

Alucon Public Company Limited

Condensed interim financial statements
for the three-month and six-month periods ended
30 June 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 30 June 2022; the statements of comprehensive income for the three-month and six-month periods ended 30 June 2022; the statement of changes in equity and cash flows for the six-month period ended 30 June 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
11 August 2022

Alucon Public Company Limited
Statement of financial position

Assets	<i>Note</i>	30 June 2022 (Unaudited)	31 December 2021
		<i>(in thousand Baht)</i>	
<i>Current assets</i>			
Cash and cash equivalents		818,874	1,185,272
Trade accounts receivable	2, 4, 6	1,285,268	1,133,391
Inventories		2,290,970	1,860,601
Refundable value added tax		54,098	49,973
Other current assets		28,116	26,213
Total current assets		<u>4,477,326</u>	<u>4,255,450</u>
<i>Non-current assets</i>			
Other non-current financial assets	6	51,290	51,176
Property, plant and equipment	3	2,628,734	2,799,730
Intangible assets		5,797	6,163
Deferred tax assets		26,652	30,191
Other non-current assets		294	294
Total non-current assets		<u>2,712,767</u>	<u>2,887,554</u>
Total assets		<u><u>7,190,093</u></u>	<u><u>7,143,004</u></u>

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

Alucon Public Company Limited
Statement of financial position

		30 June 2022 (Unaudited)	31 December 2021
Liabilities and equity	<i>Note</i>		
		(Unaudited)	
		<i>(in thousand Baht)</i>	
<i>Current liabilities</i>			
Trade accounts payable	2	260,490	158,467
Contract liabilities	4	30,746	26,644
Other payables to related parties	2	6,695	9,279
Other payables to other parties		182,890	104,850
Current income tax payable		59,228	73,520
Current provisions for employee benefits		32,852	45,984
Other current liabilities		3,542	13,652
Total current liabilities		576,443	432,396
<i>Non-current liability</i>			
Non-current provisions for employee benefits		451,781	453,091
Total non-current liability		451,781	453,091
Total liabilities		1,028,224	885,487
<i>Equity</i>			
Share capital			
Authorised share capital <i>(43,200,000 ordinary shares, par value at Baht 10 per share)</i>		432,000	432,000
Issued and paid-up share capital <i>(43,199,986 ordinary shares, par value at Baht 10 per share)</i>		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		5,432,669	5,528,317
Total equity		6,161,869	6,257,517
Total liabilities and equity		7,190,093	7,143,004

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

Alucon Public Company Limited
Statement of comprehensive income (Unaudited)

	Note	Three-month period ended		Six-month period ended	
		30 June		30 June	
		2022	2021	2022	2021
<i>(in thousand Baht)</i>					
Revenue					
Revenue from sales of goods	2, 4	1,752,158	1,377,568	3,496,854	2,734,616
Net foreign exchange gain		47,639	18,008	47,250	46,879
Other income		68,924	38,797	107,950	71,464
Total revenue		1,868,721	1,434,373	3,652,054	2,852,959
Expenses					
Cost of sale of goods	2	1,529,102	1,101,733	3,046,620	2,193,513
Distribution costs	2	66,591	50,856	140,111	96,787
Administrative expenses	2	33,571	33,300	66,191	70,294
Total expenses		1,629,264	1,185,889	3,252,922	2,360,594
Profit before income tax expense		239,457	248,484	399,132	492,365
Tax expense		36,979	47,903	62,780	96,588
Profit for the period		202,478	200,581	336,352	395,777
Other comprehensive income for the period		-	-	-	-
Total comprehensive income for the period		202,478	200,581	336,352	395,777
Basic earnings per share (in Baht)		4.69	4.64	7.79	9.16

The accompanying notes form 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	Share premium	<u>Retained earnings</u>		Total equity
				Legal reserve	Unappropriated	
<i>(in thousand Baht)</i>						
Six-month period ended 30 June 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>Distributions to owners</i>						
Dividends	5	-	-	-	(432,000)	(432,000)
Total distributions 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		-	-	-	395,777	395,777
Other comprehensive income		-	-	-	-	-
Total comprehensive income for the period		-	-	-	395,777	395,777
Balance at 30 June 2021		432,000	254,000	43,200	5,196,810	5,926,010

The accompanying notes form 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	Share premium	<u>Retained earnings</u>		Total equity
				Legal reserve	Unappropriated	
				<i>(in thousand Baht)</i>		
Six-month period ended 30 June 2022						
Balance at 1 January 2022		432,000	254,000	43,200	5,528,317	6,257,517
Transactions with owners, recorded directly in equity						
<i>Distributions to owners</i>						
Dividends	5	-	-	-	(432,000)	(432,000)
Total distributions 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		-	-	-	336,352	336,352
Other comprehensive income		-	-	-	-	-
Total comprehensive income for the period		-	-	-	336,352	336,352
Balance at 30 June 2022		432,000	254,000	43,200	5,432,669	6,161,869

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

Alucon Public Company Limited

Statement of cash flows (Unaudited)

	Six-month period ended	
	30 June	
	2022	2021
	<i>(in thousand Baht)</i>	
<i>Cash flows from operating activities</i>		
Profit for the period	336,352	395,777
<i>Adjustments to reconcile profit to cash receipts (payments)</i>		
Tax expense	62,780	96,588
Depreciation	194,109	208,582
Amortisation	674	732
Provisions for employee benefits	6,558	31,025
Gain on fair value adjustment on unit trust - debt instruments	(114)	(352)
Unrealised gain on exchange	(17,837)	(12,816)
Reversal of losses on inventories devaluation	(5,344)	(507)
Gain on disposal of equipment	(1,944)	(689)
Interest income	(1,669)	(3,659)
	<u>573,565</u>	<u>714,681</u>
<i>Changes in operating assets and liabilities</i>		
Trade accounts receivable	(133,520)	(212,490)
Inventories	(425,025)	(289,489)
Refundable value added tax	(4,125)	(24,474)
Other current assets	(1,338)	1,506
Other non-current assets	-	9
Trade accounts payable	101,514	115,891
Contract liabilities	4,102	6,125
Other payables to related parties	(2,584)	(3,170)
Other payable to other parties	79,475	69,629
Other current liabilities	(10,110)	(9,766)
Repayment of employee benefits	(21,000)	(32,798)
Net cash generated from operating	<u>160,954</u>	<u>335,654</u>
Taxes paid	(73,533)	(66,260)
Net cash from operating activities	<u>87,421</u>	<u>269,394</u>

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

Alucon Public Company Limited

Statement of cash flows (Unaudited)

	Note	Six-month period ended	
		2022	2021
		30 June	
		(in thousand Baht)	
<i>Cash flows from investing activities</i>			
Proceeds from sale of unit trust - debt instruments		-	650,365
Proceeds from sale of equipment		2,314	732
Payment for acquisition of plant and equipment		(24,911)	(57,952)
Payment for acquisition of intangible assets		(326)	(25)
Interest received		1,104	2,061
Net cash from (used in) investing activities		(21,819)	595,181
<i>Cash flows from financing activities</i>			
Increase in bank overdrafts		-	766
Dividends paid to owners of the Company	5	(432,000)	(432,000)
Net cash used in financing activities		(432,000)	(431,234)
Net (decrease) increase in cash and cash equivalents		(366,398)	433,341
Cash and cash equivalents at 1 January		1,185,272	1,125,836
Cash and cash equivalents at 30 June		818,874	1,559,177
<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	23,483	39,726
<i>Add:</i> settlement of payables for plant and equipment previously purchased		5,450	27,369
<i>Less:</i> payables on purchase of plant and equipment		(4,022)	(9,143)
Net purchases of plant and equipment paid by cash		24,911	57,952
2. Cash paid for purchase of intangible assets during the period are detailed as follows:			
Total addition of intangible assets during the period		308	25
<i>Add:</i> settlement of payables for intangible assets previously purchased		28	-
<i>Less:</i> payables on purchase of intangible assets		(10)	-
Net purchases of intangible assets paid by cash		326	25

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 and six-month periods ended 30 June 2022 (Unaudited)

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Alucon Public Company Limited
Notes to the condensed interim financial statements
For the three-month and six-month periods ended 30 June 2022 (Unaudited)

These 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 11 August 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 six-month period ended 30 June with related parties were as follows:

<i>Six-month period ended 30 June</i>	2022	2021
	<i>(in thousand Baht)</i>	
Parent		
Revenue from sales of goods	725,102	606,581
Purchase of raw materials and spare parts	9,513	10,150
License fee	7,718	9,170
Commission expenses	940	1,174
Other expenses	125	45
Key management personnel		
Key management personnel compensation		
Short-term employee benefit <i>(including director’s remuneration)</i>	21,304	19,847
Post-employment benefits	531	607
Total key management personnel compensation	21,835	20,454

Balances as at 30 June 2022 and 31 December 2021 with related parties were as follows:

	30 June 2022	31 December 2021
	<i>(in thousand Baht)</i>	
Trade account receivable		
Parent - Takeuchi Press Industries Company Limited	96,278	98,425
Trade account payable		
Parent - Takeuchi Press Industries Company Limited	138	-

Alucon Public Company Limited
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	30 June 2022	31 December 2021
	<i>(in thousand Baht)</i>	
<i>Other payables</i>		
<i>Accrued license fee</i>		
Parent - Takeuchi Press Industries Company Limited	3,524	3,787
<i>Accrued commission payable</i>		
Parent - Takeuchi Press Industries Company Limited	462	538
<i>Accrued management's remuneration and other benefits</i>		
Key management personnel	2,709	4,954
Total other payables to related parties	<u>6,695</u>	<u>9,279</u>

Commitments for purchase of raw materials and spare parts

	30 June 2022	31 December 2021
	<i>(in thousand Baht)</i>	
Parent - Takeuchi Press Industries Company Limited	<u>2,430</u>	<u>3,644</u>

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 six-month period ended 30 June are as follows:

<i>Six-month period ended 30 June</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>			
Building and building improvement	168	-	717	(43)
Machinery and equipment	18,111	(370)	30,214	-
Office equipment	1,026	-	81	-
Spare parts	(3,009)	-	(9,505)	-
Construction in progress	7,187	-	18,219	-
Total	<u>23,483</u>	<u>(370)</u>	<u>39,726</u>	<u>(43)</u>

Alucon Public Company Limited
Notes to the condensed interim financial statements
For the three-month and six-month periods ended 30 June 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>Six-month period ended 30 June</i>	Segment 1		Segment 2		Total	
	2022	2021	2022	2021	2022	2021
	<i>(in thousand Baht)</i>					
Revenue from sales	1,753,217	1,544,465	1,743,637	1,190,151	3,496,854	2,734,616
Gross Profit	305,234	362,997	145,000	178,106	450,234	541,103
Profit before income tax	277,976	317,620	121,156	174,745	399,132	492,365
<i>As at 30 June/31 December</i>						
Segment assets						
Trade accounts receivable	659,117	585,180	626,151	548,211	1,285,268	1,133,391
Inventories	369,488	339,344	1,921,482	1,521,257	2,290,970	1,860,601
Property, plant and equipment	2,096,600	2,224,652	532,134	575,078	2,628,734	2,799,730
Unallocated assets					985,121	1,349,282
Total assets					7,190,093	7,143,004
Segment liabilities						
Trade accounts payable	123,144	93,151	137,346	65,316	260,490	158,467
Unallocated liabilities					767,734	727,020
Total liabilities					1,028,224	885,487

Contract Balances

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

	30 June 2022	31 December 2021
	<i>(in thousand Baht)</i>	
Trade accounts receivable	1,285,268	1,133,391
Contract liabilities - current	30,746	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.

Alucon Public Company Limited
Notes to the condensed interim financial statements
For the three-month and six-month periods ended 30 June 2022 (Unaudited)

5 Dividends

	Approval date	Payment schedule	Dividend rate per share (Baht)	Amount (in million Baht)
2022				
Annual dividend	25 April 2022	May 2022	10	432
2021				
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, 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.

	Carrying amount Financial instruments measured at FVTPL	Fair value			Total
		Level 1 (in thousand Baht)	Level 2	Level 3	
At 30 June 2022					
Financial asset					
Unit trust - debt instruments	51,290	-	51,290	-	51,290
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.

Alucon Public Company Limited
Notes to the condensed interim financial statements
For the three-month and six-month periods ended 30 June 2022 (Unaudited)

	<i>Note</i>	30 June 2022 <i>(in thousand Baht)</i>	31 December 2021
Related party			
Within credit terms	2	96,278	98,425
Other parties			
Within credit terms		966,667	898,216
Overdue:			
Less than 3 months		216,220	136,729
3 - 6 months		6,103	-
6 - 12 months		-	21
		<u>1,188,990</u>	<u>1,034,966</u>
Total		<u>1,285,268</u>	<u>1,133,391</u>

7 Commitments with non-related parties

	30 June 2022	31 December 2021 <i>(in thousand Baht)</i>
Capital commitments		
Contracted but not provided for:		
Machinery and equipment	<u>18,480</u>	<u>9,432</u>
Other commitments		
Purchase orders accepted by suppliers		
- Within one year	2,192,716	3,779,220
Bank guarantees	22,500	22,500
Total	<u>2,215,216</u>	<u>3,801,720</u>

Bank guarantee

As at 30 June 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 30 June 2022, the Company had purchase orders accepted by suppliers for purchase of aluminium ingot for a total quantity 25,800 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*).