

Alucon Public Company Limited

Condensed interim financial statements
for the three-month and nine-month periods ended
30 September 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 30 September 2021; the statements of comprehensive income for the three-month and nine-month periods ended 30 September 2021; the statement of changes in equity and cash flows for the nine-month period ended 30 September 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
12 November 2021

Alucon Public Company Limited
Statement of financial position

Assets	<i>Note</i>	30 September 2021 (Unaudited)	31 December 2020
<i>(in thousand Baht)</i>			
<i>Current assets</i>			
Cash and cash equivalents		1,548,941	1,125,836
Trade accounts receivable	2, 6	1,078,333	759,703
Inventories		1,572,680	1,014,869
Refundable value added tax		45,968	10,598
Other current assets		19,348	19,898
Total current assets		<u>4,265,270</u>	<u>2,930,904</u>
<i>Non-current assets</i>			
Other non-current financial assets	6	51,119	701,076
Property, plant and equipment	3	2,884,142	3,130,819
Intangible assets		6,453	7,475
Deferred tax assets		32,454	28,482
Other non-current assets		294	303
Total non-current assets		<u>2,974,462</u>	<u>3,868,155</u>
Total assets		<u><u>7,239,732</u></u>	<u><u>6,799,059</u></u>

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

Alucon Public Company Limited
Statement of financial position

Liabilities and equity	<i>Note</i>	30 September 2021 (Unaudited)	31 December 2020
		<i>(in thousand Baht)</i>	
<i>Current liabilities</i>			
Bank overdrafts		-	1
Trade accounts payable	2	334,899	107,815
Contract liabilities	4	21,575	15,013
Other payables to related parties	2	9,711	10,433
Other payables to other parties		182,449	116,363
Current income tax payable		51,371	66,228
Current provisions for employee benefits		45,491	23,313
Other current liabilities		5,105	14,709
Total current liabilities		650,601	353,875
<i>Non-current liability</i>			
Non-current provisions for employee benefits		468,722	482,951
Total non-current liability		468,722	482,951
Total liabilities		1,119,323	836,826
<i>Equity</i>			
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		5,391,209	5,233,033
Total equity		6,120,409	5,962,233
Total liabilities and equity		7,239,732	6,799,059

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

Alucon Public Company Limited
Statement of comprehensive income (Unaudited)

	Note	Three-month period ended		Nine-month period ended	
		30 September		30 September	
		2021	2020	2021	2020
		<i>(in thousand Baht)</i>			
Revenues					
Revenue from sales of goods	2, 4	1,472,716	1,051,803	4,207,332	3,795,881
Net foreign exchange gain		40,672	36,721	87,551	58,834
Other income		44,009	23,757	115,473	85,333
Total revenues		1,557,397	1,112,281	4,410,356	3,940,048
Expenses					
Cost of sales of goods	2	1,229,226	875,831	3,422,739	3,063,465
Distribution costs	2	53,257	34,289	150,044	105,148
Administrative expenses	2	31,842	33,236	102,136	108,343
Total expenses		1,314,325	943,356	3,674,919	3,276,956
Profit before income tax expense		243,072	168,925	735,437	663,092
Tax expense		48,673	33,850	145,261	129,849
Profit for the period		194,399	135,075	590,176	533,243
Other comprehensive income for the period		-	-	-	-
Total comprehensive income for the period		194,399	135,075	590,176	533,243
Basic earnings per share (in Baht)		4.50	3.13	13.66	12.34

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

Alucon Public Company Limited
Statement of changes in equity (Unaudited)

	Issued and paid-up share capital	Shares Premium	Retained earnings		Total equity
			Legal reserve	Unappropriated	
<i>(in thousand Baht)</i>					
Nine-month period ended 30 September 2020					
Balance at 1 January 2020	432,000	254,000	43,200	4,875,858	5,605,058
Transactions with owners, recorded directly in equity					
<i>Distribution to owners</i>					
Dividends	-	-	-	(324,000)	(324,000)
<i>Total distribution to owners</i>	-	-	-	(324,000)	(324,000)
Total transactions with owners, recorded directly in equity	-	-	-	(324,000)	(324,000)
Comprehensive income for the period					
Profit for the period	-	-	-	533,243	533,243
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the period	-	-	-	533,243	533,243
Balance at 30 September 2020	432,000	254,000	43,200	5,085,101	5,814,301

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

Alucon Public Company Limited
Statement of changes in equity (Unaudited)

	Note	Issued and paid-up share capital	Shares Premium	<u>Retained earnings</u>		Total equity
				Legal reserve	Unappropriated	
<i>(in thousand Baht)</i>						
Nine-month period ended 30 September 2021						
Balance at 1 January 2021		432,000	254,000	43,200	5,233,033	5,962,233
Transactions with owners, recorded directly in equity						
<i>Distribution to owners</i>						
Dividends	5	-	-	-	(432,000)	(432,000)
Total distribution to owners		-	-	-	(432,000)	(432,000)
Total transactions with owners, recorded directly in equity		-	-	-	(432,000)	(432,000)
Comprehensive income for the period						
Profit for the period		-	-	-	590,176	590,176
Other comprehensive income		-	-	-	-	-
Total comprehensive income for the period		-	-	-	590,176	590,176
Balance at 30 September 2021		432,000	254,000	43,200	5,391,209	6,120,409

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

Alucon Public Company Limited

Statement of cash flows (Unaudited)

	Nine-month period ended	
	30 September	
	2021	2020
	<i>(in thousand Baht)</i>	
<i>Cash flows from operating activities</i>		
Profit for the period	590,176	533,243
<i>Adjustments to reconcile profit to cash receipts (payments)</i>		
Tax expense	145,261	129,849
Depreciation	314,603	328,024
Amortisation	1,089	1,183
Provision for employee benefit	43,080	55,814
Recognised deferred income	-	(460)
Gain on fair value adjustment on unit trust - debt instruments	(408)	(124)
Unrealised gain on exchange	(16,870)	(3,722)
(Reversal of) losses on inventories devaluation	959	(1,398)
Gain on disposal of equipment	(693)	(60)
Interest income	(5,529)	(2,131)
	<u>1,071,668</u>	<u>1,040,218</u>
<i>Changes in operating assets and liabilities</i>		
Trade accounts receivable	(297,307)	136,273
Inventories	(558,770)	323,291
Refundable value added tax	(35,370)	9,903
Other current assets	2,747	4,693
Other non-current assets	9	17
Trade accounts payable	222,630	(106,491)
Contract liabilities	6,562	1,806
Other payables to related parties	(722)	970
Other payable to other parties	90,335	87,126
Other current liabilities	(9,604)	(8,518)
Repayment of employee benefits	(35,131)	(119,341)
Net cash generated from operating	<u>457,047</u>	<u>1,369,947</u>
Taxes paid	(164,090)	(138,368)
Net cash from operating activities	<u>292,957</u>	<u>1,231,579</u>

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

Alucon Public Company Limited

Statement of cash flows (Unaudited)

	Note	Nine-month period ended	
		30 September	
		2021	2020
		<i>(in thousand Baht)</i>	
<i>Cash flows from investing activities</i>			
Proceeds from sale of unit trust - debt instruments		650,365	-
Payment for acquisition of unit trust - debt instruments		-	(500,000)
Proceeds from sale of equipment		736	147
Payment for acquisition of plant and equipment		(92,217)	(145,720)
Payment for acquisition of intangible assets		(67)	(187)
Interest received		3,332	1,779
Net cash from (used in) investing activities		562,149	(643,981)
<i>Cash flows from financing activities</i>			
Decrease in bank overdrafts		(1)	(108)
Dividends paid to owners of the Company	5	(432,000)	(324,000)
Net cash used in financing activities		(432,001)	(324,108)
Net increase in cash and cash equivalents		423,105	263,490
Cash and cash equivalents at 1 January		1,125,836	883,873
Cash and cash equivalents at 30 September		1,548,941	1,147,363
<i>Supplemental disclosures of cash flows information:</i>			
Cash paid for purchase of plant and equipment during the period are detailed as follows:			
Total addition of plant and equipment during the period	3	67,968	130,094
<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		(3,120)	(8,711)
Net purchases of plant and equipment paid by cash		92,217	145,720

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

Alucon Public Company Limited
Notes to the condensed interim financial statements
For the three-month and nine-month periods ended 30 September 2021 (Unaudited)

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Alucon Public Company Limited
Notes to the condensed interim financial statements
For the three-month and nine-month periods ended 30 September 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 12 November 2021.

1 Basis of preparation of the interim financial statements

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 focus on new activities, events and circumstances to avoid repetition of information previously reported in annual financial statements. Accordingly, these interim financial statements should be read in conjunction with the financial statements of the Company for the year ended 31 December 2020.

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.

2 Related parties

Significant transactions for the nine-month periods ended 30 September with related parties were as follows:

<i>Nine-month period ended 30 September</i>	2021	2020
	<i>(in thousand Baht)</i>	
Parent		
Revenue from sales of goods	921,374	810,355
Purchase of raw materials and spare parts	14,352	5,921
Purchase of machineries and equipments	-	254
License fee	14,435	11,754
Commission expenses	1,872	1,386
Other expenses	45	18
Key management personnel		
Key management personnel compensation		
Short-term employee benefit		
<i>(including director’s remuneration)</i>	28,681	35,313
Post-employment benefits	910	985
Total key management personnel compensation	29,591	36,298

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Balances as at 30 September 2021 and 31 December 2020 with related parties were as follows:

	30 September 2021	31 December 2020
	<i>(in thousand Baht)</i>	
Trade account receivable		
Parent		
Takeuchi Press Industries Company Limited	<u>60,795</u>	<u>60,503</u>
Trade account payable		
Parent		
Takeuchi Press Industries Company Limited	<u>1,781</u>	<u>1,675</u>
Other payable		
Accrued license fee		
Parent		
Takeuchi Press Industries Company Limited	5,265	5,052
Accrued commission payable		
Parent		
Takeuchi Press Industries Company Limited	698	707
Accrued management's remuneration and other benefits		
Key management personnel	<u>3,748</u>	<u>4,674</u>
Total	<u>9,711</u>	<u>10,433</u>
Commitments for purchase of raw materials and spare parts		
	30 September 2021	31 December 2020
	<i>(in thousand Baht)</i>	
Parent		
Takeuchi Press Industries Company Limited	<u>2,053</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.

Alucon Public Company Limited
Notes to the condensed interim financial statements
For the three-month and nine-month periods ended 30 September 2021 (Unaudited)

3 Property, plant and equipment

Acquisitions, disposals and transfers of property, plant and equipment during the nine-month periods ended 30 September are as follows:

<i>Nine-month period ended 30 September</i>	2021		2020	
	Acquisitions and transfers - at cost	Disposals - net book value <i>(in thousand Baht)</i>	Acquisitions and transfers - at cost	Disposals - net book value
Land improvement	-	-	1,210	-
Building and building improvement	13,677	(43)	17,314	-
Machinery and equipment	90,659	-	112,815	(87)
Office equipment	81	-	1,151	-
Vehicles	-	-	1,916	-
Spare parts	(10,471)	-	(765)	-
Construction in progress	(25,978)	-	(3,547)	-
Total	67,968	(43)	130,094	(87)

4 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>Nine-month period ended 30 September</i>	Segment 1		Segment 2		Total	
	2021	2020	2021	2020	2021	2020
	<i>(in thousand Baht)</i>					
Revenue from sales	2,294,171	2,185,416	1,913,161	1,610,465	4,207,332	3,795,881
Gross Profit	519,591	487,567	265,002	244,849	784,593	732,416
Unallocated revenues					203,024	144,167
Unallocated expenses					(252,180)	(213,491)
Profit before income tax					735,437	663,092

Alucon Public Company Limited
Notes to the condensed interim financial statements
For the three-month and nine-month periods ended 30 September 2021 (Unaudited)

Contract Balances

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

	30 September 2021	31 December 2020
	<i>(in thousand Baht)</i>	
Trade accounts receivable	1,078,333	759,703
Contract liabilities		
- Current	21,575	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.

5 Dividends

Details of dividends during 2021 are as follows:

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

6 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.

	Carrying amount Financial instruments measured at FVTPL	Fair value			Total
		Level 1 <i>(in thousand Baht)</i>	Level 2	Level 3	
<i>At 30 September 2021</i>					
<i>Financial asset</i>					
Unit trust - debt instruments	51,119	-	51,119	-	51,119
<i>At 31 December 2020</i>					
<i>Financial asset</i>					
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 and nine-month periods ended 30 September 2021 (Unaudited)

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>	30 September 2021	31 December 2020
<i>(in thousand Baht)</i>			
Related party			
Within credit terms	2	60,795	60,503
Other parties			
Within credit terms		879,562	571,210
Overdue:			
Less than 3 months		133,784	127,990
3 - 6 months		4,192	-
		<u>1,017,538</u>	<u>699,200</u>
Total		<u>1,078,333</u>	<u>759,703</u>

7 Commitments with non-related parties

	30 September 2021	31 December 2020
<i>(in thousand Baht)</i>		
Capital commitments		
Contracted but not provided for:		
Factory, machinery and equipment	<u>8,786</u>	<u>41,628</u>
Other commitments		
Purchase orders accepted by suppliers		
- Within one year	2,643,182	1,941,844
- After one year but within five years	524,750	-
Bank guarantees	<u>24,082</u>	<u>24,082</u>
Total	<u>3,192,014</u>	<u>1,965,926</u>

Bank guarantee

As at 30 September 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 totalling Bah 24 million (31 December 2020: Baht 24 million).

Purchase orders accepted by suppliers

As at 30 September 2021, the Company had purchase orders accepted by suppliers for purchase of aluminium ingot for a total quantity 32,600 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 from 2021 to 2022 (31 December 2020: within 2020).