

Alucon Public Company Limited

Condensed Interim financial statements
for the three-month and six-month periods ended
30 June 2019
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 2019; the statements of comprehensive income for the three-month and six-month periods ended 30 June 2019; the statement of changes in equity and cash flows for the six-month period ended 30 June 2019; 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”.

(Sumate Jangsamsee)
Certified Public Accountant
Registration No. 9362

KPMG Phoomchai Audit Ltd.
Bangkok
13 August 2019

Alucon Public Company Limited
Statement of financial position

Assets	<i>Note</i>	30 June 2019 (Unaudited)	31 December 2018
		<i>(in thousand Baht)</i>	
<i>Current assets</i>			
Cash and cash equivalents		662,009	248,870
Trade accounts receivable	3, 4	960,044	1,079,094
Inventories	5	1,243,694	1,809,132
Refundable value added tax		20,293	33,283
Other current assets		30,648	12,370
Total current assets		<u>2,916,688</u>	<u>3,182,749</u>
<i>Non-current assets</i>			
Property, plant and equipment	6	3,453,349	3,548,477
Intangible assets		9,513	10,168
Deferred tax assets		37,625	38,784
Other non-current assets		310	312
Total non-current assets		<u>3,500,797</u>	<u>3,597,741</u>
Total assets		<u>6,417,485</u>	<u>6,780,490</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 2019 (Unaudited)	31 December 2018
		<i>(in thousand Baht)</i>	
<i>Current liabilities</i>			
Bank overdrafts		345	161
Trade accounts payable	3, 7	223,026	246,223
Contract liabilities	9	12,792	15,158
Other payables to and short-term loans from related parties	3	8,897	211,991
Other payables		200,308	148,708
Deferred income		3,376	5,786
Current tax payable		63,719	101,550
Current provisions for employee benefits	8	21,368	24,956
Other current liabilities		8,038	14,315
Total current liabilities		<u>541,869</u>	<u>768,848</u>
<i>Non-current liabilities</i>			
Deferred income		-	460
Non-current provisions for employee benefits	8	490,843	468,124
Total non-current liabilities		<u>490,843</u>	<u>468,584</u>
Total liabilities		<u>1,032,712</u>	<u>1,237,432</u>
<i>Equity</i>			
Share capital			
Authorised share capital		432,000	432,000
Issued and paid-up share capital		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		4,655,573	4,813,858
Total equity		<u>5,384,773</u>	<u>5,543,058</u>
Total liabilities and equity		<u>6,417,485</u>	<u>6,780,490</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	
		2019	2018	2019	2018
<i>(in thousand Baht)</i>					
Revenue					
Revenue from sales of goods	3, 9	1,457,324	1,564,644	2,928,983	3,150,907
Net foreign exchange gain		-	40,060	-	23,446
Other income		40,845	50,827	81,363	97,558
Total revenue		1,498,169	1,655,531	3,010,346	3,271,911
Expenses					
Cost of sale of goods	3, 5	1,254,819	1,351,854	2,485,524	2,723,548
Distribution costs	3	40,746	42,315	76,383	80,341
Administrative expenses	3	41,611	39,887	81,236	83,388
Net foreign exchange loss		23,808	-	27,336	-
Finance costs	3	427	379	1,240	548
Total expenses		1,361,411	1,434,435	2,671,719	2,887,825
Profit before income tax expense		136,758	221,096	338,627	384,086
Tax expense		24,435	41,071	64,913	73,752
Profit for the period		112,323	180,025	273,714	310,334
Other comprehensive income for the period		-	-	-	-
Total comprehensive income for the period		112,323	180,025	273,714	310,334
Basic earnings per share (in Baht)	10	2.60	4.17	6.34	7.18

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 2018						
Balance at 1 January 2018		432,000	254,000	43,200	4,541,912	5,271,112
Transactions with owners, recorded directly in equity						
<i>Distributions to owners</i>						
Dividends	11	-	-	-	(475,200)	(475,200)
Total distributions to owners		-	-	-	(475,200)	(475,200)
Total transactions with owners, recorded directly in equity		-	-	-	(475,200)	(475,200)
Comprehensive income for the period						
Profit		-	-	-	310,334	310,334
Other comprehensive income		-	-	-	-	-
Total comprehensive income for the period		-	-	-	310,334	310,334
Balance at 30 June 2018		432,000	254,000	43,200	4,377,046	5,106,246

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 2019						
Balance at 1 January 2019		432,000	254,000	43,200	4,813,858	5,543,058
Transactions with owners, recorded directly in equity						
<i>Distributions to owners</i>						
Dividends	11	-	-	-	(431,999)	(431,999)
Total distributions to owners		-	-	-	(431,999)	(431,999)
Total transactions with owners, recorded directly in equity		-	-	-	(431,999)	(431,999)
Comprehensive income for the period						
Profit		-	-	-	273,714	273,714
Other comprehensive income		-	-	-	-	-
Total comprehensive income for the period		-	-	-	273,714	273,714
Balance at 30 June 2019		432,000	254,000	43,200	4,655,573	5,384,773

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	
	Note	2019	2018
		<i>(in thousand Baht)</i>	
<i>Cash flows from operating activities</i>			
Profit for the period		273,714	310,334
<i>Adjustments to reconcile profit to cash receipts (payments)</i>			
Tax expense		64,913	73,752
Finance costs		1,240	548
Depreciation		228,478	269,856
Amortisation of intangible assets		799	1,313
Employee benefit expense relating to defined benefit plan		59,724	33,371
Recognised deferred income		(2,870)	(2,870)
Unrealised (gain) loss on exchange		10,882	(20,108)
Reversal of losses on inventories devaluation	5	(990)	(2,385)
Gain on disposal of equipment		(620)	(1,658)
Interest income		(850)	(191)
		<u>634,420</u>	<u>661,962</u>
<i>Changes in operating assets and liabilities</i>			
Trade accounts receivable		107,601	(66,771)
Inventories		566,428	(39,838)
Refundable value added tax		12,990	(2,383)
Other current assets		(18,279)	(2,080)
Other non-current assets		2	51
Trade accounts payable		(22,654)	29,066
Contract liabilities		(2,366)	(990)
Other payables to related parties		(2,671)	(2,256)
Other payable		68,988	62,640
Repayment of employee benefit relating to define benefit plans		(40,593)	(28,765)
Other current liabilities		(6,277)	(7,038)
Net cash generated from operating		<u>1,297,589</u>	<u>603,598</u>
Taxes paid		<u>(101,585)</u>	<u>(73,984)</u>
Net cash from operating activities		<u>1,196,004</u>	<u>529,614</u>

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	
	Note	2019	2018
		<i>(in thousand Baht)</i>	
<i>Cash flows from investing activities</i>			
Proceeds from sale of property, plant and equipment		1,715	1,673
Payment for acquisition of property, plant and equipment		(151,667)	(152,509)
Payment for acquisition of intangible assets		(286)	(93)
Interest received		851	201
Net cash used in investing activities		<u>(149,387)</u>	<u>(150,728)</u>
<i>Cash flows from financing activities</i>			
Increase (decrease) in bank overdrafts		184	(1,798)
Proceeds from short-term borrowings from related party		-	250,000
Repayment of short-term borrowings from related party		(200,000)	(56,000)
Dividends paid to owners of the Company		(431,999)	(475,200)
Interest paid		(1,663)	(642)
Net cash used in financing activities		<u>(633,478)</u>	<u>(283,640)</u>
Net increase in cash and cash equivalents		413,139	95,246
Cash and cash equivalents on 1 January		248,870	201,907
Cash and cash equivalents on 30 June		<u>662,009</u>	<u>297,153</u>
<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	6	134,445	149,118
<i>Add:</i> settlement of payables for plant and equipment previously purchased		39,027	20,412
<i>Less:</i> payables on purchase of plant and equipment		(21,805)	(17,021)
Net purchases of plant and equipment paid by cash		<u>151,667</u>	<u>152,509</u>

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 2019 (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 2019 (Unaudited)

These notes form an integral part of the interim financial statements.

The condensed interim financial statements issued for Thai regulatory reporting purposes are prepared in the Thai language. These English language condensed interim financial statements have been prepared from the Thai language condensed interim financial statements, and were approved and authorised for issue by the Board of Directors on 13 August 2019.

1 General information

The principal businesses of the Company are producing and distributing aluminium containers such as Aluminium Collapsible Tubes, Aluminium Monobloc Aerosol Cans, Aluminium Rigid Wall Containers, Aluminium Bottles, Technical Impact Extrusions, Aluminium Slugs (Blanks), Aluminium Coils, Aluminium Pellets, strips, plates, etc.

2 Basis of preparation of the interim financial statements

(a) Statement of compliance

The condensed interim primary financial statements are presented in the same format as the annual financial statements and prepared its 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 are prepared to provide an update on the financial statements for the year ended 31 December 2018. They do not include all of the financial information required for full annual financial statements but focus on new activities, events and circumstances to avoid repetition of information previously reported. Accordingly, these interim financial statements should be read in conjunction with the financial statements of the Company for the year ended 31 December 2018.

(b) Use of judgements, estimates and accounting policies

In preparing these interim financial statements, judgements 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 applied to the financial statements for the year ended 31 December 2018, except for revenue recognition which requires additional judgement in determining the timing of the transfer of control - at a point in time or over time - according to the requirements of TFRS 15 *Revenue from Contracts with Customers* (“TFRS 15”) which the Company has initially adopted to replace TAS 18 *Revenue* (“TAS 18”), and related interpretations.

Under TFRS 15, the Company recognises revenue when a customer obtains control of the goods or services in an amount that reflects the consideration to which the Company expects to be entitled to. In addition, judgement is required in determining the timing of the transfer of control for revenue recognition - at a point in time or over time. Whereas, under TAS 18, the Company recognises revenue from sale of goods when the significant risks and rewards of ownership of the goods have been transferred to the buyer, and recognises revenue from rendering of services by reference to the stage of completion of the transaction at the end of the reporting period. No revenue is recognised if there is continuing management involvement with the goods or there are significant uncertainties regarding recovery of the consideration due. Such change in accounting policy has no material impacts on the financial statements.

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In addition, the Company has not early adopt a number of new and revised TFRS which are not yet effective for current period in preparing these interim financial statements before the effective date. Those new and revised TFRS that are relevant to the Company's operations are disclosed in note 14.

3 Related parties

Significant transactions for the three-month and six-month periods ended 30 June with related parties were as follows:

	Three-month period ended 30 June		Six-month period ended 30 June	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
Parent				
Sale of goods	327,360	323,232	659,499	641,193
Purchase of raw materials and spare parts	2,046	2,286	4,310	4,790
License fee	5,693	4,409	11,001	9,636
Commission expenses	709	619	1,359	1,306
Other expenses	-	225	105	258
Interest expense	426	370	1,238	539
Key management personnel				
Key management personnel compensation				
Short-term employee benefit	12,999	13,550	26,399	29,295
Post-employment benefits	2,054	338	2,390	676
Total	15,053	13,888	28,789	29,971

Balances as at 30 June 2019 and 31 December 2018 with related parties were as follows:

Trade account receivable - related party

	30 June 2019	31 December 2018
	<i>(in thousand Baht)</i>	
Parent		
Takeuchi Press Industries Company Limited	<u>52,451</u>	<u>79,609</u>

Trade account payable - related party

	30 June 2019	31 December 2018
	<i>(in thousand Baht)</i>	
Parent		
Takeuchi Press Industries Company Limited	<u>49</u>	<u>33</u>

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Other payable to and short-term loans from related party

	Interest rate		30 June 2019	31 December 2018	30 June 2019	31 December 2018
	30 June 2019	31 December 2018				
<i>Short-term loans</i>						
Parent						
Takeuchi Press Industries Company Limited	-	1.30 - 1.79	-		-	200,000
<i>Accrued license fee</i>						
Parent						
Takeuchi Press Industries Company Limited					5,694	6,059
<i>Accrued commission payable</i>						
Parent						
Takeuchi Press Industries Company Limited					709	755
<i>Accrued interest expense</i>						
Parent						
Takeuchi Press Industries Company Limited					-	423
<i>Accrued management's remuneration and other benefits</i>						
Key management personnel					2,494	4,754
Total					<u>8,897</u>	<u>211,991</u>

Movements during the six-month periods ended 30 June of short-term loans from related party were as follows:

	2019	2018
	<i>(in thousand Baht)</i>	
<i>Short-term loans</i>		
Parent		
At 1 January	200,000	56,000
Increase	-	250,000
Decrease	(200,000)	(56,000)
At 30 June	<u>-</u>	<u>250,000</u>

Commitments for purchase of raw materials and spare parts

	30 June 2019	31 December 2018
	<i>(in thousand Baht)</i>	
Parent		
Takeuchi Press Industries Company Limited	<u>3,042</u>	<u>2,254</u>

Alucon Public Company Limited
Notes to the condensed interim financial statements
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Significant memorandum of understanding

On 11 February 2019, 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 aluminum monobloc aerosol cans and collapsible tubes for a period from April 2019 to March 2020.

4 Trade accounts receivable

Aging analyses for trade accounts receivable were as follows:

	30 June 2019	31 December 2018
	<i>(in thousand Baht)</i>	
Related party		
Within credit terms	52,451	79,609
	<u>52,451</u>	<u>79,609</u>
Other parties		
Within credit terms	735,224	816,810
Overdue:		
Less than 3 months	172,339	182,328
3-6 months	30	347
	<u>907,593</u>	<u>999,485</u>
Total	<u><u>960,044</u></u>	<u><u>1,079,094</u></u>

The normal credit term granted by the Company ranges from 7 days to 90 days.

5 Inventories

	30 June 2019	31 December 2018
	<i>(in thousand Baht)</i>	
Finished goods	241,661	278,060
Work in progress	192,015	157,797
Raw materials	454,559	927,806
Spare parts	225,010	228,863
Goods in transit	133,332	220,479
Total	<u>1,246,577</u>	<u>1,813,005</u>
Less allowance for decline in value	(2,883)	(3,873)
Net	<u><u>1,243,694</u></u>	<u><u>1,809,132</u></u>

Inventories recognised as an expense in 'cost of sales of goods'

	Three-month period ended 30 June		Six-month period ended 30 June	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
- Cost	1,257,348	1,355,513	2,486,514	2,725,933
- Reversal of write-down to net realisable value	<u>(2,529)</u>	<u>(3,659)</u>	<u>(990)</u>	<u>(2,385)</u>
Total	<u><u>1,254,819</u></u>	<u><u>1,351,854</u></u>	<u><u>2,485,524</u></u>	<u><u>2,723,548</u></u>

Alucon Public Company Limited
Notes to the condensed interim financial statements
For the three-month and six-month periods ended 30 June 2019 (Unaudited)

6 Property, plant and equipment

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

<i>Six-month period ended 30 June</i>	2019		2018	
	Acquisitions and transfers - at cost	Disposals - net book value <i>(in thousand Baht)</i>	Acquisitions and transfers - at cost	Disposals - net book value
Land and land improvement	2,997	-	1,417	-
Buildings and building improvement	43,471	-	16,654	-
Machinery and equipment	70,175	(1,096)	230,367	(15)
Office equipment	557	-	253	-
Vehicles	2,850	-	673	-
Spare parts	3,927	-	6,981	-
Construction in progress	10,468	-	(107,227)	-
Total	134,445	(1,096)	149,118	(15)

7 Trade accounts payable

	<i>Note</i>	30 June 2019 <i>(in thousand Baht)</i>	31 December 2018
Related party	3	49	33
Other parties		222,977	246,190
Total		223,026	246,223
Current		223,026	246,223
Total		223,026	246,223

8 Provisions for employee benefits

On 5 April 2019, the Labor Protection Act was amended to include a requirement that an employee who is terminated after having been employed by the same employer for an uninterrupted period of twenty years or more, receives severance payment of 400 days of wages at the most recent rate. The Company has therefore amended its retirement plan in accordance with the changes in the Labor Protection Act in the second quarter of 2019. As a result of this change, the provision for retirement benefits as at 30 June 2019 as well as past service cost recognised during the three-month and six-month periods then ended in the financial statements increased by an amount of Baht 23 million.

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9 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 and disaggregation of revenue

<i>Three-month period ended 30 June</i>	Segment 1		Segment 2		Total	
	2019	2018	2019	2018	2019	2018
	<i>(in thousand Baht)</i>					
Revenue from sales	904,654	868,505	552,670	696,139	1,457,324	1,564,644
Gross Profit	176,451	157,110	26,054	55,680	202,505	212,790
Unallocated revenues					40,845	90,887
Unallocated expenses					(106,165)	(82,202)
Finance costs					(427)	(379)
Profit before income tax					136,758	221,096
<i>Six-month period ended 30 June</i>						
Revenue from sales	1,800,796	1,750,547	1,128,187	1,400,360	2,928,983	3,150,907
Gross Profit	376,863	332,938	66,596	94,421	443,459	427,359
Unallocated revenues					81,363	121,004
Unallocated expenses					(184,955)	(163,729)
Finance costs					(1,240)	(548)
Profit before income tax					338,627	384,086

Contract Balances

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

	<i>Note</i>	30 June 2019	31 December 2018
		<i>(in thousand Baht)</i>	
Trade accounts receivable	4	960,044	1,079,094
Contract liabilities			
- Current		12,792	15,158

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.

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10 Basic earnings per share

The calculations of basic earnings per share for the three-month and six-month periods ended 30 June 2019 and 2018 were based on the profit for the periods attributable to ordinary shareholders of the Company and the number of ordinary shares outstanding during the periods as follows:

	Three-month period ended 30 June		Six-month period ended 30 June	
	2019	2018	2019	2018
	<i>(in thousand Baht / thousand shares)</i>			
Profit for the period attributable to shareholders of the Company	<u>112,323</u>	<u>180,025</u>	<u>273,714</u>	<u>310,334</u>
Number of ordinary shares outstanding	<u>43,200</u>	<u>43,200</u>	<u>43,200</u>	<u>43,200</u>
Basic earnings per share <i>(in Baht)</i>	<u>2.60</u>	<u>4.17</u>	<u>6.34</u>	<u>7.18</u>

11 Dividend

At the annual general meeting of the shareholders of the Company held on 18 April 2019, the shareholders approved the appropriation of cash dividends of Baht 10 per share, amounting to Baht 432 million, which will be paid to shareholders in May 2019.

At the annual general meeting of the shareholders of the Company held on 24 April 2018, the shareholders approved the appropriation of cash dividends of Baht 11 per share, amounting to Baht 475 million, which was paid to shareholders in May 2018.

12 Commitments with non-related parties

	30 June 2019	31 December 2018
	<i>(in thousand Baht)</i>	
<i>Capital commitments</i>		
Contracted but not provided for:		
Factory, machinery and equipment	<u>72,916</u>	<u>99,650</u>
<i>Other commitments</i>		
Purchase orders accepted by suppliers		
Within one year	1,699,192	1,919,634
After one year but within five years	591,977	1,096,933
	<u>2,291,169</u>	<u>3,016,567</u>
Bank guarantees	31,799	31,799
Total	<u>2,322,968</u>	<u>3,048,366</u>

Bank guarantee

As at 30 June 2019, 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 totaling Baht 32 million (*31 December 2018: Baht 32 million*).

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Purchase orders accepted by suppliers

As at 30 June 2019, the Company had purchase orders accepted by suppliers for purchase of aluminium ingot for a total quantity of 41,800 MT (*31 December 2018: 49,500 MT*), at the price as determined in purchase orders (*31 December 2018: at the price as determined in purchase orders*) that will be delivered during 2019 to 2020 (*31 December 2018: 2019 to 2020*).

13 Events after the reporting period

On 3 July 2019, the parent company, Takeuchi Press Industries Company Limited (“TPI”), which held 49.73% of the total issued and paid-up shares of the Company directly and 17.18% of the total issued and paid-up shares of the Company indirectly, totaling 67.93% of the total issued and paid-up shares of the Company, entered into Share Purchase Agreement to acquire 715,100 ordinary shares of the Company from Harmut and Ilse Schneider Foundation for Children, representing 1.66% of the total issued and paid-up shares at the amount of Baht 168 per share and totaling Baht 120 million. In this regard, the transaction was completed on 15 July 2019.

After the aforesaid acquisition transaction, TPI will directly own a 51.38% of the total issued and paid-up shares which is crossing 50% of the total issued and paid-up shares. As a result, on 25 July 2019, TPI is obligated to make a mandatory tender offer for all the remaining shares of the Company consisting of 21,002,386 ordinary shares or equivalent to 48.62% of the total issued and paid-up shares of the Company at the amount of Baht 168 (“Tender Offer”). The Tender Offer period is from 26 July to 2 September 2019.

14 Thai Financial Reporting Standards (TFRS) not yet adopted

A number of new and revised TFRS which are relevant to the Company’s operations are expected to have significant impact on the Company’s financial statements on the date of initial application. Those TFRS which become effective for annual financial reporting periods beginning on or after 1 January 2020 are as follows:

TFRS	Topic
TFRS 7*	Financial Instruments: Disclosures
TFRS 9*	Financial Instruments
TFRS 16	Leases
TAS 32*	Financial Instruments: Presentation
TFRIC 16*	Hedges of a Net Investment in a Foreign Operation
TFRIC 19*	Extinguishing Financial Liabilities with Equity Instruments

* *TFRS - Financial instruments standards*

(a) TFRS - Financial instruments standards

These TFRSs establish requirements related to definition, recognition, measurement, impairment and derecognition of financial assets and financial liabilities, including accounting for derivatives and hedge accounting. When these TFRSs are effective, some accounting standards, interpretations and guidance which are currently effective will be cancelled.

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(b) TFRS 16 Leases

TFRS 16 introduces a single lessee accounting model for lessees. A lessee recognises a right-of-use asset and a lease liability. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard, i.e. lessors continue to classify leases as finance or operating leases. When this TFRS is effective, some accounting standards and interpretations which are currently effective will be cancelled.

Management is presently considering the potential impact of adopting and initially applying those TFRSs on the financial statements.