

Alucon Public Company Limited

Condensed interim financial statements
for the three-month period ended
31 March 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 31 March 2023; the statements of comprehensive income, changes in equity and cash flows for the three-month period ended 31 March 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
12 May 2023

Alucon Public Company Limited
Statement of financial position

Assets	<i>Note</i>	31 March 2023 (Unaudited)	31 December 2022
<i>(in thousand Baht)</i>			
<i>Current assets</i>			
Cash and cash equivalents		2,108,795	1,263,085
Trade accounts receivable	2, 5	1,143,980	1,089,460
Inventories		1,724,084	2,337,105
Refundable value added tax		11,202	52,222
Other current assets		17,253	27,994
Total current assets		5,005,314	4,769,866
<i>Non-current assets</i>			
Other non-current financial assets	5	51,601	51,468
Property, plant and equipment	3	2,422,652	2,483,106
Intangible assets		4,965	5,291
Deferred tax assets		33,241	29,939
Other non-current assets		384	294
Total non-current assets		2,512,843	2,570,098
Total assets		7,518,157	7,339,964

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

Alucon Public Company Limited
Statement of financial position

		31 March 2023 (Unaudited)	31 December 2022
Liabilities and equity	<i>Note</i>		
		<i>(in thousand Baht)</i>	
<i>Current liabilities</i>			
Trade accounts payable	2	173,308	116,456
Contract liabilities	4	32,044	29,289
Other payables to related parties	2	10,410	9,619
Other payables to other parties		149,901	100,051
Corporate income tax payable		88,183	80,201
Current provisions for employee benefits		41,487	30,410
Other current liabilities		5,933	14,539
Total current liabilities		501,266	380,565
<i>Non-current liability</i>			
Non-current provisions for employee benefits		456,506	461,975
Total non-current liability		456,506	461,975
Total liabilities		957,772	842,540
<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		5,831,185	5,768,224
Total equity		6,560,385	6,497,424
Total liabilities and equity		7,518,157	7,339,964

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	
		31 March	
	<i>Note</i>	2023	2022
		<i>(in thousand Baht)</i>	
<i>Income</i>			
Revenue from sales of goods	2, 4	1,648,282	1,744,696
Other income		46,453	39,026
Total income		1,694,735	1,783,722
<i>Expenses</i>			
Cost of sales of goods	2	1,525,664	1,517,518
Distribution costs	2	41,584	73,520
Administrative expenses	2	35,606	32,620
Net foreign exchange loss		24,240	389
Total expenses		1,627,094	1,624,047
Profit before income tax expense		67,641	159,675
Tax expense		4,680	25,801
Profit for the period		62,961	133,874
Other comprehensive income for the period		-	-
Total comprehensive income for the period		62,961	133,874
Basic earnings per share (<i>in Baht</i>)			
		1.46	3.10

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	Retained earnings		Total equity
			Legal reserve	Unappropriated	
	(in thousand Baht)				
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
Three-month period ended					
31 March 2023					
Balance at 1 January 2023	432,000	254,000	43,200	5,768,224	6,497,424
Comprehensive income					
for the period					
Profit for the period	-	-	-	62,961	62,961
Other comprehensive income	-	-	-	-	-
Total comprehensive income					
for the period	-	-	-	62,961	62,961
Balance at 31 March 2023	432,000	254,000	43,200	5,831,185	6,560,385

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

Alucon Public Company Limited

Statement of cash flows (Unaudited)

	Three-month periods ended	
	31 March	
	2023	2022
	<i>(in thousand Baht)</i>	
<i>Cash flows from operating activities</i>		
Profit for the period	62,961	133,874
<i>Adjustments to reconcile profit to cash receipts (payments)</i>		
Tax expense	4,680	25,801
Depreciation	93,602	97,130
Amortisation	326	340
Provisions (reversal of provisions) for employee benefits	14,232	(2,409)
Gain on fair value adjustment on unit trust - debt instruments	(133)	(56)
Unrealised loss (gain) on exchange	2,195	(5,159)
Losses (reversal of losses) on inventories devaluation	198	(6,376)
Gain on write-off of equipment	4	-
Interest income	(189)	(814)
	<u>177,876</u>	<u>242,331</u>
<i>Changes in operating assets and liabilities</i>		
Trade accounts receivable	(56,892)	(174,232)
Inventories	612,823	(70,156)
Refundable value added tax	41,020	8,283
Other current assets	10,930	3,118
Other non-current assets	(90)	-
Trade accounts payable	57,027	85,693
Contract liabilities	2,755	(14,145)
Other payables to related parties	791	1,428
Other payable to other parties	43,768	41,294
Other current liabilities	(8,606)	(7,734)
Repayment of employee benefits	(8,624)	(13,524)
Net cash generated from operations	<u>872,778</u>	<u>102,356</u>
Taxes paid	-	(1)
Net cash from operating activities	<u>872,778</u>	<u>102,355</u>

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

Alucon Public Company Limited

Statement of cash flows (Unaudited)

	Three-month periods ended		
	31 March		
Note	2023	2022	
	(in thousand Baht)		
Cash flows from investing activities			
Payment for acquisition of plant and equipment	(27,068)	(15,003)	
Payment for acquisition of intangible assets	-	(117)	
Net cash used in investing activities	(27,068)	(15,120)	
Net increase in cash and cash equivalents	845,710	87,235	
Cash and cash equivalents at 1 January	1,263,085	1,185,272	
Cash and cash equivalents at 31 March	2,108,795	1,272,507	
Supplemental disclosures of cash flows information:			
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	33,152	14,993
Add: settlement of payables for plant and equipment			
previously purchased		3,176	5,451
Less: payables on purchase of plant and equipment		(9,260)	(5,441)
Net purchases of plant and equipment paid by cash		27,068	15,003
2. Cash paid for purchase of intangible assets			
during the period are detailed as follows:			
Total addition of intangible assets during the period		-	242
Add: settlement of payables for intangible assets			
previously purchased		-	28
Less: payables on purchase of intangible assets		-	(153)
Net purchases of intangible assets paid by cash		-	117

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 period ended 31 March 2023 (Unaudited)

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Alucon Public Company Limited
Notes to the condensed interim financial statements
For the three-month period ended 31 March 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 12 May 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 three-month period ended 31 March with related parties were as follows:

<i>Three-month period ended 31 March</i>	2023	2022
	<i>(in thousand Baht)</i>	
Parent		
Revenue from sales of goods	404,638	331,365
Purchase of raw materials and spare parts	2,396	4,974
License fee	3,786	4,194
Commission expenses	449	478
Other expenses	54	-
Key management personnel		
Key management personnel compensation		
Short-term employee benefits	10,682	10,666
Post-employment benefits	237	521
Total key management personnel compensation	10,919	11,187

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

	31 March 2023	31 December 2022
	<i>(in thousand Baht)</i>	
Trade account receivable		
Parent - Takeuchi Press Industries Company Limited	74,961	60,925
Trade account payable		
Parent - Takeuchi Press Industries Company Limited	150	200

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For the three-month period ended 31 March 2023 (Unaudited)

	31 March 2023	31 December 2022
	<i>(in thousand Baht)</i>	
<i>Other payables</i>		
<i>Accrued license fee</i>		
Parent - Takeuchi Press Industries Company Limited	3,786	4,023
<i>Accrued commission payable</i>		
Parent - Takeuchi Press Industries Company Limited	449	501
<i>Accrued management's remuneration and other benefits</i>		
Key management personnel	6,175	5,095
Total other payables to related parties	10,410	9,619
<i>Commitments for purchase of raw materials and spare parts</i>		
	31 March 2023	31 December 2022
	<i>(in thousand Baht)</i>	
Parent - Takeuchi Press Industries Company Limited	2,748	361

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 three-month period ended 31 March are as follows:

<i>Three-month period ended 31 March</i>	2023		2022	
	Acquisitions and transfers - at cost	Disposals - net book value <i>(in thousand Baht)</i>	Acquisitions and transfers - at cost	Disposals - net book value
Machinery and equipment	8,870	(4)	10,926	-
Office equipment	42	-	1,024	-
Spare parts	1,588	-	441	-
Construction in progress	22,652	-	2,602	-
Total	33,152	(4)	14,993	-

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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	
	2023	2022	2023	2022	2023	2022
	<i>(in thousand Baht)</i>					
Revenue from sales	853,714	893,533	794,568	851,163	1,648,282	1,744,696
Gross Profit	125,173	178,340	(2,555)	48,838	122,618	227,178
Profit before income tax	88,835	143,592	(21,194)	16,083	67,641	159,675
As at 31 March/ 31 December						
Segment assets						
Trade accounts receivable	621,884	573,407	522,096	516,053	1,143,980	1,089,460
Inventories	331,550	330,704	1,392,534	2,006,401	1,724,084	2,337,105
Property, plant and equipment	1,954,578	1,995,749	468,074	487,357	2,422,652	2,483,106
Unallocated assets					2,227,441	1,430,293
Total assets					7,518,157	7,339,964
Segment liabilities						
Trade accounts payable	115,575	91,597	57,733	24,859	173,308	116,456
Unallocated liabilities					784,464	726,084
Total liabilities					957,772	842,540

Contract Balances

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

	31 March 2023	31 December 2022
	<i>(in thousand Baht)</i>	
Trade accounts receivable	1,143,980	1,089,460
Contract liabilities - current	32,044	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 period ended 31 March 2023 (Unaudited)

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.

	Carrying amount	Fair value			
	Financial instruments measured at FVTPL	Level 1	Level 2	Level 3	Total
		(in thousand Baht)			
At 31 March 2023					
Financial asset					
Unit trust - debt instruments	51,601	-	51,601	-	51,601
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.

	<i>Note</i>	31 March 2023 <i>(in thousand Baht)</i>	31 December 2022
Related party			
Within credit terms	2	74,961	60,925
Other parties			
Within credit terms		889,200	826,894
Overdue:			
Less than 3 months		177,158	201,579
3 - 6 months		2,661	62
		1,069,019	1,028,535
Total		1,143,980	1,089,460

Alucon Public Company Limited
Notes to the condensed interim financial statements
For the three-month period ended 31 March 2023 (Unaudited)

6 Commitments with non-related parties

	31 March 2023 (in thousand Baht)	31 December 2022
<i>Capital commitments</i>		
Contracted but not provided for:		
Plant, machinery and equipment	33,273	46,632
<i>Other commitments</i>		
Purchase orders accepted by suppliers		
- Within one year	1,368,660	1,229,566
Bank guarantees	22,500	22,500
Total	1,391,160	1,252,066

Bank guarantee

As at 31 March 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 31 March 2023, the Company had purchase orders accepted by suppliers for purchase of aluminium ingot for a total quantity 17,100 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).

7 Event after the reporting period

At the Annual General Meeting of the shareholders of the Company held on 18 April 2023, 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 2023