

Alucon Public Company Limited

Condensed interim financial statements
for the three-month and nine-month periods ended
30 September 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 September 2022; the statements of comprehensive income for the three-month and nine-month periods ended 30 September 2022; the statement of changes in equity and cash flows for the nine-month period ended 30 September 2022; and condensed notes (“interim financial information”). Management is responsible for 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 November 2022

Alucon Public Company Limited

Statement of financial position

Assets	<i>Note</i>	30 September 2022 (Unaudited)	31 December 2021
<i>(in thousand Baht)</i>			
<i>Current assets</i>			
Cash and cash equivalents		1,181,124	1,185,272
Trade accounts receivable	2, 4, 6	1,310,317	1,133,391
Inventories		2,165,333	1,860,601
Refundable value added tax		41,195	49,973
Other current assets		11,711	26,213
Total current assets		<u>4,709,680</u>	<u>4,255,450</u>
<i>Non-current assets</i>			
Other non-current financial assets	6	51,359	51,176
Property, plant and equipment	3	2,567,311	2,799,730
Intangible assets		5,566	6,163
Deferred tax assets		29,141	30,191
Other non-current assets		294	294
Total non-current assets		<u>2,653,671</u>	<u>2,887,554</u>
Total assets		<u><u>7,363,351</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

Liabilities and equity	<i>Note</i>	30 September 2022 (Unaudited)	31 December 2021
		<i>(in thousand Baht)</i>	
<i>Current liabilities</i>			
Trade accounts payable	2	188,267	158,467
Contract liabilities	4	29,300	26,644
Other payables to related parties	2	7,131	9,279
Other payables to other parties		193,879	104,850
Current income tax payable		56,173	73,520
Current provisions for employee benefits		30,972	45,984
Other current liabilities		5,513	13,652
Total current liabilities		511,235	432,396
<i>Non-current liability</i>			
Non-current provisions for employee benefits		462,680	453,091
Total non-current liability		462,680	453,091
Total liabilities		973,915	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		5,660,236	5,528,317
Total equity		6,389,436	6,257,517
Total liabilities and equity		7,363,351	7,143,004

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		Nine-month period ended	
		30 September		30 September	
	<i>Note</i>	2022	2021	2022	2021
		<i>(in thousand Baht)</i>			
Revenues					
Revenue from sales of goods	2, 4	1,800,174	1,472,716	5,297,028	4,207,332
Net foreign exchange gain		75,805	40,672	123,055	87,551
Other income		50,762	44,009	158,712	115,473
Total revenues		1,926,741	1,557,397	5,578,795	4,410,356
Expenses					
Cost of sales of goods	2	1,552,785	1,229,226	4,599,405	3,422,739
Distribution costs	2	60,127	53,257	200,238	150,044
Administrative expenses	2	32,565	31,842	98,756	102,136
Total expenses		1,645,477	1,314,325	4,898,399	3,674,919
Profit before income tax expense		281,264	243,072	680,396	735,437
Tax expense		53,697	48,673	116,477	145,261
Profit for the period		227,567	194,399	563,919	590,176
Other comprehensive income for the period		-	-	-	-
Total comprehensive income for the period		227,567	194,399	563,919	590,176
Basic earnings per share (in Baht)		5.27	4.50	13.05	13.66

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	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)
<i>Total distribution to owners</i>		-	-	-	(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 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	Shares Premium	<u>Retained earnings</u>		Total equity
				Legal reserve	Unappropriated	
				<i>(in thousand Baht)</i>		
Nine-month period ended 30 September 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>Distribution to owners</i>						
Dividends	5	-	-	-	(432,000)	(432,000)
<i>Total distribution to owners</i>		-	-	-	(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		-	-	-	563,919	563,919
Other comprehensive income		-	-	-	-	-
Total comprehensive income for the period		-	-	-	563,919	563,919
Balance at 30 September 2022		432,000	254,000	43,200	5,660,236	6,389,436

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

Alucon Public Company Limited
Statement of cash flows (Unaudited)

	Nine-month period ended	
	30 September	
	2022	2021
	<i>(in thousand Baht)</i>	
<i>Cash flows from operating activities</i>		
Profit for the period	563,919	590,176
<i>Adjustments to reconcile profit to cash receipts (payments)</i>		
Tax expense	116,477	145,261
Depreciation	293,556	314,603
Amortisation	1,007	1,089
Provision for employee benefit	18,060	43,080
Gain on fair value adjustment on unit trust - debt instruments	(183)	(408)
Unrealised gain on exchange	(35,742)	(16,870)
(Reversal of) losses on inventories devaluation	(7,772)	959
Gain on disposal of equipment	(1,931)	(693)
Interest income	(2,003)	(5,529)
	945,388	1,071,668
<i>Changes in operating assets and liabilities</i>		
Trade accounts receivable	(140,094)	(297,307)
Inventories	(296,960)	(558,770)
Refundable value added tax	8,778	(35,370)
Other current assets	14,052	2,747
Other non-current assets	-	9
Trade accounts payable	28,734	222,630
Contract liabilities	2,656	6,562
Other payables to related parties	(2,148)	(722)
Other payable to other parties	87,283	90,335
Other current liabilities	(8,139)	(9,604)
Repayment of employee benefits	(23,483)	(35,131)
Net cash generated from operating	616,067	457,047
Taxes paid	(132,774)	(164,090)
Net cash from operating activities	483,293	292,957

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

Alucon Public Company Limited
Statement of cash flows (Unaudited)

		Nine-month period ended	
		30 September	
	Note	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		2,323	736
Payment for acquisition of plant and equipment		(59,890)	(92,217)
Payment for acquisition of intangible assets		(326)	(67)
Interest received		2,452	3,332
Net cash from (used in) investing activities		(55,441)	562,149
<i>Cash flows from financing activities</i>			
Decrease in bank overdrafts		-	(1)
Dividends paid to owners of the Company	5	(432,000)	(432,000)
Net cash used in financing activities		(432,000)	(432,001)
Net (decrease) increase in cash and cash equivalents		(4,148)	423,105
Cash and cash equivalents at 1 January		1,185,272	1,125,836
Cash and cash equivalents at 30 September		1,181,124	1,548,941
<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	61,529	67,968
<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		(7,089)	(3,120)
Net purchases of plant and equipment paid by cash		59,890	92,217
2. Cash paid for purchase of intangible assets during the period are detailed as follows:			
Total addition of intangible assets during the period		410	67
<i>Add:</i> settlement of payables for intangible assets previously purchased		28	-
<i>Less:</i> payables on purchase of intangible assets		(112)	-
Net purchases of intangible assets paid by cash		326	67

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 nine-month periods ended 30 September 2022 (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 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 November 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 nine-month period ended 30 September with related parties were as follows:

<i>Nine-month period ended 30 September</i>	2022	2021
	<i>(in thousand Baht)</i>	
Parent		
Revenue from sales of goods	1,058,414	921,374
Purchase of raw materials and spare parts	14,300	14,352
License fee	10,508	14,435
Commission expenses	1,377	1,872
Other expenses	126	45
Key management personnel		
Key management personnel compensation		
Short-term employee benefit		
<i>(including director’s remuneration)</i>	31,919	28,681
Post-employment benefits	540	910
Total key management personnel compensation	32,459	29,591

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

	30 September 2022	31 December 2021
	<i>(in thousand Baht)</i>	
Trade account receivable		
Parent - Takeuchi Press Industries Company Limited	52,253	98,425
Trade account payable		
Parent - Takeuchi Press Industries Company Limited	2,474	-

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

	30 September 2022	31 December 2021
	<i>(in thousand Baht)</i>	
<i>Other payables</i>		
<i>Accrued license fee</i>		
Parent - Takeuchi Press Industries Company Limited	2,789	3,787
<i>Accrued commission payable</i>		
Parent - Takeuchi Press Industries Company Limited	437	538
<i>Accrued management's remuneration and other benefits</i>		
Key management personnel	3,905	4,954
Total other payables to related parties	<u><u>7,131</u></u>	<u><u>9,279</u></u>

Commitments for purchase of raw materials and spare parts

	30 September 2022	31 December 2021
	<i>(in thousand Baht)</i>	
Parent - Takeuchi Press Industries Company Limited	<u><u>2,613</u></u>	<u><u>3,644</u></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 nine-month period ended 30 September are as follows:

<i>Nine-month period ended 30 September</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	350	-	13,677	(43)
Machinery and equipment	58,344	(392)	90,659	-
Office equipment	1,140	-	81	-
Spare parts	(1,450)	-	(10,471)	-
Construction in progress	3,145	-	(25,978)	-
Total	<u><u>61,529</u></u>	<u><u>(392)</u></u>	<u><u>67,968</u></u>	<u><u>(43)</u></u>

Alucon Public Company Limited
Notes to the condensed interim financial statements
For the three-month and nine-month periods ended 30 September 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>Nine-month period ended 30 September</i>	Segment 1		Segment 2		Total	
	2022	2021	2022	2021	2022	2021
	<i>(in thousand Baht)</i>					
Revenue from sales	<u>2,688,159</u>	<u>2,294,171</u>	<u>2,608,869</u>	<u>1,913,161</u>	<u>5,297,028</u>	<u>4,207,332</u>
Gross Profit	<u>476,193</u>	<u>519,591</u>	<u>221,430</u>	<u>265,002</u>	<u>697,623</u>	<u>784,593</u>
Profit before income tax	<u>455,767</u>	<u>469,334</u>	<u>224,629</u>	<u>266,103</u>	<u>680,396</u>	<u>735,437</u>
<i>As at 30 September/ 31 December</i>						
Segment assets						
Trade accounts receivable	636,128	585,180	674,189	548,211	1,310,317	1,133,391
Inventories	372,873	339,344	1,792,460	1,521,257	2,165,333	1,860,601
Property, plant and equipment	2,057,563	2,224,652	509,748	575,078	2,567,311	2,799,730
Unallocated assets					<u>1,320,390</u>	<u>1,349,282</u>
Total assets					<u>7,363,351</u>	<u>7,143,004</u>
Segment liabilities						
Trade accounts payable	131,479	93,151	56,788	65,316	188,267	158,467
Unallocated liabilities					<u>785,648</u>	<u>727,020</u>
Total liabilities					<u>973,915</u>	<u>885,487</u>

Contract Balances

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

	30 September 2022	31 December 2021
	<i>(in thousand Baht)</i>	
Trade accounts receivable	1,310,317	1,133,391
Contract liabilities - current	29,300	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 nine-month periods ended 30 September 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 September 2022					
Financial asset					
Unit trust - debt instruments	51,359	-	51,359	-	51,359
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 nine-month periods ended 30 September 2022 (Unaudited)

	<i>Note</i>	30 September 2022 <i>(in thousand Baht)</i>	31 December 2021
Related party			
Within credit terms	2	52,253	98,425
Other parties			
Within credit terms		1,017,203	898,216
Overdue:			
Less than 3 months		240,861	136,729
6 - 12 months		-	21
		<u>1,258,064</u>	<u>1,034,966</u>
Total		<u>1,310,317</u>	<u>1,133,391</u>

7 Commitments with non-related parties

	30 September 2022	31 December 2021 <i>(in thousand Baht)</i>
Capital commitments		
Contracted but not provided for:		
Machinery and equipment	<u>51,024</u>	<u>9,432</u>
Other commitments		
Purchase orders accepted by suppliers		
- Within one year	1,692,567	3,779,220
- After one year but within five years	248,907	-
Bank guarantees	22,500	22,500
Total	<u>1,963,974</u>	<u>3,801,720</u>

Bank guarantee

As at 30 September 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 Bah 23 million (31 December 2021: Baht 23 million).

Purchase orders accepted by suppliers

As at 30 September 2022, the Company had purchase orders accepted by suppliers for purchase of aluminium ingot for a total quantity 23,400 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).