

Alucon Public Company Limited

Condensed interim financial statements
for the three-month period ended
31 March 2022
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 2022; the statements of comprehensive income, changes in equity and cash flows for the three-month period ended 31 March 2022; 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
13 May 2022

Alucon Public Company Limited
Statement of financial position

Assets	<i>Note</i>	31 March 2022 (Unaudited)	31 December 2021
		<i>(in thousand Baht)</i>	
<i>Current assets</i>			
Cash and cash equivalents		1,272,507	1,185,272
Trade accounts receivable	2, 5	1,312,680	1,133,391
Inventories		1,937,133	1,860,601
Refundable value added tax		41,690	49,973
Other current assets		23,908	26,213
Total current assets		4,587,918	4,255,450
<i>Non-current assets</i>			
Other non-current financial assets	5	51,232	51,176
Property, plant and equipment	3	2,717,594	2,799,730
Intangible assets		6,065	6,163
Deferred tax assets		25,747	30,191
Other non-current assets		294	294
Total non-current assets		2,800,932	2,887,554
Total assets		7,388,850	7,143,004

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>	31 March 2022 (Unaudited)	31 December 2021
		<i>(in thousand Baht)</i>	
<i>Current liabilities</i>			
Trade accounts payable	2	244,066	158,467
Contract liabilities	4	12,499	26,644
Other payables to related parties	2	10,707	9,279
Other payables to other parties		146,251	104,850
Current income tax payable		94,876	73,520
Current provisions for employee benefits		45,287	45,984
Other current liabilities		5,918	13,652
Total current liabilities		559,604	432,396
<i>Non-current liability</i>			
Non-current provisions for employee benefits		437,855	453,091
Total non-current liability		437,855	453,091
Total liabilities		997,459	885,487
<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		5,662,191	5,528,317
Total equity		6,391,391	6,257,517
Total liabilities and equity		7,388,850	7,143,004

The accompanying condensed notes from 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>	2022	2021
		<i>(in thousand Baht)</i>	
Revenues			
Revenue from sales of goods	2, 4	1,744,696	1,357,048
Net foreign exchange gain		-	28,871
Other income		39,026	32,667
Total revenues		<u>1,783,722</u>	<u>1,418,586</u>
Expenses			
Cost of sales of goods	2	1,517,518	1,091,780
Distribution costs	2	73,520	45,931
Administrative expenses	2	32,620	36,994
Net foreign exchange loss		389	-
Total expenses		<u>1,624,047</u>	<u>1,174,705</u>
Profit before income tax expense		159,675	243,881
Tax expense		25,801	48,685
Profit for the period		<u>133,874</u>	<u>195,196</u>
Other comprehensive income for the period		-	-
Total comprehensive income for the period		<u>133,874</u>	<u>195,196</u>
Basic earnings per share (in Baht)		<u>3.10</u>	<u>4.52</u>

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	Share premium	Retained earnings		Total equity
			Legal reserve	Unappropriated	
<i>(in thousand Baht)</i>					
Three-month period ended					
31 March 2021					
Balance at 1 January 2021	432,000	254,000	43,200	5,233,033	5,962,233
Comprehensive income					
for the period					
Profit for the period	-	-	-	195,196	195,196
Other comprehensive income	-	-	-	-	-
Total comprehensive income					
for the period	-	-	-	195,196	195,196
Balance at 31 March 2021	432,000	254,000	43,200	5,428,229	6,157,429
Three-month period ended					
31 March 2022					
Balance at 1 January 2022	432,000	254,000	43,200	5,528,317	6,257,517
Comprehensive income					
for the period					
Profit for the period	-	-	-	133,874	133,874
Other comprehensive income	-	-	-	-	-
Total comprehensive income					
for the period	-	-	-	133,874	133,874
Balance at 31 March 2022	432,000	254,000	43,200	5,662,191	6,391,391

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

Alucon Public Company Limited

Statement of cash flows (Unaudited)

	Three-month periods ended	
	31 March	
	2022	2021
	<i>(in thousand Baht)</i>	
<i>Cash flows from operating activities</i>		
Profit for the period	133,874	195,196
<i>Adjustments to reconcile profit to cash receipts (payments)</i>		
Tax expense	25,801	48,685
Depreciation	97,130	103,496
Amortisation	340	368
(Reversal of) provisions for employee benefits	(2,409)	12,816
Gain on fair value adjustment on unit trust - debt instruments	(56)	(308)
Unrealised gain on exchange	(5,159)	(14,874)
Reversal of losses on inventories devaluation	(6,376)	(651)
Gain on disposal of equipment	-	(732)
Interest income	(814)	(1,484)
	<u>242,331</u>	<u>342,512</u>
<i>Changes in operating assets and liabilities</i>		
Trade accounts receivable	(174,232)	(124,689)
Inventories	(70,156)	(39,358)
Refundable value added tax	8,283	(8,867)
Other current assets	3,118	267
Other non-current assets	-	9
Trade accounts payable	85,693	59,385
Contract liabilities	(14,145)	6,396
Other payables to related parties	1,428	857
Other payable to other parties	41,294	48,579
Other current liabilities	(7,734)	(9,480)
Repayment of employee benefits	(13,524)	(12,381)
Net cash generated from operating	<u>102,356</u>	<u>263,230</u>
Taxes paid	(1)	(7)
Net cash from operating activities	<u>102,355</u>	<u>263,223</u>

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

Alucon Public Company Limited

Statement of cash flows (Unaudited)

	Note	Three-month periods ended	
		31 March	
		2022	2021
		<i>(in thousand Baht)</i>	
<i>Cash flows from investing activities</i>			
Proceeds from sale of unit trust - debt instruments		-	650,365
Proceeds from sale of equipment		-	732
Payment for acquisition of plant and equipment		(15,003)	(40,914)
Payment for acquisition of intangible assets		(117)	(25)
Net cash from (used in) investing activities		(15,120)	610,158
<i>Cash flows from financing activity</i>			
Decrease in bank overdrafts		-	(1)
Net cash used in financing activity		-	(1)
Net increase in cash and cash equivalents		87,235	873,380
Cash and cash equivalents at 1 January		1,185,272	1,125,836
Cash and cash equivalents at 31 March		1,272,507	1,999,216
<i>Supplemental disclosures of cash flows information:</i>			
1. 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	14,993	21,994
<i>Add:</i> settlement of payables for plant and equipment previously purchased		5,451	27,369
<i>Less:</i> payables on purchase of plant and equipment		(5,441)	(8,449)
Net purchases of plant and equipment paid by cash		15,003	40,914
2. Cash paid for purchase of intangible assets during the period are detailed as follows:			
Total addition of intangible assets during the period		242	25
<i>Add:</i> settlement of payables for intangible assets previously purchased		28	-
<i>Less:</i> payables on purchase of intangible assets		(153)	-
Net purchases of intangible assets paid by cash		117	25

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 period ended 31 March 2022 (Unaudited)

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Alucon Public Company Limited
Notes to the condensed interim financial statements
For the three-month period ended 31 March 2022 (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 13 May 2022.

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 2021.

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 2021.

2 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>	2022	2021
	<i>(in thousand Baht)</i>	
Parent		
Revenue from sales of goods	331,365	299,862
Purchase of raw materials and spare parts	4,974	3,645
License fee	4,194	5,625
Commission expenses	478	12
Key management personnel		
Key management personnel compensation		
Short-term employee benefit	10,666	10,732
Post-employment benefits	521	303
Total key management personnel compensation	<u>11,187</u>	<u>11,035</u>

Balances as at 31 March 2022 and 31 December 2021 with related parties were as follows:

	31 March 2022	31 December 2021
	<i>(in thousand Baht)</i>	
<i>Trade account receivable</i>		
Parent - Takeuchi Press Industries Company Limited	<u>93,700</u>	<u>98,425</u>
<i>Trade account payable</i>		
Parent - Takeuchi Press Industries Company Limited	<u>16</u>	<u>-</u>

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For the three-month period ended 31 March 2022 (Unaudited)

	31 March 2022	31 December 2021
	<i>(in thousand Baht)</i>	
<i>Other payables</i>		
<i>Accrued license fee</i>		
Parent - Takeuchi Press Industries Company Limited	4,194	3,787
<i>Accrued commission payable</i>		
Parent - Takeuchi Press Industries Company Limited	478	538
<i>Accrued management's remuneration and other benefits</i>		
Key management personnel	6,035	4,954
Total other payables to related parties	10,707	9,279

Commitments for purchase of raw materials and spare parts

	31 March 2022	31 December 2021
	<i>(in thousand Baht)</i>	
Parent - Takeuchi Press Industries Company Limited	2,513	3,644

Significant memorandum of understanding

On 4 February 2022, the Company entered into a memorandum of understanding with Takeuchi Press Industries Company Limited to supply aluminium slugs in quantity of about 7,000 MT for the production of aluminium monobloc aerosol cans and collapsible tubes for a period from April 2022 to March 2023.

3 Property, plant and equipment

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

<i>Three-month period ended 31 March</i>	2022		2021	
	Acquisitions and transfers - at cost	Disposals - net book value	Acquisitions and transfers - at cost	Disposals - net book value
	<i>(in thousand Baht)</i>			
Machinery and equipment	10,926	-	15,399	-
Office equipment	1,024	-	8	-
Spare parts	441	-	(4,072)	-
Construction in progress	2,602	-	10,659	-
Total	14,993	-	21,994	-

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For the three-month period ended 31 March 2022 (Unaudited)

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>Three-month period ended 31 March</i>	Segment 1		Segment 2		Total	
	2022	2021	2022	2021	2022	2021
	<i>(in thousand Baht)</i>					
Revenue from sales	893,533	785,743	851,163	571,305	1,744,696	1,357,048
Gross Profit	178,340	181,837	48,838	83,431	227,178	265,268
Profit before income tax	143,592	160,669	16,083	83,212	159,675	243,881

Contract Balances

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

	31 March 2022	31 December 2021
	<i>(in thousand Baht)</i>	
Trade accounts receivable	1,312,680	1,133,391
Contract liabilities - current	12,499	26,644

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 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, but 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.

Alucon Public Company Limited
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For the three-month period ended 31 March 2022 (Unaudited)

	Carrying amount Financial instruments measured at FVTPL	Fair value			Total
		Level 1 <i>(in thousand Baht)</i>	Level 2	Level 3	
At 31 March 2022					
Financial asset					
Unit trust - debt instruments	51,232	-	51,232	-	51,232
At 31 December 2021					
Financial asset					
Unit trust - debt instruments	51,176	-	51,176	-	51,176

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.

	Note	31 March 2022 <i>(in thousand Baht)</i>	31 December 2021
Related party			
Within credit terms	2	93,700	98,425
Other parties			
Within credit terms		1,056,768	898,216
Overdue:			
Less than 3 months		162,201	136,729
6 - 12 months		11	21
		<u>1,218,980</u>	<u>1,034,966</u>
Total		<u>1,312,680</u>	<u>1,133,391</u>

6 Commitments with non-related parties

	31 March 2022 <i>(in thousand Baht)</i>	31 December 2021
Capital commitments		
Contracted but not provided for:		
Machinery and equipment	<u>11,859</u>	<u>9,432</u>
Other commitments		
Purchase orders accepted by suppliers		
- Within one year	4,124,048	3,779,220
- After one year but within five years	117,160	-
Bank guarantees	<u>22,500</u>	<u>22,500</u>
Total	<u>4,263,708</u>	<u>3,801,720</u>

Alucon Public Company Limited
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For the three-month period ended 31 March 2022 (Unaudited)

Bank guarantee

As at 31 March 2022, 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 Baht 23 million (*31 December 2021: Baht 23 million*).

Purchase orders accepted by suppliers

As at 31 March 2022, the Company had purchase orders accepted by suppliers for purchase of aluminium ingot for a total quantity 36,200 MT (*31 December 2021: 40,100 MT*), at the price as determined in purchase orders (*31 December 2021: at the price as determined in purchase orders*) that will be delivered during 2022 to 2023 (*31 December 2021: during 2021 to 2022*).

7 Event after the reporting period

At the Annual General Meeting of the shareholders of the Company held on 25 April 2022, the shareholders approved the resolution to allocate profit for dividends distribution of Baht 10 per share, amounting to Baht 432 million, which will be paid to shareholders in May 2022.