	31 December 2022 Thousand Baht
Trade payables - third parties	47,288	56,871
Trade payables - related parties	2,261	2,239
Other payables - third parties	10,032	11,035
Accrued expense - third parties	5,650	7,959
	65,231	78,104

12 Short-term loan from a financial institution

As at 31 March 2023, the Company has short-term loan from a financial institution amounting to Baht 10 million (2022 : Nil) represent promissory notes with the interest rate of 3.28% per annum (2022 : Nil). The loan is in Thai Baht, due on 19 May 2023 and no collateral.

13 Income tax

Income tax for the three-month period ended 31 March 2023 and 2022 comprises the following:

For the three-month period ended 31 March

	2023 Thousand Baht	2022 Thousand Baht
Current tax	-	-
Deferred tax	402	(905)
	402	(905)

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% (2022 : 20% per annum).

14 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 31 March	2023 Thousand Baht	2022 Thousand Baht	Pricing policy
Revenue from sales			
Related parties	391	624	Market prices
Utilities expenses			
Parent	197	296	Cost plus margin
Interest expenses			
Parent	429	264	Contractually agreed prices

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

	31 March 2023 Thousand Baht	31 December 2022 Thousand Baht
Trade receivables		
Related parties	165	186
Other payables		
Related parties	2,261	2,239
Right-of-use assets, net		
Parent	19,659	25,145
Lease liabilities		
Parent		
- Current	24,871	24,018
- Non-current	6,528	12,994
	31,399	37,012

d) Director and management compensation

For the three-month period ended 31 March	2023 Thousand Baht	2022 Thousand Baht
Short-term employee benefits	3,672	4,218
Retirement benefits	175	172
	3,847	4,390

15 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:

	31 March 2023 Thousand Baht	31 December 2022 Thousand Baht
Purchase contract for machinery, equipment and computer software	3,035	5,371

b) 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:

	31 March 2023 Thousand Baht	31 December 2022 Thousand Baht
Not over 1 year	572	310

c) Letter of guarantees

As at 31 March 2023 and 31 December 2022, the Company has letter of guarantee issued by bank of Baht 1.73 million in relation to guarantee of electricity usages in the normal course of business.