

Alucon Public Company Limited

Financial statements for the year ended
31 December 2021
and
Independent Auditor's Report

Independent Auditor’s Report

To the Shareholders of Alucon Public Company Limited

Opinion

I have audited the financial statements of Alucon Public Company Limited (the “Company”), which comprise the statement of financial position as at 31 December 2021, the statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2021 and its financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards (“TFRSs”).

Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing (“TSAs”). My responsibilities under those standards are further described in the *Auditor’s Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Company in accordance with the Code of Ethics for Professional Accountants issued by the Federation of Accounting Professions that is relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the financial statements of the current period. These matters were addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

Valuation of defined employee benefit plan	
Refer to Note 3(i) and 12 to the financial statements.	
The key audit matter	How the matter was addressed in the audit
The valuation of the defined employee benefit plan requires significant judgment of the Company because the Company has a significant number of employees who are potentially able to meet the conditions of the defined employee benefit plan and there is a low employee turnover rate. The assumptions used for estimation requires judgment of the Company and has uncertainty of estimates made in respect of long-term trends and market conditions to determine the value of employee benefit obligations, this is focus area in my audit.	My audit procedures included testing underlying data provided to the actuary on a sample basis for calculation of the employee benefit obligation. I evaluated the competence and independence of the Company's actuary and assessed the key assumptions with the actual result incurred in previous years. Moreover, I involved KPMG actuarial specialist to assist me in assessing the appropriateness of the assumptions and methodologies applied for the valuation of the defined benefit obligation by considering the actuarial report and by comparison of key assumptions against externally derived data and performed the sensitivity analysis, which included assessing if the effect of the change of key assumptions were reasonably possible. In addition, I also assessed the adequacy of the Company's disclosure in accordance with Thai Financial Reporting Standard.

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and my auditor's report thereon. The annual report is expected to be made available to me after the date of this auditor's report.

My opinion on the financial statements does not cover the other information and I will not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

When I read the annual report, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the correction be made.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with TFRSs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with TSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with TSAs, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

(Piyatida Tangdenchai)
Certified Public Accountant
Registration No. 11766

KPMG Phoomchai Audit Ltd.
Bangkok
25 February 2022

Alucon Public Company Limited
Statement of financial position

Assets	<i>Note</i>	31 December	
		2021	2020
		<i>(in Baht)</i>	
<i>Current assets</i>			
Cash and cash equivalents	5	1,185,272,145	1,125,835,834
Trade accounts receivable	4, 6	1,133,391,353	759,703,104
Inventories	7	1,860,600,715	1,014,868,820
Refundable value added tax		49,972,824	10,598,143
Other current assets		26,212,678	19,898,483
Total current assets		<u>4,255,449,715</u>	<u>2,930,904,384</u>
<i>Non-current assets</i>			
Other non-current financial assets	23	51,175,974	701,075,766
Property, plant and equipment	8	2,799,730,460	3,130,819,175
Intangible assets	9	6,163,546	7,474,498
Deferred tax assets	20	30,190,841	28,482,450
Other non-current assets		293,716	302,716
Total non-current assets		<u>2,887,554,537</u>	<u>3,868,154,605</u>
Total assets		<u>7,143,004,252</u>	<u>6,799,058,989</u>

The accompanying notes are an integral part of these financial statements.

Alucon Public Company Limited

Statement of financial position

Liabilities and equity	Note	31 December	
		2021	2020
		<i>(in Baht)</i>	
<i>Current liabilities</i>			
Bank overdrafts	23	-	598
Trade accounts payable	4, 10, 23	158,467,337	107,814,719
Contract liabilities	14	26,643,581	15,012,718
Other payables to related parties	4, 23	9,279,454	10,432,609
Other payables to other parties	11, 23	104,849,583	116,363,085
Current income tax payable		73,520,382	66,228,442
Current provisions for employee benefits	12	45,984,082	23,313,389
Other current liabilities		13,652,373	14,709,043
Total current liabilities		432,396,792	353,874,603
<i>Non-current liabilities</i>			
Non-current provisions for employee benefits	12	453,090,529	482,951,553
Total non-current liabilities		453,090,529	482,951,553
Total liabilities		885,487,321	836,826,156
<i>Equity</i>			
Share capital			
Authorised share capital (43,200,000 ordinary shares, par value at Baht 10 per share)		432,000,000	432,000,000
Issued and paid-up share capital (43,199,986 ordinary shares, par value at Baht 10 per share)		431,999,860	431,999,860
Share premium			
Share premium on ordinary shares	13	254,000,000	254,000,000
Retained earnings			
Appropriated			
Legal reserve	13	43,200,000	43,200,000
Unappropriated		5,528,317,071	5,233,032,973
Total equity		6,257,516,931	5,962,232,833
Total liabilities and equity		7,143,004,252	6,799,058,989

The accompanying notes are an integral part of these financial statements.

Alucon Public Company Limited

Statement of comprehensive income

		Year ended 31 December	
	Note	2021	2020
		<i>(in Baht)</i>	
Revenue			
Revenue from sale of goods	4, 14	5,712,602,804	4,928,044,962
Net foreign exchange gain		92,649,877	30,497,866
Other income	15	167,241,259	113,835,126
Total revenue		5,972,493,940	5,072,377,954
Expenses			
Cost of sale of goods	4, 7	4,738,615,194	3,959,603,634
Distribution costs	4, 16	214,080,641	141,724,672
Administrative expenses	4, 17	139,036,030	142,641,000
Finance costs		-	9
Total expenses		5,091,731,865	4,243,969,315
Profit before income tax expense		880,762,075	828,408,639
Tax expense	20	176,543,857	159,405,388
Profit for the year		704,218,218	669,003,251
Other comprehensive income			
<i>Items that will not be reclassified to profit or loss</i>			
Gain on remeasurements of defined benefit plans	12	28,832,175	15,214,047
Income tax relating to items that will not be reclassified	20	(5,766,435)	(3,042,810)
Other comprehensive income for the year, net of tax		23,065,740	12,171,237
Total comprehensive income for the year		727,283,958	681,174,488
Basic earnings per share (in Baht)	21	16.30	15.49

The accompanying notes are an integral part of these financial statements.

Alucon Public Company Limited

Statement of changes in equity

	Note	Issued and paid-up share capital	Share premium	Retained earnings		Total equity
				Legal reserve <i>(in Baht)</i>	Unappropriated	
Year ended 31 December 2020						
Balance at 1 January 2020		431,999,860	254,000,000	43,200,000	4,875,858,380	5,605,058,240
Transactions with owners, recorded directly in equity						
<i>Distribution to owners</i>						
Dividends	22	-	-	-	(323,999,895)	(323,999,895)
<i>Total distribution to owners</i>		-	-	-	(323,999,895)	(323,999,895)
Total transactions with owners, recorded directly in equity		-	-	-	(323,999,895)	(323,999,895)
Comprehensive income for the year						
Profit for the year		-	-	-	669,003,251	669,003,251
Other comprehensive income		-	-	-	12,171,237	12,171,237
Total comprehensive income for the year		-	-	-	681,174,488	681,174,488
Balance at 31 December 2020		431,999,860	254,000,000	43,200,000	5,233,032,973	5,962,232,833

The accompanying notes are an integral part of these financial statements.

Alucon Public Company Limited

Statement of changes in equity

	Note	Issued and paid-up share capital	Share premium	Retained earnings		Total equity
				Legal reserve <i>(in Baht)</i>	Unappropriated	
Year ended 31 December 2021						
Balance at 1 January 2021		431,999,860	254,000,000	43,200,000	5,233,032,973	5,962,232,833
Transactions with owners, recorded directly in equity						
<i>Distribution to owners</i>						
Dividends	22	-	-	-	(431,999,860)	(431,999,860)
Total distribution to owners		-	-	-	(431,999,860)	(431,999,860)
Total transactions with owners, recorded directly in equity		-	-	-	(431,999,860)	(431,999,860)
Comprehensive income for the year						
Profit for the year		-	-	-	704,218,218	704,218,218
Other comprehensive income		-	-	-	23,065,740	23,065,740
Total comprehensive income for the year		-	-	-	727,283,958	727,283,958
Balance at 31 December 2021		431,999,860	254,000,000	43,200,000	5,528,317,071	6,257,516,931

The accompanying notes are an integral part of these financial statements.

Alucon Public Company Limited

Statement of cash flows

		Year ended 31 December	
	Note	2021	2020
		<i>(in Baht)</i>	
<i>Cash flows from operating activities</i>			
Profit for the year		704,218,218	669,003,251
<i>Adjustments to reconcile profit to cash receipts (payments)</i>			
Tax expense	20	176,543,857	159,405,388
Finance costs		-	9
Depreciation	8	415,001,802	436,986,014
Amortisation	9	1,434,152	1,579,961
Provisions for employee benefits	12	57,137,995	70,089,499
Recognised deferred income		-	(459,694)
Gain on fair value adjustment on unit trust - debt instruments		(465,628)	(1,075,766)
Unrealised (gain) loss on exchange		(699,948)	6,808,853
(Reversal of) losses on inventories devaluation	7	7,095,041	(627,943)
Gain on disposal of plant and equipment		(812,981)	(97,220)
Interest income		(6,964,817)	(3,187,468)
		<u>1,352,487,691</u>	<u>1,338,424,884</u>
<i>Changes in operating assets and liabilities</i>			
Trade accounts receivable		(372,862,941)	125,431,795
Inventories		(852,826,936)	337,864,439
Refundable value added tax		(39,374,681)	19,316,248
Other current assets		(6,381,937)	(774,006)
Other non-current assets		9,000	8,960
Trade accounts payable		50,527,258	(120,158,074)
Contract liabilities		11,630,863	7,888,758
Other payable to related parties		(1,153,155)	1,501,197
Other payable to other parties		10,376,915	(3,786,924)
Other current liabilities		(1,056,670)	1,584,120
Repayment of employee benefits		(35,496,151)	(122,782,704)
Net cash generated from operating		<u>115,879,256</u>	<u>1,584,518,693</u>
Taxes paid		(176,726,744)	(138,375,094)
Net cash from (used in) operating activities		<u>(60,847,488)</u>	<u>1,446,143,599</u>

The accompanying notes are an integral part of these financial statements.

Alucon Public Company Limited

Statement of cash flows

	Note	Year ended 31 December	
		2021	2020
		<i>(in Baht)</i>	
<i>Cash flows from investing activities</i>			
Proceeds from sale of unit trust - debt instruments		650,365,420	-
Payment for acquisition of unit trust - debt instruments		-	(700,000,000)
Proceeds from sale of plant and equipment		1,118,224	196,556
Payment for acquisition of property, plant and equipment		(106,136,746)	(182,472,978)
Payment for acquisition of intangible assets		(95,200)	(282,198)
Interest received		7,032,559	2,490,263
Net cash from (used in) investing activities		552,284,257	(880,068,357)
<i>Cash flows from financing activities</i>			
Decrease in bank overdrafts		(598)	(112,147)
Dividends paid to owners of the Company	22	(431,999,860)	(323,999,895)
Interest paid		-	(9)
Net cash used in financing activities		(432,000,458)	(324,112,051)
Net increase in cash and cash equivalents		59,436,311	241,963,191
Cash and cash equivalents at 1 January		1,125,835,834	883,872,643
Cash and cash equivalents at 31 December	5	1,185,272,145	1,125,835,834
<i>Supplemental disclosures of cash flows information:</i>			
1. Cash paid for purchase of property, plant and equipment during the year are detailed as follows:			
Total addition of property, plant and equipment during the year	8	84,218,330	185,504,808
<i>Add:</i> settlement of payables for property, plant and equipment previously purchased		27,368,806	24,336,976
<i>Less:</i> payables on purchase of property, plant and equipment	11	(5,450,390)	(27,368,806)
Net purchases of property, plant and equipment paid by cash		106,136,746	182,472,978
2. Cash paid for purchase of intangible assets during the year are detailed as follows:			
Total addition of intangible assets during the year	9	123,200	-
<i>Less:</i> payables on purchase of intangible assets		(28,000)	-
Net purchases of intangible assets paid by cash		95,200	-

The accompanying notes are an integral part of these financial statements.

Alucon Public Company Limited
Notes to the financial statements
For the year ended 31 December 2021

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Alucon Public Company Limited

Notes to the financial statements

For the year ended 31 December 2021

These notes form an integral part of the financial statements.

The financial statements issued for Thai statutory and regulatory reporting purposes are prepared in the Thai language. These English language financial statements have been prepared from the Thai language statutory financial statements, and were approved and authorised for issue by the Board of Directors on 25 February 2022.

1 General information

Alucon Public Company Limited, the “Company”, is incorporated in Thailand and was listed on the Stock Exchange of Thailand in November 1989 and converted to a public company in May 1994. The Company’s registered office at 500 Moo 1, Soi Sirikam, Sukhumvit 72 Road, North Samrong, Muang, Samut Prakarn. Another plant at Chonburi is located at 272/5, Moo 3, Bor Win, Sriracha, Chonburi.

The parent company during the financial year was Takeuchi Press Industries Company Limited, incorporated in Japan, which held 71.65% of the paid up share capital.

The principal businesses of the Company are producing and distributing aluminium containers such as Aluminium Collapsible Tubes, Aluminium Monobloc Aerosol Cans, Aluminium Rigid Wall Containers, Aluminium Bottles, Technical Impact Extrusions, Aluminium Slugs (Blanks), Aluminium Coils, Aluminium Pellets, strips, plates, etc.

2 Basis of preparation of the financial statements

The financial statements are prepared in accordance with Thai Financial Reporting Standards (“TFRS”), guidelines promulgated by the Federation of Accounting Professions; and applicable rules and regulations of the Thai Securities and Exchange Commission. The financial statements are presented in Thai Baht, which is the Company’s functional currency. All financial information presented in Thai Baht has been rounded in the notes to the financial statements to the nearest thousand unless otherwise stated.

The preparation of financial statements in conformity with TFRS requires management to make judgments, estimates and assumptions that affect the application of the Company’s accounting policies. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

3 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

(a) Foreign currencies

Transactions in foreign currencies including non-monetary assets and liabilities denominated in foreign currencies are translated to the functional currency at exchange rate at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate at reporting date.

Foreign currency differences are generally recognised in profit or loss.

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(b) Financial instruments

(b.1) Classification and measurement

Financial assets and financial liabilities (except it is a trade account receivable (see note 4(d)) are initially recognised when the Company becomes a party to the contractual provisions of the instrument, and measured at fair value, taking into account for transaction costs that are directly attributable to its acquisition, except for financial assets measured at FVTPL, which are initially and subsequent measurement at fair value, and any transaction costs that are directly attributable to its acquisition are recognised in profit or loss.

On initial recognition, a financial asset is classified as measured at: amortised cost; fair value through other comprehensive income (FVOCI); or fair value through profit or loss (FVTPL). Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified prospectively from the reclassification date.

On initial recognition, financial liabilities are classified as measured at amortised cost using the effective interest method. Interest expense, foreign exchange gains and losses and any gain or loss on derecognition are recognised in profit or loss.

Financial assets measured at amortised costs are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by expected credit losses. Interest income, foreign exchange gains and losses, expected credit loss and any gain or loss on derecognition are recognised in profit or loss.

(b.2) Derecognition and offset

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expire. The Company also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

The difference between the carrying amount extinguished and the consideration paid or paid is recognised in profit or loss.

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company currently has a legally enforceable right to set off the amounts and the Company intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

Alucon Public Company Limited
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(b.3) Impairment of financial assets other than trade accounts receivables

The Company recognises allowances for expected credit losses (ECLs) on financial assets measured at amortised cost.

The Company recognises ECLs equal to 12-month ECLs unless there has been a significant increase in credit risk of the financial instrument since initial recognition or credit-impaired financial assets, in which case the loss allowance is measured at an amount equal to lifetime ECLs.

ECLs are a probability-weighted estimate of credit losses based on forward-looking and historical experience. Credit losses are measured as the present value of all cash shortfalls discounted at the effective interest rate of the financial asset.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 90 days past due, significant deterioration in financial instruments' credit rating, significant deterioration in the operating results of the debtor and existing or forecast changes in the technological, market, economic or legal environment that have a significant adverse effect on the debtor's ability to meet its obligation to the Company.

The Company considers a financial asset to be in default when:

- the debtor is unlikely to pay its credit obligations to the Company in full without recourse by the Company to actions such as realising security (if any is held); or
- the financial asset is more than 90 days past due.

(b.4) Write-off

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering. Subsequent recoveries of an asset that was previously written off, are recognised as a reversal of impairment in profit or loss in the period in which the recovery occurs.

(b.5) Interest

Interest income and expense is recognised in profit or loss using the effective interest method. In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

(c) Cash and cash equivalents

Cash and cash equivalents comprise cash balances, call deposits and highly liquid short-term investments which has a maturity of three months or less from the date of acquisition. Bank overdrafts that are repayable on demand are a component of financing activities for the purpose of the statement of cash flows.

(d) Trade and other accounts receivables

Trade and other accounts receivables are recognised when the Company has an unconditional right to receive consideration. Trade and other accounts receivables are measured at transaction price less allowance for expected credit loss. Bad debts are written off when incurred.

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The Company estimates lifetime expected credit losses (ECLs), using a provision matrix to find ECLs rate. This method groups the debtors based on shared credit risk characteristics and past due status, taking into account historical credit loss data, adjusted for factors that are specific to the debtors and an assessment of both current economic conditions and forward-looking general economic conditions at the reporting date.

(e) Inventories

Inventories are measured at the lower of cost and net realisable value. Cost is calculated using the first in first out principle. Cost includes direct cost incurred in acquiring the inventories. In the case of manufactured inventories and work-in-progress, cost includes an appropriate share of production overheads based on normal operating capacity and is calculated using standard cost adjusted to approximate average cost. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs to complete and to make the sale.

(f) Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses (if any).

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the costs of dismantling and removing the items and restoring the site on which they are located. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

Difference between the proceeds from disposal and the carrying amount of property, plant and equipment are recognised in profit or loss.

Subsequent costs

The cost of replacing a part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company, and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

Depreciation

Depreciation is calculated on a straight-line basis over the estimated useful lives of each component of an asset and recognised in profit or loss. No depreciation is provided on freehold land or assets under construction and installation. The estimated useful lives are as follows:

Land improvement	5 - 30 years
Buildings and building improvement	5 - 40 years
Machinery and equipment	2 - 20 years
Office equipment	3 - 8 years
Vehicles	5 and 10 years
Spare parts	2 - 10 years

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(g) Intangible assets

Intangible assets are measured at cost less accumulated amortisation and impairment losses (if any). Subsequent expenditure is capitalised only when it will generate the future economic benefits. Amortisation is calculated on a straight-line basis over the estimated useful lives of intangible assets and recognised in profit or loss. The estimated useful lives are as follows:

Software license	10 years
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(h) Impairment of non-financial assets

The carrying amounts of the Company's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated.

An impairment loss is recognised in profit or loss if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount.

The recoverable amount is the greater of the assets' value in use and fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Impairment losses of assets recognised in prior periods is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(i) Employee benefits

Defined contribution plans

Obligations for contributions to the Company's provident funds are expensed in profit or loss as the related service is provided.

Defined benefit plans

The Company's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods. The defined benefit obligations is discounted to present value, which performed annually by a qualified actuary using the projected unit credit method.

Remeasurements of the net defined benefit liability, actuarial gain or loss are recognised immediately in other comprehensive income ("OCI"). The Company determines the interest expense on the net defined benefit liability for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period, taking into account any changes in the net defined benefit liability during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

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When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Other long-term employee benefits

The Company's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value. Remeasurements are recognised in profit or loss in the period in which they arise.

Termination benefits

Termination benefits are expensed at the earlier of when:

- (1) the Company can no longer withdraw the offer of those benefits or
- (2) when the Company recognises costs for a restructuring.

If benefits are not expected to be settled wholly within 12 months of the end of the reporting period, then they are discounted.

Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(j) Provisions

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as a finance cost.

(k) Fair values measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Company has access at that date. The fair value of a liability reflects its non-performance risk.

When measuring the fair values of an asset or a liability, the Company uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: inputs for the asset or liability that are based on unobservable input.

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The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

If an asset or a liability measured at fair value has a bid price and an ask price, then the Company measures assets and asset positions at a bid price and liabilities and short positions at an ask price.

The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price - i.e. the fair value of the consideration given or received. If the Company determines that the fair value on initial recognition differs from the transaction price, the financial instrument is initially measured at fair value adjusted for the difference between the fair value on initial recognition and the transaction price and the difference is recognised in profit or loss immediately. However, for the fair value categorised as level 3, such difference is deferred and will be recognised in profit or loss on an appropriate basis over the life of the instrument or until the fair value level is transferred or the transaction is closed out.

(l) Revenue from contracts with customers

Revenue recognition

Revenue is recognised when a customer obtains control of the goods in an amount that reflects the consideration to which the Company expects to be entitled, excluding those amounts collected on behalf of third parties, value added tax and is after deduction of any trade discounts.

Revenue from sales of goods is recognised when on the date on which the goods are delivered to the customers. For the sale that permit the customers to return the goods, the Company estimates the returns based on the historical return data, does not recognise revenue for this transaction and remains recognition of inventory for the estimated products to be returned.

Contract balances

Contract liabilities are the obligation to transfer goods or services to the customer. The contract liabilities are recognised when the Company receives or has an unconditional right to receive non-refundable consideration from the customer before the Company recognises the related revenue.

(m) Income tax

Income tax expense for the year comprises current and deferred tax, which is recognised in profit or loss except to the extent that they relate to items recognised directly in equity or in other comprehensive income.

Current tax is recognised in respect of the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Company's expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities, using tax rates enacted or substantively enacted by the reporting date. Current deferred tax assets and liabilities are offset in the financial statements.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised.

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(n) *Earnings per share*

Basic earnings per share (EPS) is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period.

4 Related parties

A related party is a person or entity that has direct or indirect control or joint control, or has significant influence over the financial and managerial decision-making of the Company; a person or entity that are under common control or under the same significant influence as the Company; or the Company has direct or indirect control or joint control or has significant influence over the financial and managerial decision-making of a person or entity.

Relationships with related parties that the Company had significant transactions with during the year were as follows:

Name of entities	Country of incorporation	Nature of relationships
Takeuchi Press Industries Company Limited	Japan	Parent Company, 71.65% shareholding
Key management personnel		Persons having authority and responsibility for planning directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of the Company.

The pricing policies for transactions with related parties are explained further below:

Transactions	Pricing policies
Revenue from sale of goods	The market price or the price based on the memorandum of understanding. The selling price structure with the parent company is based on the actual cost incurred plus gross margin rate including the consideration of size, sale volume, country and transportation
Purchase of raw materials and spare parts	The market price
Purchase of machinery and equipment	The market price
License fee	Percentage of sales amount as determined in an agreement
Commission expenses	Percentage of sales amount as determined in an agreement
Key management personnel compensation	Amount approved by the directors and / or the shareholders

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Significant transactions for the years ended 31 December with related parties were as follows:

<i>Year ended 31 December</i>	2021	2020
	<i>(in thousand Baht)</i>	
Parent		
Revenue from sale of goods	1,196,095	1,067,374
Purchase of raw materials and spare parts	16,342	9,486
Purchase of machinery and equipment	-	254
License fee	18,222	16,806
Commission expenses	2,410	2,090
Other expenses	45	18
Key management personnel		
Key management personnel compensation		
Short-term employee benefit	42,061	45,766
Post-employment benefits	1,213	1,313
Total key management personnel compensation	43,274	47,079

Balances as at 31 December with related parties were as follows:

	2021	2020
	<i>(in thousand Baht)</i>	
Trade account receivable		
Parent - Takeuchi Press Industries Company Limited	98,425	60,503
Trade account payable		
Parent - Takeuchi Press Industries Company Limited	-	1,675
Other account payable		
Accrued license fee		
Parent - Takeuchi Press Industries Company Limited	3,787	5,052
Accrued commission payable		
Parent - Takeuchi Press Industries Company Limited	538	707
Accrued management's remuneration and other benefits		
Key management personnel	4,954	4,674
Total other payables to related party	9,279	10,433

Significant agreement with related party

Technical license agreement

The Company entered into a technical license agreement with Takeuchi Press Industries Company Limited, the parent company. Under the term of the agreement, the parent company agrees to provide technical assistance inclusive technical information and know-how, equipment for manufacturing and rights to sell the products. The Company is committed to pay a license and commission fee as indicated in the agreement. This agreement is valid for 10 years and shall be renewed automatically from year to year unless either party notifies the other party by a written notice at least 6 months prior to the expiration of the agreement.

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Commitments for purchase of raw materials and spare parts

	2021	2020
	<i>(in thousand Baht)</i>	
Parent - Takeuchi Press Industries Company Limited	<u>3,644</u>	<u>522</u>

Significant memorandum of understanding

On 1 February 2021, the Company entered into a memorandum of understanding with Takeuchi Press Industries Company Limited to supply aluminium slugs in quantity of about 6,500 MT for the production of aluminium monobloc aerosol cans and collapsible tubes for a period from April 2021 to March 2022.

5 Cash and cash equivalents

	2021	2020
	<i>(in thousand Baht)</i>	
Cash on hand	69	47
Cash at banks - current accounts	38,743	22,494
Cash at banks - saving accounts	596,460	603,295
Cash at banks - fixed accounts	550,000	500,000
Total	<u>1,185,272</u>	<u>1,125,836</u>

6 Trade accounts receivables

<i>At 31 December 2021</i>	<i>Note</i>	2021	2020
		<i>(in thousand Baht)</i>	
Related party			
Within credit terms	4	<u>98,425</u>	<u>60,503</u>
		<u>98,425</u>	<u>60,503</u>
Other parties			
Within credit terms		898,216	571,210
Overdue:			
Less than 3 months		136,729	127,990
6 - 12 months		21	-
		<u>1,034,966</u>	<u>699,200</u>
Total		<u>1,133,391</u>	<u>759,703</u>

Information of credit risk is disclosed in note 23 (b.1).

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7 Inventories

	2021	2020
	<i>(in thousand Baht)</i>	
Finished goods	324,805	230,851
Work in progress	189,229	147,148
Raw materials	831,516	341,130
Spare parts	180,324	192,091
Goods in transit	343,524	105,351
Total	<u>1,869,398</u>	<u>1,016,571</u>
<i>Less</i> allowance for decline in value	<u>(8,797)</u>	<u>(1,702)</u>
Net	<u><u>1,860,601</u></u>	<u><u>1,014,869</u></u>
 Inventories recognised in “cost of sales of goods”:		
- Cost	4,731,520	3,960,232
- (Reversal of) write-down to net realisable value	7,095	(628)
Total	<u><u>4,738,615</u></u>	<u><u>3,959,604</u></u>

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8 Property, plant and equipment

	Land and land improvement	Buildings and building improvement	Machinery and equipment	Office equipment <i>(in thousand Baht)</i>	Vehicles	Spare parts	Asstes under construction and installation	Total
<i>Cost</i>								
At 1 January 2020	292,550	1,757,090	7,353,562	19,501	31,677	98,623	62,472	9,615,475
Additions	1,210	2,285	20,988	1,208	1,916	23,119	134,779	185,505
Transfers	-	22,765	134,512	-	-	(25,631)	(131,646)	-
Disposals	-	-	(62,093)	(1,083)	-	-	-	(63,176)
At 31 December 2020 and 1 January 2021	293,760	1,782,140	7,446,969	19,626	33,593	96,111	65,605	9,737,804
Additions	-	-	7,587	92	-	18,802	57,737	84,218
Transfers	-	13,678	110,437	-	-	(27,523)	(96,592)	-
Disposals	-	(677)	(46,354)	-	(3,807)	-	-	(50,838)
At 31 December 2021	293,760	1,795,141	7,518,639	19,718	29,786	87,390	26,750	9,771,184
<i>Depreciation</i>								
At 1 January 2020	37,064	897,362	5,259,018	16,526	23,105	-	-	6,233,075
Depreciation charge for the year	7,430	60,133	364,117	1,476	3,830	-	-	436,986
Disposals	-	-	(61,993)	(1,083)	-	-	-	(63,076)
At 31 December 2020 and 1 January 2021	44,494	957,495	5,561,142	16,919	26,935	-	-	6,606,985
Depreciation charge for the year	6,471	60,108	344,298	1,225	2,900	-	-	415,002
Disposals	-	(634)	(46,093)	-	(3,806)	-	-	(50,533)
At 31 December 2021	50,965	1,016,969	5,859,347	18,144	26,029	-	-	6,971,454
<i>Net book value</i>								
At 1 January 2020	255,486	859,728	2,094,544	2,975	8,572	98,623	62,472	3,382,400
At 31 December 2020 and 1 January 2021	249,266	824,645	1,885,827	2,707	6,658	96,111	65,605	3,130,819
At 31 December 2021	242,795	778,172	1,659,292	1,574	3,757	87,390	26,750	2,799,730

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The gross amount of the Company's fully depreciated plant and equipment that was still in use as at 31 December 2021 amounted to Baht 2,652 million (2020: Baht 2,548 million).

9 Intangible assets

	Software licence (in thousand Baht)
<i>Cost</i>	
At 1 January 2020	30,547
Additions	286
Disposals	(60)
At 31 December 2020 and 1 January 2021	30,773
Additions	124
At 31 December 2021	30,897
<i>Amortisation</i>	
At 1 January 2020	21,775
Amortisation charge for the year	1,580
Disposals	(56)
At 31 December 2020 and 1 January 2021	23,299
Amortisation charge for the year	1,434
At 31 December 2021	24,733
<i>Net book value</i>	
At 1 January 2020	8,772
At 31 December 2020 and 1 January 2021	7,474
At 31 December 2021	6,164

10 Trade accounts payable

	Note	2021	2020
		(in thousand Baht)	
Related party	4	-	1,675
Other parties		158,467	106,140
Total		158,467	107,815

11 Other payables to other parties

	2021	2020
	(in thousand Baht)	
Accrued operating expenses	44,291	38,248
Factory supplies and spare parts payables	14,228	9,968
Payables on purchase of property, plant and equipment	5,450	27,369
Others	40,881	40,778
Total	104,850	116,363

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12 Provisions for employee benefits

	2021	2020
	<i>(in thousand Baht)</i>	
Statement of financial position		
Provisions for :		
Post-employment benefits	374,027	393,903
Other long-term employee benefits	50,625	44,244
	<u>424,652</u>	<u>438,147</u>
Provident fund	74,423	68,118
Total	<u>499,075</u>	<u>506,265</u>
Statement of comprehensive income		
Recognised in profit or loss:		
Post-employment benefits	34,711	54,035
Other long-term employee benefits	11,175	11,115
Provident fund	11,252	4,939
	<u>57,138</u>	<u>70,089</u>
Recognised in other comprehensive income:		
Actuarial gain recognised in the year	<u>(28,832)</u>	<u>(15,214)</u>

Defined benefit plans

The Company operate a defined benefit plan based on the requirement of Thai Labour Protection Act B.E. 2541 (1998) to provide retirement benefits to employees based on pensionable remuneration and length of service. The defined benefit plans expose the Company to actuarial risks, such as longevity risk, interest rate risk and market (investment) risk.

	2021	2020
	<i>(in thousand Baht)</i>	
Present value of the defined benefit obligations		
At 1 January	438,147	492,757
Include in profit or loss:		
Current service cost	38,156	42,192
Past service cost	(1,208)	10,752
Interest on obligation	5,167	7,639
Gain on settlement	3,771	4,567
	<u>45,886</u>	<u>65,150</u>
Included in other comprehensive income		
Actuarial (gain) loss		
- Demographic assumptions	1,863	-
- Financial assumptions	(21,065)	(10,261)
- Experience adjustment	(9,630)	(4,953)
	<u>(28,832)</u>	<u>(15,214)</u>
Benefit paid	<u>(30,549)</u>	<u>(104,546)</u>
At 31 December	<u>424,652</u>	<u>438,147</u>

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<i>Principal actuarial assumptions</i>	2021	2020
		(%)
Discount rate	1.66	1.22
Future salary growth	3.50	2.10 - 4.50

Assumptions regarding future mortality have been based on published statistics and mortality tables.

At 31 December 2021, the weighted-average duration of the defined benefit obligation was 8.59 years (2020: 8.97 years).

Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

<i>Effect to the defined benefit obligation</i> <i>At 31 December</i>	1 year/1% increase in assumption		1 year/1% decrease in assumption	
	2021	2020	2021	2020
	<i>(in thousand Baht)</i>			
Discount rate	(25,566)	(28,070)	28,820	31,649
Future salary growth	25,402	28,245	(23,017)	(25,588)
Employee turnover	(11,225)	(12,775)	8,919	9,973
Life expectancy (year)	375	451	(374)	(449)

Defined contribution plans

The Company has established a contributory provident fund for its employees. Membership to the fund is on a voluntary basis. The Company contributes 50% of the amount paid in by each employee who has been a member of the provident fund scheme for five years and an additional 10% of the balance on the employee's provident fund in each subsequent year.

13 Share premium and reserves

Share premium

Section 51 of the Public Companies Act B.E. 2535 requires companies to set aside share subscription monies received in excess of the par value of the shares issued to a reserve account ("share premium"). Share premium is not available for dividend distribution.

Legal reserve

Section 116 of the Public Companies Act B.E. 2535 requires that a company shall allocate not less than 5% of its annual net profit, less any accumulated losses brought forward, to a reserve account ("legal reserve"), until this account reaches an amount not less than 10% of the registered authorised capital. The legal reserve is not available for dividend distribution.

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14 Segment information and disaggregation of revenue

Segment results that are reported to the Company's CEO (the chief operating decision maker) include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly other assets, other liabilities and employee benefit obligations.

The Company has two reportable segments, as described below, which are the Company's strategic divisions. The strategic divisions offer different products are managed separately because they require different technology and marketing strategies. For each of the strategic divisions, the chief operating decision maker (CODM) reviews internal management reports on at least a quarterly basis. The Company's main revenue is derived from contracts with customers and recognised at a point of time. The following summary describes the operations in each of the Company's reportable segments.

<i>Segment 1</i>	Can and tube
<i>Segment 2</i>	Slug

The Company did not have single external customers who contributed 10% or more than of the Company's total revenues.

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit before tax, as included in the internal management reports that are reviewed by the Company's CODM. Segment profit before tax is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

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Information about reportable segments

	Segment 1		Segment 2		Total	
	2021	2020	2021	2020	2021	2020
	<i>(in thousand Baht)</i>					
Revenue from sale of goods	<u>3,092,876</u>	<u>2,842,588</u>	<u>2,619,727</u>	<u>2,085,457</u>	<u>5,712,603</u>	<u>4,928,045</u>
Segment result	<u>674,814</u>	<u>645,293</u>	<u>299,174</u>	<u>323,148</u>	<u>973,988</u>	<u>968,441</u>
Profit before income tax	<u>669,146</u>	<u>527,986</u>	<u>211,616</u>	<u>300,423</u>	<u>880,762</u>	<u>828,409</u>
Segment assets						
Trade accounts receivable	585,180	457,813	548,211	301,890	1,133,391	759,703
Inventories	339,344	325,119	1,521,257	689,750	1,860,601	1,014,869
Property, plant and equipment	2,224,652	2,470,599	575,078	660,220	2,799,730	3,130,819
Unallocated assets					<u>1,349,282</u>	<u>1,893,668</u>
Total assets					<u>7,143,004</u>	<u>6,799,059</u>
Segment liabilities						
Trade accounts payable	93,151	89,370	65,316	18,445	158,467	107,815
Unallocated liabilities					<u>727,020</u>	<u>729,011</u>
Total liabilities					<u>885,487</u>	<u>836,826</u>
Other material items						
Depreciation and amortisation	314,005	326,565	102,431	112,001	416,436	438,566
Capital expenditure	67,092	147,143	17,250	38,648	84,342	185,791

Geographical information

In presenting geographical information, revenue is based on the geographical location of customers. Assets are based on the geographical location of the assets.

	Revenues		Non-current assets	
	2021	2020	2021	2020
	<i>(in thousand Baht)</i>			
Asia pacific	3,614,716	2,863,709	-	-
Thailand	1,439,643	1,377,227	2,887,555	3,868,155
United states of America	427,780	469,508	-	-
Others	<u>230,464</u>	<u>217,601</u>	<u>-</u>	<u>-</u>
Total	<u>5,712,603</u>	<u>4,928,045</u>	<u>2,887,555</u>	<u>3,868,155</u>

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Promotional privileges

The Company has been granted promotional certificates by the Office of the Board of Investment for aluminium containers production. The Company has been granted several privileges including exemption and/or reduction from payment of income tax on the net profit derived from promoted operations with certain terms and conditions prescribed in the promotional certificates.

<i>Year ended 31 December</i>	Promoted businesses	2021	
		Non-promoted businesses	Total
		<i>(in million Baht)</i>	
Export sales	272,477	4,112,747	4,385,224
Local sales	459,783	867,596	1,327,379
Total	732,260	4,980,343	5,712,603

Contract Balances

	31 December	
	2021	2020
	<i>(in thousand Baht)</i>	
Trade accounts receivable	1,133,391	759,703
Contract liabilities - current	26,644	15,013

The contract liabilities primarily relate to the advance consideration received from customers for sales of goods. The Company recognises such contract liabilities as revenue when transferring control of the goods to the customers.

15 Other income

	2021	2020
	<i>(in thousand Baht)</i>	
Sale of scrap	149,923	100,263
Others	17,318	13,572
Total	167,241	113,835

16 Distribution costs

	2021	2020
	<i>(in thousand Baht)</i>	
Freight expenses	147,721	77,744
Employee benefit expenses	34,790	33,590
Others	31,570	30,391
Total	214,081	141,725

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17 Administrative expenses

	2021	2020
	<i>(in thousand Baht)</i>	
Employee benefit expenses	108,576	116,950
Depreciation and amortisation	7,890	7,442
Transportation expenses	5,175	5,311
Repair and maintenance	1,656	1,953
Others	15,739	10,985
Total	<u>139,036</u>	<u>142,641</u>

18 Employee benefit expenses

	<i>Note</i>	2021	2020
		<i>(in thousand Baht)</i>	
Wages and salaries		630,917	644,684
Defined benefit plans	12	45,886	65,150
Defined contribution plans	12	11,252	4,939
Director's remuneration		5,941	5,616
Provident fund		4,568	1,555
Others		35,748	36,091
Total		<u>734,312</u>	<u>758,035</u>

19 Expenses by nature

The statements of income include an analysis of expenses by function. Expenses by nature disclosed in accordance with the requirements of various TFRS were as follows:

	2021	2020
	<i>(in thousand Baht)</i>	
<i>Included in cost of sale of goods:</i>		
Changes in inventories of finished goods and work in progress	(136,035)	(91,465)
Raw materials and consumables used	3,226,204	2,380,108
Employee benefit expenses	590,947	607,495
Depreciation and amortisation	407,753	430,053
Utilities expenses	317,235	281,551
<i>Included in distribution costs:</i>		
Freight expenses	147,721	77,744
Employee benefit expenses	34,790	33,590
Depreciation and amortisation	793	1,071
<i>Included in administrative expenses:</i>		
Employee benefit expenses	108,576	116,950
Depreciation and amortisation	7,890	7,442

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20 Income tax

Income tax recognised in profit or loss

	2021 <i>(in thousand Baht)</i>	2020
<i>Current tax expense</i>		
Current year	171,419	148,044
Adjustment for prior year	12,600	-
	<u>184,019</u>	<u>148,044</u>
<i>Deferred tax expense</i>		
Movements in temporary differences	(7,475)	11,361
Total	<u>176,544</u>	<u>159,405</u>

Income tax recognised in other comprehensive income

	Before tax	2021 Tax expense	Net of tax <i>(in thousand Baht)</i>	Before tax	2020 Tax expense	Net of tax
Defined benefit plan actuarial gain	28,832	(5,766)	23,066	15,214	(3,043)	12,171
Total	<u>28,832</u>	<u>(5,766)</u>	<u>23,066</u>	<u>15,214</u>	<u>(3,043)</u>	<u>12,171</u>

Reconciliation of effective tax rate

	Rate (%)	2021 <i>(in thousand Baht)</i>	Rate (%)	2020 <i>(in thousand Baht)</i>
Profit before income tax		<u>880,762</u>		<u>828,409</u>
Income tax using the Thai corporation tax rate	20	176,152	20	165,682
Corporate income tax exemption		(11,770)		-
Tax effect of income and expenses that are not taxable income or tax expenses, net		(438)		(6,277)
Under provided in prior year		12,600		-
Total	<u>20</u>	<u>176,544</u>	<u>19</u>	<u>159,405</u>

Deferred tax

Deferred tax assets and liability as at 31 December were as follows:

	2021 <i>(in thousand Baht)</i>	2020
Deferred tax assets	97,422	97,210
Deferred tax liability	(67,231)	(68,728)
Net	<u>30,191</u>	<u>28,482</u>

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Movements in total deferred tax assets and liability during the year were as follows:

	At 1 January 2021	(Charged) / Credited to :		At 31 December 2021
		Profit or loss (in thousand Baht)	Other comprehensive income	
Deferred tax assets				
Inventories (<i>allowance for decline in value</i>)	340	1,419	-	1,759
Employee benefit obligations	96,870	4,395	(5,766)	95,499
Financial assets measured at FVTPL	-	164	-	164
Total	97,210	5,978	(5,766)	97,422
Deferred tax liability				
Property, plant and equipment (<i>depreciation gap</i>)	(68,512)	1,281	-	(67,231)
Financial assets measured at FVTPL	(216)	216	-	-
Total	(68,728)	1,497	-	(67,231)
Net	28,482	7,475	(5,766)	30,191
	At 1 January 2020	(Charged) / Credited to :		At 31 December 2020
		Profit or loss (in thousand Baht)	Other comprehensive income	
Deferred tax assets				
Inventories (<i>allowance for decline in value</i>)	466	(126)	-	340
Employee benefit obligations	109,314	(9,401)	(3,043)	96,870
Deferred income	92	(92)	-	-
Total	109,872	(9,619)	(3,043)	97,210
Deferred tax liability				
Property, plant and equipment (<i>depreciation gap</i>)	(66,986)	(1,526)	-	(68,512)
Financial assets measured at FVTPL	-	(216)	-	(216)
Total	(66,986)	(1,742)	-	(68,728)
Net	42,886	(11,361)	(3,043)	28,482

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21 Basic earnings per share

The calculations of basic earnings per share for the years ended 31 December 2021 and 2020 were based on the profit for the years attributable to shareholders of the Company and the number of ordinary shares outstanding during the years as follows:

	2021	2020
	<i>(in thousand Baht / thousand shares)</i>	
<i>Profit attributable to ordinary shareholders for the year ended 31 December</i>		
Profit attributable to ordinary shareholders of the Company	704,218	669,003
Number of ordinary shares outstanding	43,200	43,200
Basic earnings per share (in Baht)	16.30	15.49

22 Dividends

The shareholders of the Company have approved dividends as follows:

	Approval date	Payment schedule	Dividend rate per share (Baht)	Amount (in million Baht)
<i>2021</i>				
Annual dividend	20 April 2021	May 2021	10	432
<i>2020</i>				
Interim dividend	7 April 2020	May 2020	7.50	324

23 Financial instruments

(a) Carrying amounts and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities measured at amortised cost if the carrying amount is a reasonable approximation of fair value.

	Carrying amount Financial instruments measured at FVTPL	Fair value			Total
		Level 1	Level 2	Level 3	
<i>(in thousand Baht)</i>					
At 31 December 2021					
Financial asset					
Unit trust - debt instruments	51,176	-	51,176	-	51,176
At 31 December 2020					
Financial asset					
Unit trust - debt instruments	701,076	-	701,076	-	701,076

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Financial instruments measured at fair value - level 2

Type	Valuation technique
Investments in marketable unit trusts classified as financial assets measured at FVTPL	The net asset value as of the reporting date.

(b) Financial risk management policies

Risk management framework

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors has established the risk management committee, which is responsible for developing and monitoring the Company's risk management policies. The committee reports regularly to the board of directors on its activities.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Company audit committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Company audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

(b.1) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers.

(b.1.1) Trade accounts receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which customers operate. Detail of concentration of revenue are included in note 14.

The risk management committee has established a credit policy under which each new customer is analysed individually for creditworthiness before the Company's commercial terms and conditions are offered. The Company's review includes external ratings, if they are available, financial statements, credit agency information, industry information and in some cases bank references. Sale limits are established for each customer and reviewed regularly. Any sales exceeding those limits require approval from the risk management committee.

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The Company limits its exposure to credit risk from trade accounts receivables by establishing a maximum payment period of 90 day. Outstanding trade receivables are regularly monitored by the Company. An impairment analysis is performed by the Company at each reporting date. The provision rates of expected credit loss are based on days past due for individual trade receivables to reflect differences between economic conditions in the past, current conditions and the Company's view of economic conditions over the expected lives of the receivables.

Information relevant to trade accounts receivables are disclosed in note 4 and 6, respectively.

(b.1.2) Cash and cash equivalent

The Company's exposure to credit risk arising from cash and cash equivalents is limited because the counterparties are banks and financial institutions which the Company considers to have low credit risk.

(b.2) *Liquidity risk*

The Company monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Company's operations and to mitigate the effects of fluctuations in cash flows.

The following table are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted and include contractual interest payments and exclude the impact of netting agreements.

<i>At 31 December</i>	Carrying amount	Contractual cash flows			Total
		Within 1 year or less	More than 1 year but less than 5 years	More than 5 years	
<i>(in thousand Baht)</i>					
2021					
Non-derivative financial liabilities					
Trade accounts payables	158,467	158,467	-	-	158,467
Other payables to related parties	9,279	9,279	-	-	9,279
Other payables to other parties	104,850	104,850	-	-	104,850
Total	272,596	272,596	-	-	272,596
2020					
Non-derivative financial liabilities					
Bank overdrafts	1	1	-	-	1
Trade accounts payables	107,815	107,815	-	-	107,815
Other payables to related parties	10,433	10,433	-	-	10,433
Other payables to other parties	116,363	116,363	-	-	116,363
Total	234,612	234,612	-	-	234,612

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As at 31 December 2021, the Company had unutilised credit facilities from financial institutions of approximately Baht 2,008 million (2020: Baht 2,007 million).

(b.3) Market risk

The Company is exposed to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk is as follows:

(b.3.1) Foreign currency risk

The Company is exposed to foreign currency risk relating to purchases and sales which are denominated in foreign currencies. Most receipts in foreign currencies are credited into foreign currency accounts such as US Dollar, Japanese YEN, etc. with banks in Thailand. The Company foregoes interest earnings on such foreign currency accounts. Foreign currencies obtained from exports are used for payment of raw material purchased, spare parts and machinery and equipment imported, thus the Company saves foreign currency conversion charges.

At 31 December, the Company was exposed to foreign currency risk in respect of financial assets and liabilities denominated in the following currencies:

	2021	2020
	<i>(in thousand Baht)</i>	
<i>United States Dollars (USD)</i>		
Cash and cash equivalents	2,067	408,444
Trade accounts receivable	630,008	351,918
Trade accounts payable	<u>(52,277)</u>	<u>(4,391)</u>
	<u>579,798</u>	<u>755,971</u>
<i>Japanese Yen (YEN)</i>		
Cash and cash equivalents	61,427	27,363
Trade accounts receivable	98,425	60,503
Trade accounts payable	-	<u>(4,855)</u>
	<u>159,852</u>	<u>83,011</u>
<i>Australian Dollar (AUD)</i>		
Trade accounts receivable	<u>10,525</u>	<u>8,722</u>
	10,525	8,722
<i>Others (HKD, EUR, CHF and GBP)</i>		
Trade accounts receivable	314	529
Trade accounts payable	<u>(5,554)</u>	<u>(2,810)</u>
	<u>(5,240)</u>	<u>(2,281)</u>
Gross statement of financial position exposure	<u>744,935</u>	<u>845,423</u>

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Sensitivity analysis

A reasonably possible strengthening (weakening) of Thai Baht against foreign currencies at the reporting date would have affected the measurement of financial instruments denominated in a foreign currency. This analysis assumes that all other variables, in particular interest rates, remain constant.

<i>Impact to profit or loss</i>	Movement (%)	Strengthening (in thousand Baht)	Weakening
<i>At 31 December 2021</i>			
USD	1	5,799	(5,799)
YEN	1	1,599	(1,599)
<i>At 31 December 2020</i>			
USD	1	7,474	(7,474)

(b.3.2) Interest rate risk

Interest rate risk is the risk that future movements in market interest rates will affect the results of the Company's operations and its cash flows because financial assets and financial liabilities interest rates are mainly fixed. So, the Company has low interest rate risk. The sensitivity impact to the increase or decrease in interest expenses, as a result of changes in interest rates is immaterial on financial statements of the Company.

*Exposure to interest rate risk
at 31 December*

	2021 (in thousand Baht)	2020
<i>Financial instruments with fixed interest rates</i>		
Financial assets	1,185,272	1,125,836
Financial liabilities	-	(1)
	<u>1,185,272</u>	<u>1,125,835</u>

24 Capital management

The Board of Directors' policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board regular monitors the return on capital, by evaluating result from operating activities divided by total shareholders' equity and also monitors the level of dividends to ordinary shareholders.

25 Commitments with non-related parties

	2021 (in thousand Baht)	2020
<i>Capital commitments</i>		
Contracted but not provided for:		
Factory, machinery and equipment	<u>9,432</u>	<u>41,628</u>
<i>Other commitments</i>		
Purchase orders accepted by suppliers		
- Within one year	3,779,220	1,941,844
Bank guarantees	22,500	24,082
Total	<u>3,801,720</u>	<u>1,965,926</u>

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Bank guarantee

As at 31 December 2021, the Company had commitment with a local bank for letters of guarantee issued in favour of the Company to the Metropolitan Electricity Authority and the Provincial Electricity Authority totaling Baht 23 million (2020: Baht 24 million).

Purchase orders accepted by suppliers

As at 31 December 2021, the Company had purchase orders accepted by suppliers for purchase of aluminium ingot in total quantity of 40,100 MT (2020: 32,500 MT), at the price as determined in purchase orders (2020: at the price as determined in purchase orders) that will be delivered during 2021 to 2022 (2020: during 2020 to 2021).

26 Events after the reporting period

At the Board of Directors' meeting of the Company held on 25 February 2022, the Company's Board of Directors approved to propose to the annual general meeting of shareholders of the Company for approval to appropriation of cash dividends of Baht 10 per share, amounting to Baht 432 million. The appropriation of dividend must be approved by shareholders' meeting of the Company.