

Alucon Public Company Limited

Condensed interim financial statements
for the three-month and six-month periods ended
30 June 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 June 2021; the statements of comprehensive income for the three-month and six-month periods ended 30 June 2021; the statement of changes in equity and cash flows for the six-month period ended 30 June 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
13 August 2021

Alucon Public Company Limited
Statement of financial position

Assets	<i>Note</i>	30 June 2021 (Unaudited)	31 December 2020
		<i>(in thousand Baht)</i>	
<i>Current assets</i>			
Cash and cash equivalents		1,559,177	1,125,836
Trade accounts receivable	2, 6	985,744	759,703
Inventories		1,304,865	1,014,869
Refundable value added tax		35,072	10,598
Other current assets		19,991	19,898
Total current assets		<u>3,904,849</u>	<u>2,930,904</u>
<i>Non-current assets</i>			
Other non-current financial assets	6	51,063	701,076
Property, plant and equipment	3	2,961,921	3,130,819
Intangible assets		6,768	7,475
Deferred tax assets		29,736	28,482
Other non-current assets		294	303
Total non-current assets		<u>3,049,782</u>	<u>3,868,155</u>
Total assets		<u><u>6,954,631</u></u>	<u><u>6,799,059</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 June 2021 (Unaudited)	31 December 2020
		<i>(in thousand Baht)</i>	
<i>Current liabilities</i>			
Bank overdrafts		767	1
Trade accounts payable	2	224,442	107,815
Contract liabilities	4	21,138	15,013
Other payables to related parties	2	7,263	10,433
Other payables to other parties		167,767	116,363
Current income tax payable		97,810	66,228
Current provisions for employee benefits		44,406	23,313
Other current liabilities		4,943	14,709
Total current liabilities		<u>568,536</u>	<u>353,875</u>
<i>Non-current liability</i>			
Non-current provisions for employee benefits		460,085	482,951
Total non-current liability		<u>460,085</u>	<u>482,951</u>
Total liabilities		<u>1,028,621</u>	<u>836,826</u>
<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		5,196,810	5,233,033
Total equity		<u>5,926,010</u>	<u>5,962,233</u>
Total liabilities and equity		<u>6,954,631</u>	<u>6,799,059</u>

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	
		2021	2020	2021	2020
<i>(in thousand Baht)</i>					
Revenue					
Revenue from sales of goods	2, 4	1,377,568	1,294,632	2,734,616	2,744,078
Net foreign exchange gain		18,008	-	46,879	22,113
Other income		38,797	28,219	71,464	61,576
Total revenue		1,434,373	1,322,851	2,852,959	2,827,767
Expenses					
Cost of sale of goods	2	1,101,733	1,051,581	2,193,513	2,187,634
Distribution costs	2	50,856	34,322	96,787	70,859
Administrative expenses	2	33,300	35,807	70,294	75,107
Net foreign exchange loss		-	45,644	-	-
Total expenses		1,185,889	1,167,354	2,360,594	2,333,600
Profit before income tax expense		248,484	155,497	492,365	494,167
Tax expense		47,903	28,194	96,588	95,999
Profit for the period		200,581	127,303	395,777	398,168
Other comprehensive income for the period		-	-	-	-
Total comprehensive income for the period		200,581	127,303	395,777	398,168
Basic earnings per share (in Baht)		4.64	2.95	9.16	9.22

The accompanying notes form 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	<u>Retained earnings</u>		Total equity
			Legal reserve	Unappropriated	
	<i>(in thousand Baht)</i>				
Six-month period ended 30 June 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>Distributions to owners</i>					
Dividends	-	-	-	(324,000)	(324,000)
Total distributions to owners	-	-	-	(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	-	-	-	398,168	398,168
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the period	-	-	-	398,168	398,168
Balance at 30 June 2020	432,000	254,000	43,200	4,950,026	5,679,226

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 cash flows (Unaudited)

	Six-month period ended	
	30 June	
	2021	2020
	<i>(in thousand Baht)</i>	
<i>Cash flows from operating activities</i>		
Profit for the period	395,777	398,168
<i>Adjustments to reconcile profit to cash receipts (payments)</i>		
Tax expense	96,588	95,999
Depreciation	208,582	217,268
Amortisation	732	786
Provisions for employee benefits	31,025	44,674
Recognised deferred income	-	(460)
Gain on fair value adjustment on unit trust - debt instruments	(352)	-
Unrealised (gain) loss on exchange	(12,816)	14,828
Reversal of losses on inventories devaluation	(507)	(985)
Gain on disposal of equipment	(689)	(60)
Interest income	<u>(3,659)</u>	<u>(1,783)</u>
	714,681	768,435
<i>Changes in operating assets and liabilities</i>		
Trade accounts receivable	(212,490)	(10,773)
Inventories	(289,489)	261,017
Refundable value added tax	(24,474)	24,278
Other current assets	1,506	4,725
Other non-current assets	9	17
Trade accounts payable	115,891	(82,375)
Contract liabilities	6,125	8,254
Other payables to related parties	(3,170)	(4,191)
Other payable to other parties	69,629	71,701
Other current liabilities	(9,766)	(6,171)
Repayment of employee benefits	<u>(32,798)</u>	<u>(108,539)</u>
Net cash generated from operating	335,654	926,378
Taxes paid	<u>(66,260)</u>	<u>(56,578)</u>
Net cash from operating activities	<u>269,394</u>	<u>869,800</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	
		30 June	
		2021	2020
		<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	147
Payment for acquisition of plant and equipment		(57,952)	(92,366)
Payment for acquisition of intangible assets		(25)	(191)
Interest received		2,061	1,779
Net cash from (used in) investing activities		595,181	(90,631)
<i>Cash flows from financing activities</i>			
Increase in bank overdrafts		766	12,357
Dividends paid to owners of the Company		(432,000)	(324,000)
Net cash used in financing activities		(431,234)	(311,643)
Net increase in cash and cash equivalents		433,341	467,526
Cash and cash equivalents at 1 January		1,125,836	883,873
Cash and cash equivalents at 30 June		1,559,177	1,351,399
<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	39,726	76,903
<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		(9,143)	(8,874)
Net purchases of plant and equipment paid by cash		57,952	92,366

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 2021 (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 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 13 August 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 six-month period ended 30 June with related parties were as follows:

<i>Six-month period ended 30 June</i>	2021	2020
	<i>(in thousand Baht)</i>	
Parent		
Revenue from sales of goods	606,581	592,697
Purchase of raw materials and spare parts	10,150	5,754
Purchase of machineries and equipments	-	254
License fee	9,170	6,103
Commission expenses	1,174	784
Other expenses	45	18
Key management personnel		
Key management personnel compensation		
Short-term employee benefit		
<i>(including director’s remuneration)</i>	19,847	24,286
Post-employment benefits	607	657
Total key management personnel compensation	<u>20,454</u>	<u>24,943</u>

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

	30 June 2021	31 December 2020
	<i>(in thousand Baht)</i>	
Trade account receivable		
Parent		
Takeuchi Press Industries Company Limited	<u>83,042</u>	<u>60,503</u>
Trade account payable		
Parent		
Takeuchi Press Industries Company Limited	<u>4,787</u>	<u>1,675</u>
Other payable		
Accrued license fee		
Parent		
Takeuchi Press Industries Company Limited	4,165	5,052
Accrued commission payable		
Parent		
Takeuchi Press Industries Company Limited	543	707
Accrued management's remuneration and other benefits		
Key management personnel	<u>2,555</u>	<u>4,674</u>
Total	<u>7,263</u>	<u>10,433</u>
Commitments for purchase of raw materials and spare parts		
	30 June 2021	31 December 2020
	<i>(in thousand Baht)</i>	
Parent		
Takeuchi Press Industries Company Limited	<u>756</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 six-month periods ended 30 June 2021 (Unaudited)

3 Property, plant and equipment

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

<i>Six-month period ended 30 June</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	-	-	600	-
Building and building improvement	717	(43)	1,840	-
Machinery and equipment	30,214	-	74,333	(87)
Office equipment	81	-	1,028	-
Vehicles	-	-	1,916	-
Spare parts	(9,505)	-	49	-
Construction in progress	18,219	-	(2,863)	-
Total	<u>39,726</u>	<u>(43)</u>	<u>76,903</u>	<u>(87)</u>

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	
	2021	2020	2021	2020	2021	2020
			<i>(in thousand Baht)</i>			
Revenue from sales	<u>1,544,465</u>	<u>1,588,171</u>	<u>1,190,151</u>	<u>1,155,907</u>	<u>2,734,616</u>	<u>2,744,078</u>
Gross Profit	<u>362,997</u>	<u>372,894</u>	<u>178,106</u>	<u>183,550</u>	<u>541,103</u>	<u>556,444</u>
Unallocated revenues					118,343	83,689
Unallocated expenses					<u>(167,081)</u>	<u>(145,966)</u>
Profit before income tax					<u>492,365</u>	<u>494,167</u>

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

Contract Balances

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

	30 June 2021	31 December 2020
	<i>(in thousand Baht)</i>	
Trade accounts receivable	985,744	759,703
Contract liabilities		
- Current	21,138	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	Level 2	Level 3	
<i>(in thousand Baht)</i>					
At 30 June 2021					
Financial asset					
Unit trust - debt instruments	51,063	-	51,063	-	51,063
At 31 December 2020					
Financial asset					
Unit trust - debt instruments	701,076	-	701,076	-	701,076

Alucon Public Company Limited
Notes to the condensed interim financial statements
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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 June 2021	31 December 2020
<i>(in thousand Baht)</i>			
Related party			
Within credit terms	2	83,042	60,503
Other parties			
Within credit terms		751,104	571,210
Overdue:			
Less than 3 months		151,560	127,990
3 - 6 months		38	-
		<u>902,702</u>	<u>699,200</u>
Total		<u>985,744</u>	<u>759,703</u>

7 Commitments with non-related parties

	30 June 2021	31 December 2020
<i>(in thousand Baht)</i>		
Capital commitments		
Contracted but not provided for:		
Factory, machinery and equipment	<u>19,160</u>	<u>41,628</u>
Other commitments		
Purchase orders accepted by suppliers		
- Within one year	1,711,278	1,941,844
- After one year but within five years	243,887	-
Bank guarantees	24,082	24,082
Total	<u>1,979,247</u>	<u>1,965,926</u>

Bank guarantee

As at 30 June 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 Baht 24 million (31 December 2020: Baht 24 million).

Purchase orders accepted by suppliers

As at 30 June 2021, the Company had purchase orders accepted by suppliers for purchase of aluminium ingot for a total quantity of 24,050 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).