

# **Alucon Public Company Limited**

Condensed interim financial statements  
for the three-month period ended  
31 March 2021  
and  
Independent Auditor's review report

## **Independent Auditor’s Report on Review of Interim Financial Information**

### **To the Board of Directors of Alucon Public Company Limited**

I have reviewed the accompanying statement of financial position of Alucon Public Company Limited as at 31 March 2021; the statements of comprehensive income, changes in equity and cash flows for the three-month period ended 31 March 2021; and condensed notes (“interim financial information”). Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standards 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”.

(Piyatida Tangdenchai)  
Certified Public Accountant  
Registration No. 11766

KPMG Phoomchai Audit Ltd.  
Bangkok  
14 May 2021

**Alucon Public Company Limited**  
**Statement of financial position**

<b>Assets</b>	<i>Note</i>	31 March 2021 (Unaudited)	31 December 2020
		<i>(in thousand Baht)</i>	
<b><i>Current assets</i></b>			
Cash and cash equivalents		1,999,216	1,125,836
Trade accounts receivable	3, 7	899,453	759,703
Inventories	4	1,054,878	1,014,869
Refundable value added tax		19,465	10,598
Other current assets		21,115	19,898
<b>Total current assets</b>		<b><u>3,994,127</u></b>	<b><u>2,930,904</u></b>
<b><i>Non-current assets</i></b>			
Other non-current financial assets	9	51,019	701,076
Property, plant and equipment	5	3,049,317	3,130,819
Intangible assets		7,132	7,475
Deferred tax assets		29,340	28,482
Other non-current assets		294	303
<b>Total non-current assets</b>		<b><u>3,137,102</u></b>	<b><u>3,868,155</u></b>
<b>Total assets</b>		<b><u><u>7,131,229</u></u></b>	<b><u><u>6,799,059</u></u></b>

The accompanying notes form an integral part of the interim financial statements.

**Alucon Public Company Limited**  
**Statement of financial position**

		31 March 2021 (Unaudited)	31 December 2020
<b>Liabilities and equity</b>	<i>Note</i>		
		<i>(in thousand Baht)</i>	
<b><i>Current liabilities</i></b>			
Bank overdrafts		-	1
Trade accounts payable	3, 6	167,387	107,815
Contract liabilities	7	21,409	15,013
Other payables to related parties	3	11,290	10,433
Other payables to other parties		146,022	116,363
Current income tax payable		115,764	66,228
Current provisions for employee benefits		29,645	23,313
Other current liabilities		5,229	14,709
<b>Total current liabilities</b>		<b>496,746</b>	<b>353,875</b>
<b><i>Non-current liability</i></b>			
Non-current provisions for employee benefits		477,054	482,951
<b>Total non-current liability</b>		<b>477,054</b>	<b>482,951</b>
<b>Total liabilities</b>		<b>973,800</b>	<b>836,826</b>
<b><i>Equity</i></b>			
Share capital			
Authorised share capital (43,200,000 ordinary shares, par value at Baht 10 per share)		432,000	432,000
Issued and paid-up share capital (43,199,986 ordinary shares, par value at Baht 10 per share)		432,000	432,000
Share premium			
Share premium on ordinary shares		254,000	254,000
Retained earnings			
Appropriated			
Legal reserve		43,200	43,200
Unappropriated		5,428,229	5,233,033
<b>Total equity</b>		<b>6,157,429</b>	<b>5,962,233</b>
<b>Total liabilities and equity</b>		<b>7,131,229</b>	<b>6,799,059</b>

The accompanying notes form an integral part of the interim financial statements.

**Alucon Public Company Limited**  
**Statement of comprehensive income (Unaudited)**

		Three-month period ended	
		31 March	
	<i>Note</i>	2021	2020
		<i>(in thousand Baht)</i>	
<b>Revenue</b>			
Revenue from sales of goods	3, 7	1,357,048	1,449,446
Net foreign exchange gain		28,871	67,757
Other income		32,667	33,357
<b>Total revenue</b>		<b>1,418,586</b>	<b>1,550,560</b>
<b>Expenses</b>			
Costs of sale of goods	3, 4	1,091,780	1,136,053
Distribution costs	3	45,931	36,537
Administrative expenses	3	36,994	39,300
<b>Total expenses</b>		<b>1,174,705</b>	<b>1,211,890</b>
<b>Profit before income tax expense</b>		<b>243,881</b>	<b>338,670</b>
Tax expense		48,685	67,805
<b>Profit for the period</b>		<b>195,196</b>	<b>270,865</b>
Other comprehensive income for the period		-	-
<b>Total comprehensive income for the period</b>		<b>195,196</b>	<b>270,865</b>
<b>Basic earnings per share (in Baht)</b>	8	<b>4.52</b>	<b>6.27</b>

The accompanying notes form an integral part of the interim financial statements.

## Alucon Public Company Limited

### Statement of changes in equity (Unaudited)

	Issued and paid-up share capital	Share premium	Retained earnings		Total equity
			Legal reserve	Unappropriated	
<i>(in thousand Baht)</i>					
<b>Three-month period ended</b>					
<b>31 March 2020</b>					
<b>Balance at 1 January 2020</b>	<b>432,000</b>	<b>254,000</b>	<b>43,200</b>	<b>4,875,858</b>	<b>5,605,058</b>
<b>Comprehensive income</b>					
<b>for the period</b>					
Profit for the period	-	-	-	270,865	270,865
Other comprehensive income	-	-	-	-	-
<b>Total comprehensive income</b>					
<b>for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>270,865</b>	<b>270,865</b>
<b>Balance at 31 March 2020</b>	<b>432,000</b>	<b>254,000</b>	<b>43,200</b>	<b>5,146,723</b>	<b>5,875,923</b>
<b>Three-month period ended</b>					
<b>31 March 2021</b>					
<b>Balance at 1 January 2021</b>	<b>432,000</b>	<b>254,000</b>	<b>43,200</b>	<b>5,233,033</b>	<b>5,962,233</b>
<b>Comprehensive income</b>					
<b>for the period</b>					
Profit for the period	-	-	-	195,196	195,196
Other comprehensive income	-	-	-	-	-
<b>Total comprehensive income</b>					
<b>for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>195,196</b>	<b>195,196</b>
<b>Balance at 31 March 2021</b>	<b>432,000</b>	<b>254,000</b>	<b>43,200</b>	<b>5,428,229</b>	<b>6,157,429</b>

The accompanying notes form an integral part of the interim financial statements.

# Alucon Public Company Limited

## Statement of cash flows (Unaudited)

		Three-month period ended	
		31 March	
	Note	2021	2020
		<i>(in thousand Baht)</i>	
<b><i>Cash flows from operating activities</i></b>			
Profit for the period		195,196	270,865
<i>Adjustments to reconcile profit to cash receipts (payments)</i>			
Tax expense		48,685	67,805
Depreciation		103,496	108,177
Amortisation		368	391
Provisions for employee benefits		12,816	24,190
Recognised deferred income		-	(460)
Gain on fair value adjustment on unit trust - debt instruments	9	(308)	-
Unrealised gain on exchange		(14,874)	(18,402)
(Reversal of) losses on inventories devaluation	4	(651)	1,563
Gains on disposal of equipment		(732)	(2)
Interest income		(1,484)	(892)
		<u>342,512</u>	<u>453,235</u>
<i>Changes in operating assets and liabilities</i>			
Trade accounts receivable		(124,689)	(131,191)
Inventories		(39,358)	125,175
Refundable value added tax		(8,867)	23,253
Other current assets		267	1,933
Other non-current assets		9	2
Trade accounts payable		59,385	12,366
Contract liabilities		6,396	20,233
Other payables to related parties		857	1,411
Other payables to other parties		48,579	36,115
Other current liabilities		(9,480)	(3,556)
Repayment of employee benefits		(12,381)	(84,043)
<b>Net cash generated from operating</b>		<b><u>263,230</u></b>	<b><u>454,933</u></b>
Taxes paid		(7)	(1)
<b>Net cash from operating activities</b>		<b><u>263,223</u></b>	<b><u>454,932</u></b>

The accompanying notes form an integral part of the interim financial statements.

**Alucon Public Company Limited**  
**Statement of cash flows (Unaudited)**

		Three-month period ended	
		31 March	
	<i>Note</i>	2021	2020
		<i>(in thousand Baht)</i>	
<b><i>Cash flows from investing activities</i></b>			
Proceeds from sale of unit trust - debt instruments	9	650,365	-
Proceeds from sale of equipment		732	2
Payment for acquisition of plant and equipment		(40,914)	(46,983)
Payment for acquisition of intangible assets		(25)	-
Interest received		-	1
<b>Net cash from (used in) investing activities</b>		<b>610,158</b>	<b>(46,980)</b>
<b><i>Cash flows from financing activities</i></b>			
(Decrease) increase in bank overdrafts		(1)	470
<b>Net cash (used in) from financing activities</b>		<b>(1)</b>	<b>470</b>
<b>Net increase in cash and cash equivalents</b>		<b>873,380</b>	<b>408,422</b>
Cash and cash equivalents at 1 January		1,125,836	883,873
<b>Cash and cash equivalents at 31 March</b>		<b>1,999,216</b>	<b>1,292,295</b>
<b><i>Supplemental disclosures of cash flows information:</i></b>			
Cash paid for purchase of plant and equipment during the period are detailed as follows:			
Total addition of plant and equipment during the period	5	21,994	36,573
<i>Add:</i> settlement of payables for plant and equipment previously purchased		27,369	24,337
<i>Less:</i> payables on purchase of plant and equipment		(8,449)	(13,927)
<b>Net purchases of plant and equipment paid by cash</b>		<b>40,914</b>	<b>46,983</b>

The accompanying notes form an integral part of the interim financial statements.



**Alucon Public Company Limited**  
**Notes to the condensed interim financial statements**  
**For the three-month period ended 31 March 2021 (Unaudited)**

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**Alucon Public Company Limited**  
**Notes to the condensed interim financial statements**  
**For the three-month period ended 31 March 2021 (Unaudited)**

These condensed notes form an integral part of the interim financial statements.

The interim financial statements issued for Thai regulatory reporting purposes are prepared in the Thai language. These English language interim 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 14 May 2021.

**1 General information**

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 interim financial statements**

*(a) Statement of compliance*

The condensed interim financial statements are presented in the same format as the annual financial statements together with notes to the interim financial statements on a condensed basis (“interim financial statements”) in accordance with Thai Accounting Standard (TAS) No. 34 *Interim Financial Reporting*, guidelines promulgated by the Federation of Accounting Professions and applicable rules and regulations of the Thai Securities and Exchange Commission.

The interim financial statements do not include all of the financial information required for annual financial statements but focus on new activities, events and circumstances to avoid repetition of information previously reported. Accordingly, these interim financial statements should be read in conjunction with the financial statements of the Company for the year ended 31 December 2020.

The Company has initially applied revised TFRS that are effective for annual periods beginning on or after 1 January 2021 and has not early adopted TFRS which are not yet effective. The application has no material impact on the financial statements.

*(b) Use of judgments, estimates and accounting policies*

In preparing these interim financial statements, judgments and estimates are made by management in applying the Company’s accounting policies. Actual results may differ from these estimates. The accounting policies, methods of computation and the key sources of estimation uncertainty were the same as those that described in the financial statements for the year ended 31 December 2020.

**Alucon Public Company Limited**  
**Notes to the condensed interim financial statements**  
**For the three-month period ended 31 March 2021 (Unaudited)**

**3 Related parties**

Significant transactions for the three-month period ended 31 March with related parties were as follows:

<i>Three-month period ended 31 March</i>	2021	2020
	<i>(in thousand Baht)</i>	
<b>Parent</b>		
Revenue from sales of goods	299,862	307,067
Purchase of raw materials and spare parts	3,645	1,785
License fee	5,625	4,181
Commission expenses	12	492
<b>Key management personnel</b>		
Key management personnel compensation		
Short-term employee benefit	10,732	12,189
Post-employment benefits	303	328
<b>Total key management personnel compensation</b>	<u>11,035</u>	<u>12,517</u>

Balances as at 31 March 2021 and 31 December 2020 with related parties were as follows:

	31 March 2021	31 December 2020
	<i>(in thousand Baht)</i>	
<i>Trade account receivable - related party</i>		
<b>Parent</b>		
Takeuchi Press Industries Company Limited	<u>60,369</u>	<u>60,503</u>
<i>Trade account payable - related party</i>		
<b>Parent</b>		
Takeuchi Press Industries Company Limited	<u>1,626</u>	<u>1,675</u>
<i>Other payable to related parties</i>		
<i>Accrued license fee</i>		
<b>Parent</b>		
Takeuchi Press Industries Company Limited	5,625	5,052
<i>Accrued commission payable</i>		
<b>Parent</b>		
Takeuchi Press Industries Company Limited	12	707
<i>Accrued management's remuneration and other benefits</i>		
Key management personnel	5,653	4,674
<b>Total</b>	<u>11,290</u>	<u>10,433</u>

**Alucon Public Company Limited**  
**Notes to the condensed interim financial statements**  
**For the three-month period ended 31 March 2021 (Unaudited)**

*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.

*Commitments for purchase of raw materials and spare parts*

	31 March 2021	31 December 2020
	<i>(in thousand Baht)</i>	
<b>Parent</b>		
Takeuchi Press Industries Company Limited	<u>1,791</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.

**4 Inventories**

	31 March 2021	31 December 2020
	<i>(in thousand Baht)</i>	
Finished goods	238,900	230,851
Work in progress	183,752	147,148
Raw materials	317,436	341,130
Spare parts	188,104	192,091
Goods in transit	<u>127,737</u>	<u>105,351</u>
Total	1,055,929	1,016,571
Less allowance for decline in value	<u>(1,051)</u>	<u>(1,702)</u>
<b>Net</b>	<b><u>1,054,878</u></b>	<b><u>1,014,869</u></b>

	2021	2020
	<i>(in thousand Baht)</i>	
Inventories recognised as an expense in ‘cost of sales of goods’ for the three-month periods ended 31 March:		
- Cost	1,092,431	1,134,490
- (Reversal of) write-down to net realisable value	<u>(651)</u>	<u>1,563</u>
<b>Total</b>	<b><u>1,091,780</u></b>	<b><u>1,136,053</u></b>

**Alucon Public Company Limited**  
**Notes to the condensed interim financial statements**  
**For the three-month period ended 31 March 2021 (Unaudited)**

**5 Property, plant and equipment**

Acquisitions, disposals and transfers of property, plant and equipment during the three-month periods ended 31 March are as follows:

<i>Three-month period ended 31 March</i>	2021		2020	
	Acquisitions and transfers - at cost	Disposals - net book value (in thousand Baht)	Acquisitions and transfers - at cost	Disposals - net book value
Building and building improvement	-	-	1,840	-
Machinery and equipment	15,399	-	49,128	-
Office equipment	8	-	565	-
Vehicles	-	-	1,916	-
Spare parts	(4,072)	-	609	-
Construction in progress	10,659	-	(17,485)	-
<b>Total</b>	<b><u>21,994</u></b>	<b><u>-</u></b>	<b><u>36,573</u></b>	<b><u>-</u></b>

**6 Trade accounts payable**

	Note	31 March 2021 (in thousand Baht)	31 December 2020
Related party	3	1,626	1,675
Other parties		165,761	106,140
<b>Total</b>		<b><u>167,387</u></b>	<b><u>107,815</u></b>

**7 Segment information and disaggregation of revenue**

The Company has two reportable segments. The following summary describes the operations in each of the Company's reportable segments.

*Segment 1* Can and tube  
*Segment 2* Slug

The Company's operations and main revenue streams are described in the last annual financial statements. The Company's main revenue is derived from contracts with customers and recognised at a point in time.

**Information about reportable segments**

<i>Three-month period ended 31 March</i>	Segment 1		Segment 2		Total	
	2021	2020	2021	2020	2021	2020
	<i>(in thousand Baht)</i>					
Revenues from sales	<u>785,743</u>	<u>847,481</u>	<u>571,305</u>	<u>601,965</u>	<u>1,357,048</u>	<u>1,449,446</u>
<b>Gross profit</b>	<b><u>181,837</u></b>	<b><u>213,809</u></b>	<b><u>83,431</u></b>	<b><u>99,584</u></b>	<b><u>265,268</u></b>	<b><u>313,393</u></b>
Unallocated revenues					61,538	101,114
Unallocated expenses					<u>(82,925)</u>	<u>(75,837)</u>
<b>Profit before income tax</b>					<b><u>243,881</u></b>	<b><u>338,670</u></b>

**Alucon Public Company Limited**  
**Notes to the condensed interim financial statements**  
**For the three-month period ended 31 March 2021 (Unaudited)**

*Contract Balances*

The following table provides information about receivables and contract liabilities from contracts with customers.

	31 March 2021	31 December 2020
	<i>(in thousand Baht)</i>	
Trade accounts receivable	899,453	759,703
Contract liabilities		
- Current	21,409	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.

**8 Basic earnings per share**

The calculations of basic earnings per share for the three-month period ended 31 March 2021 and 2020 were based on the profit for the periods attributable to ordinary shareholders of the Company and the number of ordinary shares outstanding during the periods as follows:

<i>Three-month periods ended 31 March</i>	2021	2020
	<i>(in thousand Baht / thousand shares)</i>	
<b>Profit for the period attributable to shareholders of the Company</b>	<b>195,196</b>	<b>270,865</b>
<b>Number of ordinary shares outstanding</b>	<b>43,200</b>	<b>43,200</b>
<b>Basic earnings per share (in Baht)</b>	<b>4.52</b>	<b>6.27</b>

**9 Financial instruments**

*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.

	<b>Carrying amount</b> Financial instruments measured at FVTPL	<b>Fair value</b>			<b>Total</b>
		Level 1	Level 2	Level 3	
<i>(in thousand Baht)</i>					
<b>At 31 March 2021</b>					
<b>Financial asset</b>					
Unit trust - debt instruments	51,019	-	51,019	-	51,019
<b>At 31 December 2020</b>					
<b>Financial asset</b>					
Unit trust - debt instruments	701,076	-	701,076	-	701,076

**Alucon Public Company Limited**  
**Notes to the condensed interim financial statements**  
**For the three-month period ended 31 March 2021 (Unaudited)**

**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.

***Movement of marketable debt securities***

	2021	2020
	<i>(in thousand Baht)</i>	
As at 1 January	701,076	-
Disposals	(650,365)	-
Fair value adjustment	308	-
<b>As at 31 March</b>	<b><u>51,019</u></b>	<b><u>-</u></b>

***Credit risk***

Allowance for impairment loss for trade accounts receivable are measured at an amount equal to lifetime ECLs. ECLs on these financial assets are estimated using a provision matrix based on the historical credit loss experience, adjusted for factors that are specific to the debtors and assessment of both the current and forecast general economic conditions.

	<i>Note</i>	31 March 2021	31 December 2020
		<i>(in thousand Baht)</i>	
<b>Related party</b>			
Within credit terms	3	60,369	60,503
<b>Other parties</b>			
Within credit terms		753,474	571,210
Overdue:			
Less than 3 months		85,610	127,990
<b>Total</b>		<b><u>839,084</u></b>	<b><u>699,200</u></b>
		<b><u>899,453</u></b>	<b><u>759,703</u></b>

**10 Commitments with non-related parties**

	31 March 2021	31 December 2020
	<i>(in thousand Baht)</i>	
<b><i>Capital commitments</i></b>		
Contracted but not provided for:		
Factory, machinery and equipment	<b><u>25,269</u></b>	<b><u>41,628</u></b>
<b><i>Other commitments</i></b>		
Purchase orders accepted by suppliers - within one year	1,909,924	1,941,844
Bank guarantees	24,082	24,082
<b>Total</b>	<b><u>1,934,006</u></b>	<b><u>1,965,926</u></b>

**Alucon Public Company Limited**  
**Notes to the condensed interim financial statements**  
**For the three-month period ended 31 March 2021 (Unaudited)**

*Bank guarantee*

As at 31 March 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 24 million (*31 December 2020: Baht 24 million*).

*Purchase orders accepted by suppliers*

As at 31 March 2021, the Company had purchase orders accepted by suppliers for purchase of aluminium ingot for a total quantity of 27,400 MT (*31 December 2020: 32,500 MT*), at the price as determined in purchase orders (*31 December 2020: at the price as determined in purchase orders*) that will be delivered during 2021. (*31 December 2020: within 2020*).

**11 Event after the reporting period**

At the Annual General Meeting of the shareholders of the Company held on 20 April 2021, the shareholders approved the appropriation of cash dividends of Baht 10 per share, amounting to Baht 432 million, which will be paid to shareholders on 14 May 2021.