

Alucon Public Company Limited

Condensed interim financial statements
for the three-month and six-month periods ended
30 June 2023
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 2023; the statements of comprehensive income for the three-month and six-month periods ended 30 June 2023; the statement of changes in equity and cash flows for the six-month period ended 30 June 2023; 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 2023

Alucon Public Company Limited
Statement of financial position

Assets	<i>Note</i>	30 June 2023 (Unaudited)	31 December 2022
<i>(in thousand Baht)</i>			
<i>Current assets</i>			
Cash and cash equivalents		1,453,004	1,263,085
Current investments in time deposits		596,179	-
Trade accounts receivable	2, 6	1,096,341	1,089,460
Inventories		1,494,730	2,337,105
Refundable value added tax		12,974	52,222
Other current assets		21,432	27,994
Total current assets		<u>4,674,660</u>	<u>4,769,866</u>
<i>Non-current assets</i>			
Other non-current financial assets	6	51,787	51,468
Property, plant and equipment	3	2,362,931	2,483,106
Intangible assets		4,634	5,291
Deferred tax assets		34,019	29,939
Other non-current assets		305	294
Total non-current assets		<u>2,453,676</u>	<u>2,570,098</u>
Total assets		<u><u>7,128,336</u></u>	<u><u>7,339,964</u></u>

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

Alucon Public Company Limited
Statement of financial position

		30 June 2023 (Unaudited)	31 December 2022
Liabilities and equity	<i>Note</i>		
		(Unaudited)	
		<i>(in thousand Baht)</i>	
<i>Current liabilities</i>			
Trade accounts payable	2	127,646	116,456
Contract liabilities	4	31,437	29,289
Other payables to related parties	2	5,141	9,619
Other payables to other parties		156,249	100,051
Corporate income tax payable		29,097	80,201
Current provisions for employee benefits		34,751	30,410
Other current liabilities		5,300	14,539
Total current liabilities		389,621	380,565
<i>Non-current liability</i>			
Non-current provisions for employee benefits		451,942	461,975
Total non-current liability		451,942	461,975
Total liabilities		841,563	842,540
<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		5,557,573	5,768,224
Total equity		6,286,773	6,497,424
Total liabilities and equity		7,128,336	7,339,964

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

Alucon Public Company Limited
Statement of comprehensive income (Unaudited)

	<i>Note</i>	Three-month period ended		Six-month period ended	
		30 June		30 June	
		2023	2022	2023	2022
		<i>(in thousand Baht)</i>			
<i>Income</i>					
Revenue from sales of goods	2, 4	1,476,059	1,752,158	3,124,341	3,496,854
Net foreign exchange gain		26,122	47,639	1,882	47,250
Other income		50,535	68,924	96,988	107,950
Total income		<u>1,552,716</u>	<u>1,868,721</u>	<u>3,223,211</u>	<u>3,652,054</u>
<i>Expenses</i>					
Cost of sale of goods	2	1,305,427	1,529,102	2,831,091	3,046,620
Distribution costs	2	36,476	66,591	78,060	140,111
Administrative expenses	2	32,036	33,571	67,642	66,191
Total expenses		<u>1,373,939</u>	<u>1,629,264</u>	<u>2,976,793</u>	<u>3,252,922</u>
Profit before income tax expense		178,777	239,457	246,418	399,132
Tax expense		20,389	36,979	25,069	62,780
Profit for the period		158,388	202,478	221,349	336,352
Other comprehensive income for the period		-	-	-	-
Total comprehensive income for the period		<u>158,388</u>	<u>202,478</u>	<u>221,349</u>	<u>336,352</u>
Basic earnings per share (<i>in Baht</i>)		<u>3.67</u>	<u>4.69</u>	<u>5.12</u>	<u>7.79</u>

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 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 2023						
Balance at 1 January 2023		432,000	254,000	43,200	5,768,224	6,497,424
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		-	-	-	221,349	221,349
Other comprehensive income		-	-	-	-	-
Total comprehensive income for the period		-	-	-	221,349	221,349
Balance at 30 June 2023		432,000	254,000	43,200	5,557,573	6,286,773

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	
	2023	2022
	<i>(in thousand Baht)</i>	
<i>Cash flows from operating activities</i>		
Profit for the period	221,349	336,352
<i>Adjustments to reconcile profit to cash receipts (payments)</i>		
Tax expense	25,069	62,780
Depreciation	186,957	194,109
Amortisation	657	674
Provisions for employee benefits	26,049	6,558
Gain on fair value adjustment on unit trust - debt instruments	(319)	(114)
Unrealised gain on exchange	(16,912)	(17,837)
Reversal of losses on inventories devaluation	(1,018)	(5,344)
Loss (gain) on disposal of equipment	4	(1,944)
Interest income	(9,885)	(1,669)
	<u>431,951</u>	<u>573,565</u>
<i>Changes in operating assets and liabilities</i>		
Trade accounts receivable	10,218	(133,520)
Inventories	843,393	(425,025)
Refundable value added tax	39,248	(4,125)
Other current assets	11,294	(1,338)
Other non-current assets	(11)	-
Trade accounts payable	11,003	101,514
Contract liabilities	2,148	4,102
Other payables to related parties	(4,478)	(2,584)
Other payable to other parties	52,621	79,475
Other current liabilities	(9,239)	(10,110)
Repayment of employee benefits	(31,741)	(21,000)
Net cash generated from operations	<u>1,356,407</u>	<u>160,954</u>
Taxes paid	(80,253)	(73,533)
Net cash from operating activities	<u>1,276,154</u>	<u>87,421</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	
		2023	2022
		30 June	
		(in thousand Baht)	
<i>Cash flows from investing activities</i>			
Cash outflow on current investments in time deposits		(596,179)	-
Proceeds from sale of equipment		-	2,314
Payment for acquisition of plant and equipment		(63,209)	(24,911)
Payment for acquisition of intangible assets		-	(326)
Interest received		5,153	1,104
Net cash used in investing activities		(654,235)	(21,819)
<i>Cash flows from financing activity</i>			
Dividends paid to owners of the Company	5	(432,000)	(432,000)
Net cash used in financing activity		(432,000)	(432,000)
Net increase (decrease) in cash and cash equivalents		189,919	(366,398)
Cash and cash equivalents at 1 January		1,263,085	1,185,272
Cash and cash equivalents at 30 June		1,453,004	818,874
<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	66,786	23,483
Add: settlement of payables for plant and equipment previously purchased		3,176	5,450
Less: payables on purchase of plant and equipment		(6,753)	(4,022)
Net purchases of plant and equipment paid by cash		63,209	24,911
2. Cash paid for purchase of intangible assets during the period are detailed as follows:			
Total addition of intangible assets during the period		-	308
Add: settlement of payables for intangible assets previously purchased		-	28
Less: payables on purchase of intangible assets		-	(10)
Net purchases of intangible assets paid by cash		-	326

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 2023 (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 2023 (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 2023.

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 2022.

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 2022.

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>	2023	2022
	<i>(in thousand Baht)</i>	
Parent		
Revenue from sales of goods	739,580	725,102
Purchase of raw materials and spare parts	7,254	9,513
License fee	6,157	7,718
Commission expenses	814	940
Other expenses	54	125
Key management personnel		
Key management personnel compensation		
Short-term employee benefits <i>(including director’s remuneration)</i>	21,311	21,304
Post-employment benefits	474	531
Total key management personnel compensation	21,785	21,835

Balances as at 30 June 2023 and 31 December 2022 with related parties were as follows:

	30 June 2023	31 December 2022
	<i>(in thousand Baht)</i>	
Trade account receivable		
Parent - Takeuchi Press Industries Company Limited	<u>89,976</u>	<u>60,925</u>
Trade account payable		
Parent - Takeuchi Press Industries Company Limited	<u>2,135</u>	<u>200</u>

Alucon Public Company Limited
Notes to the condensed interim financial statements
For the three-month and six-month periods ended 30 June 2023 (Unaudited)

	30 June 2023	31 December 2022
	<i>(in thousand Baht)</i>	
<i>Other payables</i>		
<i>Accrued license fee</i>		
Parent - Takeuchi Press Industries Company Limited	2,372	4,023
<i>Accrued commission payable</i>		
Parent - Takeuchi Press Industries Company Limited	365	501
<i>Accrued management's remuneration and other benefits</i>		
Key management personnel	2,404	5,095
Total other payables to related parties	<u>5,141</u>	<u>9,619</u>

Commitments for purchase of raw materials and spare parts

	30 June 2023	31 December 2022
	<i>(in thousand Baht)</i>	
Parent - Takeuchi Press Industries Company Limited	<u>56</u>	<u>361</u>

Significant memorandum of understanding

On 2 February 2023, 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 2023 to March 2024.

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>	2023		2022	
	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	-
Machinery and equipment	26,558	(4)	18,111	(370)
Office equipment	58	-	1,026	-
Spare parts	1,367	-	(3,009)	-
Construction in progress	38,803	-	7,187	-
Total	<u>66,786</u>	<u>(4)</u>	<u>23,483</u>	<u>(370)</u>

Alucon Public Company Limited
Notes to the condensed interim financial statements
For the three-month and six-month periods ended 30 June 2023 (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	
	2023	2022	2023	2022	2023	2022
	<i>(in thousand Baht)</i>					
Revenue from sales	<u>1,624,724</u>	<u>1,753,217</u>	<u>1,499,617</u>	<u>1,743,637</u>	<u>3,124,341</u>	<u>3,496,854</u>
Gross Profit	<u>253,185</u>	<u>305,234</u>	<u>40,065</u>	<u>145,000</u>	<u>293,250</u>	<u>450,234</u>
Profit before income tax	<u>214,567</u>	<u>277,976</u>	<u>31,851</u>	<u>121,156</u>	<u>246,418</u>	<u>399,132</u>
<i>As at 30 June/31 December</i>						
Segment assets						
Trade accounts receivable	603,497	573,407	492,844	516,053	1,096,341	1,089,460
Inventories	328,302	330,704	1,166,428	2,006,401	1,494,730	2,337,105
Property, plant and equipment	1,916,045	1,995,749	446,886	487,357	2,362,931	2,483,106
Unallocated assets					<u>2,174,334</u>	<u>1,430,293</u>
Total assets					<u>7,128,336</u>	<u>7,339,964</u>
Segment liabilities						
Trade accounts payable	114,605	91,597	13,041	24,859	127,646	116,456
Unallocated liabilities					<u>713,917</u>	<u>726,084</u>
Total liabilities					<u>841,563</u>	<u>842,540</u>

Contract Balances

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

	30 June 2023	31 December 2022
	<i>(in thousand Baht)</i>	
Trade accounts receivable	1,096,341	1,089,460
Contract liabilities - current	31,437	29,289

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 2023 (Unaudited)

5 Dividends

	Approval date	Payment schedule	Dividend rate per share (Baht)	Amount (in million Baht)
2023				
Annual dividend	18 April 2023	May 2023	10	432
2022				
Annual dividend	25 April 2022	May 2022	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 2023					
Financial asset					
Unit trust - debt instruments	51,787	-	51,787	-	51,787
At 31 December 2022					
Financial asset					
Unit trust - debt instruments	51,468	-	51,468	-	51,468

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 2023 (Unaudited)

	<i>Note</i>	30 June 2023 <i>(in thousand Baht)</i>	31 December 2022
Related party			
Within credit terms	2	89,976	60,925
Other parties			
Within credit terms		784,358	826,894
Overdue:			
Less than 3 months		213,169	201,579
3 - 6 months		8,838	62
		<u>1,006,365</u>	<u>1,028,535</u>
Total		<u>1,096,341</u>	<u>1,089,460</u>

7 Commitments with non-related parties

	30 June 2023	31 December 2022
	<i>(in thousand Baht)</i>	
Capital commitments		
Contracted but not provided for:		
Machinery and equipment	<u>19,839</u>	<u>46,632</u>
Other commitments		
Purchase orders accepted by suppliers		
- Within one year	1,168,903	1,229,566
Bank guarantees	22,500	22,500
Total	<u>1,191,403</u>	<u>1,252,066</u>

Bank guarantee

As at 30 June 2023, 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 2022: Baht 23 million).

Purchase orders accepted by suppliers

As at 30 June 2023, the Company had purchase orders accepted by suppliers for purchase of aluminium ingot for a total quantity 15,600 MT (31 December 2022: 15,000 MT), at the price as determined in purchase orders (31 December 2022: at the price as determined in purchase orders) that will be delivered during 2023 (31 December 2022: during 2022 to 2023).