

ALUCON

Public Company Limited



2020 ANNUAL REPORT

ASIA'S LEADER IN THE WORLD OF ALUMINIUM CONTAINERS

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Financial Highlight

| | 2020 | 2019 | 2018 |
|---|----------|----------|----------|
| Financial Status (Million Baht) | | | |
| Total Assets | 6,799.06 | 6,610.62 | 6,780.49 |
| Total Liabilities | 836.83 | 1,005.56 | 1,237.43 |
| Total Equity | 5,962.23 | 5,605.06 | 5,543.06 |
| Operating Results (Million Baht) | | | |
| Revenues | 5,072.38 | 5,644.37 | 6,518.08 |
| Expenses | 4,243.97 | 4,986.48 | 5,626.38 |
| Finance Costs | - | 1.24 | 2.15 |
| EBT | 828.41 | 657.88 | 891.70 |
| Net Profit | 669.0 | 532.12 | 719.67 |
| EPS | 15.49 | 12.32 | 16.66 |



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Report By The Managing Director

Covid-19 outbreak started from China. Thailand was the first country the infected person was found out of China. Since that time, Thailand has been managing the disease very well. However, the economy was depressed and minus 6.1% GDP gross rate was recorded.

Alucon produced only 640 million cans and tubes which is 101 millions units less than the previous year because of very weak demand. We experienced the largest drop in our history. Aluminum tubes dropped 61 million units. Felt pen bodies dropped 41 million units. Fortunately, small cans got stronger demand. The number of cans did not drop.

The performance of Alucon during the year 2020 was largely affected by the Covid-19 outbreak.

- Total revenue decreased 10.1% from Baht 5,644 million to Baht 5,072 million.
- Net profit after tax increased 25.7% from Baht 532 million to Baht 669 million.
- Total production of aluminum cans and tubes decreased 14% from 741 million units to 640 million units.
- Slug production increased 3% from 34,474 tons to 35,550 tons.

Even though revenue dropped 10.1%, we achieved the net profit increased 25.7% more than previous year. Major reasons are:

- 1) Ingot price was 5% cheaper from USD 1,792 to USD 1,702 LME (London Metal Exchange) market average price; however, our real ingot price decreased 15% from THB64 to THB55/kg.
- 2) Thai Baht depreciated against Japanese Yen and US Dollar. In addition, foreign exchange gain 30.5 MB compared with the loss 29.6 MB in the previous year.
- 3) Samrong plant lost money less than previous year.
- 4) Alucon people improved the productivity and scrap rate. Our people cooperation makes more profit.

We are very proud that Alucon started the first aluminum collapsible tube production in Thailand since January 1962. With 59-year history, we stopped the tube production in Samrong by the end of April last year. It was half year earlier than the original consolidation plan. Due to less demand we proposed an early retirement scheme; therefore, 103 employees accepted the voluntary early retirement scheme. Finally, the number of employees decreased 144 from 1,399 persons to 1,255 persons which is 10.3% reduction making slightly better revenue per employee.

We did not have any major capital investment in year 2020 as well as this year. Even though Covid-19 vaccination is available, the demand still continues to weak and cannot improve rapidly. Unfortunately, outside factors will make our business very tough this year such as higher ingot price, higher energy price and higher freight cost. Even less employee, we altogether will try to overcome such difficult period.

Thank you all stakeholders for supporting Alucon. This year is the 60th Anniversary of Alucon. Unfortunately, we cannot physically celebrate due to Covid-19. We will produce more eco-friendly products. Please continue to support the Company for the years to come as always.

Mr. Takaaki Takeuchi
Managing Director

General Information

| | |
|---|---|
| Name of Company | : ALUCON PUBLIC COMPANY LIMITED |
| Registration No. | : 0107537001854 |
| Registered and Head Office | : No. 500 Moo 1 Soi Sirikam, Sukhumvit Road, Samrong Nua Sub-district, Muang Samutprakarn District, Samutprakarn Province 10270 Telephone : 66(0) 2398 0147, 66(0) 2398 0461 : 66(0) 2398 0462, 66(0) 2398 4624 Facsimile : 66(0) 2398 3455, 66(0) 2361 2511 E-mail : alucon@alucon.th.com Website : www.alucon.th.com |
| Factory No. 1 | : Aluminium Collapsible Tubes No. 500 Moo 1 Soi Sirikam, Sukhumvit Road, Samrong Nua Sub-district, Muang Samutprakarn District, Samutprakarn Province 10270 Telephone : 66(0) 2398 0147 Facsimile : 66(0) 2398 3455 |
| Factory No. 2 | : Aluminium Aerosol Cans, Bottles, Felt Pen Bodies, Tablet Tubes, etc. No. 272/5 Moo 3 Pak-ruam Aow-Udom Road, Borwin Sub-district, Sriracha District, Chonburi Province 20230 Telephone : 66(0) 38 345 001-6 Facsimile : 66(0) 38 345 000 |
| Factory No. 3 | : Aluminium Slugs, Pettles, Plates, Coils No. 272/5 Moo 3 Pak-ruam Aow-Udom Road, Borwin Sub-district, Sriracha District, Chonburi Province 20230 Telephone : 66(0) 38 345 001-6 Facsimile : 66(0) 38 345 000 |
| Registered Share Capital | : 432,000,000 Baht (43,200,000 shares @ par value of Baht 10) |
| Issued Ordinary Share | : 43,199,986 ordinary shares |
| Juristic Person in which the Company holds more than 10% of share | : Alucon does not hold shares in any other company or business |

Reference

| | |
|---|---|
| Share Registrar | : Thailand Securities Depository Co., Ltd. 93 Rachdapisek Road, Dindaeng Sub-district, Dindeang District, Bangkok Metropolis 10400 Telephone : 66(0) 2009 9999 Facsimile : 66(0) 2009 9991 |
| Auditor | : 1. Mrs. Piyatida Tangdenchai CPA No. 11766 2. Mr. Sumeth Jangsamsee CPA No. 9362 and/or 3. Ms. Sirinuch Vimolsathit CPA No. 8413 and/or 4. Mr. Yootapong Soontalinka CPA No. 10604 KPMG Phoomchai Audit Limited Empire Tower, 50 th – 51 st Floor, 1 South Sathorn Road, Yannawa Sub-district, Sathorn District, Bangkok Metropolis 10120 Telephone : 66(0) 2677 2000 Facsimile : 66(0) 2677 2222 |
| Legal Consultant | : Pow & Associate Law Office 7 th Floor, Udom-Vidhya Building No. 956 Rama IV Road, Silom Sub-district, Bangrak District, Bangkok Metropolis 10500 Telephone : 66(0) 2636 2541-3 Facsimile : 66(0) 2238 2574 |
| Type of Business | : Production of Aluminium Packaging Containers |
| Type of Products | : |
| Aluminium Collapsible Tubes | : For hair colours, pharmaceutical creams, ointments, adhesives, etc. |
| Aluminium Monobloc Aerosol Cans | : For cosmetics, hair care products, perfumes, deodorants, air freshener and etc. |
| Aluminium Rigid Wall Containers | : For tablet tubes, felt pen bodies, powder cans, etc. |
| Aluminium bottles | : For cosmetics, pesticides, beverage, products for car maintenance, and etc. |
| Aluminium Slugs (Blanks) | : For the production of aluminium tubes and cans and alloy cans |
| Aluminium pellets, coils strips, plates, alloys | |

Business Nature

Income structure

The Company's business involves the production and sale of impact extruded aluminium containers such as aluminium collapsible tubes as used for hair color products, medical creams, adhesives etc., aluminium rigid wall containers, aluminium monobloc aerosol cans, aluminium bottles, tablet tubes, marker pen bodies etc. and aluminium slugs for the production of such containers. About 58% of revenue is obtained from sales of aluminium cans and tube whereas the balance of about 42% is obtained from sales of aluminium slug. During the year 2020 domestic sale on aluminium cans and tubes decreased 14.9% and aluminium slug decreased 3.2%.

The Company's income structure from its operations in the past three years:

| Value Unit: MB | 2020 | | 2019 | | 2018 | |
|--------------------------|--------------|---------------|--------------|---------------|--------------|---------------|
| | Value | % | Value | % | Value | % |
| Aluminium cans and tubes | 2,843 | 57.68 | 3,342 | 60.80 | 3,524 | 55.90 |
| Aluminium slug | 2,085 | 42.32 | 2,155 | 39.20 | 2,780 | 44.10 |
| Total | 4,928 | 100.00 | 5,497 | 100.00 | 6,304 | 100.00 |

There are no major changes compared to last year

Industrial situation and competition

ALUCON is a very export-oriented company. Today, it had become the largest manufacturer in Asia who produces more than 640 million pieces. Worldwide production approximately amount to more than 22 billion pieces which means our market share is around only 3%. Meanwhile, wider global competition has also become increasingly stronger.

Thus, Alucon is focusing on maintaining the productivity, on-time delivery and best quality, especially compared with the one produced in Europe or USA; its price is cheaper. With this ground, Alucon is able to compete with the competitors, once compared with quality and price.

On transportation expenses to overseas customers, it would be negative factor against us and it can also dilute our production capacity and it is obstruction factor on our export. However, our productivity on various sizes, it could save cost so much, especially small to medium size. Besides, currency and foreign exchange rate would cause an effect to Alucon's competition.

For slug business, although Alucon faces strong competition but nowadays, Alucon maintains slug production capacity as the largest manufactures in Asia and hold 8% market share worldwide.

Risk Factors

The Company has operating risks as follows:

Marketing Risk

In Y2020, the coronavirus (COVID-19) outbreak began in China, then spread to Thailand and expand widely to Europe, America and almost every country around the world. The number of people infected with COVID-19 is rapidly increasing along with the deaths of many people, especially in Europe and America, has announced a lock down to prevent the spread of COVID-19 by allowing "Work from Home" in many countries. Thailand itself was affected as well and there were also infected and died. Later, it announced the lock down on some areas, and ask people to Work from Home to less travelling as little as possible, of which having received good cooperation from all.

As a result, the global economy is rapidly slowing down. Many businesses were shut down or delaying the operation causing many people around the world are unemployed or work less. As a result, the sales of the company, which has declined from year 2019, has been continuously reduced in all categories of aluminum cans and tubes but only part of this increased from products containing alcohol to kill germs or filling health vitamins and also sprays for self-defense as well as an increase in sales of aluminum coins abroad.

Alucon's products are still the same, which is to manufacture the packaging containers for distribution, which are

- Manufacturing Programme Aluminium Collapsible Tubes : for hair colours, pharmaceutical creams, ointments, adhesives, etc.
- Aluminium Monobloc Aerosol Cans : for cosmetics, hair care products, perfumes, deodorants, air freshener and etc.
- Aluminium Rigid Wall Containers : for tablet tubes, felt pen bodies, powder cans, etc.
- Aluminium bottles : for cosmetics, pesticides, beverages and products for vehicles etc.
- Aluminium Slugs (Blanks), coils strips, plates, alloys : for the production of aluminium tubes and cans and alloy cans

The Company maintains a policy to trade the aforementioned products for both domestic and international market, both directly and indirectly, over 31 countries around the world. This year, we focus on fast delivery and competitive price due to the sluggish market conditions as our production capacity is excessive.

The way to protect the risk is that to produce quality products according to the specified standards, to create customer satisfaction, to minimize the waste rate, to deliver goods on time at competitive prices and to develop products using less raw materials in order to reduce costs Increase product variety, to proactively market with modern technology, to improve for less labor manpower, and to focus on sustainable production that is safe and environmentally friendly.

Raw Material Risk

In Y2020, the price of 99.7 percent of pure aluminum ingot in the world market continues to decline, which resulted in cheaper costs. At the same time, the Company has a policy to focus on environmentally friendly production; therefore, they have tried to use Hydro Aluminum produced from hydropower, along with aluminum that is powered by coal and natural gas.

The way to protect the risk is that the Company has good financial liquidity. Therefore, the Company has ordered the supply from multiple sources and can negotiate premiums at different times causing a large amount of purchases to reserve in case the product price may be increased. Most foreign currencies are paid in US dollars and are deposited in the same currency received from the payment of foreign customers for payment of such materials.

Foreign Currency Risk

Due to import transactions on raw materials, machinery and export of goods as well as short-term loans for Alucon's business or transaction in foreign currency, this would beyond predictions on exchange rate of the currency that cannot be controlled precisely.

The way to protect risk is that to make the Natural Hedge when receiving foreign currency from payments on sale by customers and then deposit into account as the main currency deposits such as US dollar, Japanese Yen etc. The purpose of such account is to pay for goods and repay the loan by keep them most evenly balanced, to save cost on buying foreign currency. In addition, there were also sales in other currencies such as Australian Dollar, Hong Kong Dollar, in order to spread the risk as well.

Credit Risk

Alucon distribute the products, both local and international market in type of credit term by selling to related company, global companies, medium companies and small companies that some company has dealt with the business for long time and be good customers. However, there are also risks that may not be paid or delay payment because of lack of cash flow.

The way to protect the risk is that to hedge the credit carefully. In case of local customers, it is needed to monitor and analyze financial information and would have down payment in the initial stage of business for a while period. In case of the major customers, they could be trusted for a while. In case of foreign customers who are international, it considers from the company's reputation and there will be a contract to be signed prior to manufacturing. However, if they are general customers, the payment condition by letter of credits by reliable bank shall be determined. The period for payment, or payment term or partial payment may be determined differently on contract signed date etc.

Risk from Packaging Material Substitute

At present, the packaging needs of customers are focused on environmentally friendly production. Aluminum is quite expensive and fluctuates all the time. It may be substituted with cheaper or more suitable raw materials such as Tin Plate Plastic. It is likely that aluminum may come back. This is because laminate tubes are not environmentally friendly and decomposes harder and longer than aluminum.

The way to protect the risk is to manufacture the quality products, to improve standards and production mechanism methods that increase efficiency, to reduce scrape from production processes, to develop with low-cost production in the use of less raw materials, innovate light weight but the same performance such as to produce alloy slugs to become aluminum alloy cans etc. This is to improve the price competitiveness and to add more product variety such as aluminum bottles for automotive products.

Risk on Labour Cost and Material Cost

In Y2020, there was no labor problem due to the diminishing orders. This is because the COVID-19 outbreak and production of aluminum tubes at Samrong Plant was shut down, then the machines were removed to Sriracha Plant, in order to make better on the cost of production without increasing employees. However, labor costs have to be increasingly adjusted to be in line with the labor market and create morale for employees. Therefore, labor costs are still increasing.

The way to protect the risk it to continuously develop training courses for internal technicians, to develop our people having more skills being viable for various types of production for working as a replacement. To use more advanced equipment and techniques for production, etc.

Related parties and connected transactions

During the year 2020, Alucon has the connected transaction with the related company, of which it has been reported to and approved by the Board of Directors according to the criteria set by SET. Once it has been approved by the Board of Directors, it will be announced to the SET every time, of which it can be summarized as follows:

| Related Party | Relationship | Type | Value (MB) | Necessity and suitable reason |
|-------------------------------------|--------------------------------|---------------------------|------------|---|
| Takeuchi Press Industries Co., Ltd. | Majority shareholder at 71.65% | Sale of Goods | 1,067.3 | Takeuchi Press Industries Co., Ltd. acts as an intermediary in the sale of aluminium container and slug, to the customers in Japan who had no experience in importing goods, self-directed and are happy to order the company through its Takeuchi Press Industries Co., Ltd. The sale price is the market price or the price according to the agreement determining the selling price structure, taking into account the actual cost plus a margin, as well as the size of the products sold, quantity being sold and shipping costs |
| | | Materials and spare parts | 9.5 | Purchasing transaction supporting the Company's normal business by purchasing raw materials and spare parts in lower price than other suppliers, which can not be sourced out locally. |
| | | Machines and equipments | 0.3 | Purchasing transaction supporting the Company's normal business in lower price than other suppliers, which can not be sourced out locally. |
| | | Interest expense | - | Takeuchi Press Industries Co., Ltd. lent the Company the short loan with the interest rate at 1.30 – 1.79% per annum being lower interest rate than the financial institution by issuing promissory note typed "Roll Over" without any guarantee. |

| Related Party | Relationship | Type | Value (MB) | Necessity and suitable reason |
|---------------|--------------|----------------------------|------------|---|
| | | Royalty Fee | 16.8 | The Company has entered into a Basic Technical Licensing Agreement with Takeuchi Press Industry Co., Ltd. Under such conditions, the company will receive technical assistance, including technical information, expertise, equipment for the production, and the rights to sell the products of which the Company shall pay royalty fee and commission based on a percentage of sales. The transactions are normally as agreed in accordance with the agreement as same as the market price. |
| | | Commission | 2.1 | Being paid a commission based on a percentage of sales that is normal business as the prices and considerations according to the normal trading. |
| | | Other expenses | - | Being a normal business as the price and consideration according to the normal trading. |
| | | Account receivable | 60.5 | Payment condition is normal to be treated with other customers by the Company |
| | | Account payable | 1.7 | Payment condition is normal to be treated with other customers by Takeuchi Press Industries Co., Ltd. |
| | | Accrued commission payable | 0.7 | Payment condition is normal to be treated with other customers by Takeuchi Press Industries Co., Ltd. |
| | | Accrued interest payable | 5.1 | Payment condition is normal to be treated with other customers by Takeuchi Press Industries Co., Ltd. |

Procedures for approval of the connected transactions

The Board of Directors has set procedures for approval on the connected transaction with related company that would have conflict of interest being under the scope of good corporate governance by proposing to the Board of Directors for consideration and approval on the connected transaction jointly with the audit committee in order to consider it to be fair, reasonable and appropriate pricing policies by taking into account the interests of the Company and its shareholders is. Also, it must be complied with the regulations of Stock Exchange of Thailand and Securities and Exchange Commission. Any directors who involve such connected transaction shall abstain on the vote to such matter.

Policies and prospects for future transactions

The Company continues to cause the connected transactions with related parties. With regard to the transaction that the Company have done for the business and it would be in line with the normal business conditions. There is no benefit transfer between the Company and the related company. The Company affirms that it runs business with transparency in accordance with good corporate governance policy, and strictly comply with the regulations of Stock Exchange of Thailand and Securities and Exchange Commission Bureau. In addition, the Company has disclosed its connected transactions and acquisition and disposal of significant property in the Note accompanying to the financial statement being audited by the auditor of the Company and in form 56-1 and 56-2 in compliance with the generally accepted accounting standards.



Shareholders

List of 10 major shareholders as of 30th December 2020 are as follows:

| | No. of Shares | % of all issued shares |
|--|---------------|------------------------|
| 1. Takeuchi Press Industries Co., Ltd. | 30,954,329 | 71.65 |
| 2. Mrs. Mekhin Ueranant | 1,856,025 | 4.30 |
| 3. HEIWA KINZOKU CO., LTD. | 1,800,000 | 4.17 |
| 4. Hartmut & Illse Schneider Foundation for Children | 1,236,975 | 2.86 |
| 5. Mr. Harkishin Tanwani | 1,200,000 | 2.78 |
| 6. Mrs. Pramila Rochsilthum | 1,002,375 | 2.32 |
| 7. Mrs. Nalinrat Uer-anant | 424,500 | 0.98 |
| 8. Mr. Rameth Rochsilthum | 366,375 | 0.85 |
| 9. Mrs. Pariti K-manee | 318,000 | 0.74 |
| 10. Ms. Naline Mahtani | 259,975 | 0.60 |

Rights of Shareholders

The Board of Directors of the Company has established the corporate governance policy concerning the shareholders' basic rights apart from rights to attend the shareholders' meeting, rights to obtain dividends including rights to sale, buy, transfer and other relevant transactions, in particular, rights to receive information of the Company's operation through Investment Relations (IR) Ms. Kanjana Piyachart, treated by the Company by following the Company's Article of Association (AOA), regulations provided under Stock Exchange of Thailand (SET) and Securities and Exchange Commission (SEC).

Rights of Stakeholders

The Company recognized on providing the equitable treatment to all stakeholders, therefore, the encouragement of cooperation has been developed between the Company and the stakeholders, not only customers, shareholders, business partners, business competitors, but also the Company's employees, debtors and other relating group of communities being mutually contribution of belonging profits.

Furthermore, the Company has established the Audit Committee (the "AC"), under the conduction of SET Regulations, this committee has mainly authorities in these following tasks; to investigate and report the Company's financial statement, to audit the Company's internal control system, to nominate the Company's auditor and their remuneration, and to consider the Company's conflict of interest including risk management.

In addition, the Company has launched Quality Control Policy and obtained ISO 9001:2015 on Y2017, where the standard is for controlling quality control management (last version), in order to create the customer satisfaction. In addition, Alucon also got the ISO 22000:2005 and ISO/TS 22002-4:2013 to certify the standard on food safety, for customer manufacturing. The Company further contributed the Environmental Policy, Safety Policy and Good Corporate Governance by addressing them on the ways of strict practice to employees.

Shareholders' Meetings

At least 21 days before the date of Annual General Meeting of Shareholders (AGM), the Company will promptly inform the shareholders to acknowledge the schedule of AGM, including mailing relevant documents of each AGM of agenda(S), a copy of previous year minutes of AGM, time and venue, the results of the Company's operation, and name lists attached with the necessary details of the directors who retire by rotation. At the shareholders' meeting, by following the Company's Article of Association (AOA) and the Public Limited Company Law, Chairmen of the Board of Directors' Meeting will be the Chairman of the AGM and has responsibility to present the annual results of the Company's operation for the shareholders of consideration. Shareholders will have opportunity to ask for more details related to the agenda considered during the meeting, the Company then put all recommendations, suggestions, received from the shareholders down and the executive directors has responsibility to answer all questions raised by shareholders.



Management

As of 31st December 2020, there were 10 directors and the Board of Director had 6 times of Meeting, illustrated below:

| Name | Position | No. of Attendance | AGM 2020 Attendance |
|----------------------------|--|-------------------|---------------------|
| 1. Mr. Somchai Aungsananta | Independent Director, Chairman of Board of Directors | 6/6 | ✓ |
| 2. Mr. Takaaki Takeuchi | Director, Managing Director | 6/6 | ✓ |
| 3. Mrs. Eumporn Pamornbutr | Director, Senior Assistant Managing Director, Risk Management Committee | 6/6 | ✓ |
| 4. Ms. Salinee Mahtani | Director, Assistant Managing Director | 6/6 | ✓ |
| 5. Mr. Subpachai Lovanit | Director, Plant Manager | 6/6 | ✓ |
| 6. Ms. Vrinporn Uer-anant | Independent Director, Audit Committee - Chairperson | 6/6 | ✓ |
| 7. Mr. Krit Indhewat | Independent Director, Audit Committee | 6/6 | ✓ |
| 8. Mr. Toshiyuki Koike | Independent Director, Audit Committee, Risk Management Committee | 6/6 | ✗ |
| 9. Mr. Vibool Uer-anant | Independent Director, Risk Management Committee - Chairman | 6/6 | ✓ |
| 10. Ms. Kasumi Takeuchi | Director | 6/6 | ✗ |

**Remark : Both directors did not attend the Annual General Meeting of Shareholders No. 60 because of COVID-19 outbreak and the Government not allow the foreigners to come into Thailand during such period.*

Directors' Authority and Duty:

1. Conduct their duties honesty; comply with all laws, the objectives and the Articles of Association of the Company, and the resolutions of any shareholder meetings in good faith and with care to preserve the interests of the Company.
2. Implement and direct the Company's policies, as well as monitor and supervise its operations to maximize economic value and shareholders' wealth
3. Ensure management's accountability to shareholders: preserve their rights and interest, clearly and fully disclose information.
4. Conduct themselves honestly and with integrity.
5. ensure the Company has management with the competency, knowledge and experience to run the business.
6. Ensure the Company is determined to carry on the business continuously.

Chairman of Board of Directors' Authority and Duty:

1. To act as the Chairman at the meeting of the Board of Directors
2. To case the casting vote in case of an equality of votes;
3. To convene the meeting for the board of directors; and
4. To act as the chairman of the shareholders' meeting.

Managing Director's Authority and Duty:

1. Establish policies, strategies, business strategies, goals, plans and annual budgets proposing to the Board for approval.
2. Operate in accordance with the policy, business strategy, goal, plan and annual budget of the Company as being approved by Board.
3. Report the Company's performance and quarterly results to the Board, along with trends and management guidelines for the Board.
4. Other matter as assigned by the Board.

Report on holding securities by the Board of Directors and the Executives

The Company has policy requiring the Directors and the Executives of the Company to report their changes in securities holding to the Office of the Securities and Exchange Commission within 3 business days from the date of such change, and must send the report to SEC via online system. The Company Secretary shall then consolidate, summarize and present such report to the Board of Directors on quarterly basis. The report of changes in securities holding of the Directors and the Executives by comparing between the fiscal year ended 31st December 2019 and 31st December 2020 have been summarized as follows:

| Name | Number of Shares | | Percentage (%) | |
|--|------------------|------------------|----------------|----------------|
| | 2019 | 2020 | 2019 | 2020 |
| 1. Mr. Somchai Aungsananta Spouse and minor child | 87,750 600 | 87,750 600 | 0.20 0.0001 | 0.20 0.0001 |
| 2. Mr. Takaaki Takeuchi Spouse and minor child | 90,000 - | 90,000 - | 0.21 - | 0.21 - |
| 3. Mrs. Eumporn Pamornbutr Spouse and minor child | 58,500 - | 58,500 - | 0.14 - | 0.14 - |
| 4. Ms. Salinee Mahtani Spouse and minor child | 245,000 - | 245,000 - | 0.56 - | 0.56 - |
| 5. Mr. Subpachai Lovanit Spouse and minor child | 59,400 - | 59,400 - | 0.14 - | 0.14 - |
| 6. Ms. Vrinporn Uer-anant Spouse and minor child | 154,300 - | 154,300 - | 0.36 - | 0.36 - |
| 7. Mr. Krit Indhewat Spouse and minor child | 155,250 9,000 | 155,250 9,000 | 0.36 0.02 | 0.36 0.02 |

| Name | Number of Shares | | Percentage (%) | |
|---|------------------|-----------------|----------------|---------------|
| | 2019 | 2020 | 2019 | 2020 |
| 8. Mr. Toshiyuki Koike Spouse and minor child | 0 - | 0 - | 0 - | 0 - |
| 9. Mr. Vibool Uer-anant Spouse and minor child | 10,000 4,000 | 10,000 4,000 | 0.02 0.009 | 0.02 0.009 |
| 10. Ms. Kasumi Takeuchi Spouse and minor child | - - | - - | - - | - - |
| 11. Mr. Maksimilan Pristovsek Spouse and minor child | 49,500 - | 49,000 - | 0.11 - | 0.11 - |
| 12. Ms. Kanjana Piyachart Spouse and minor child | 0 - | 0 - | 0 - | 0 - |

**The number of shares of all directors, executives, spouses and the minor child jointly hold in total of 2.12% but it does not exceed 25% of all issued shares*

Selection of Directors and Executives

In case of there is a vacancy in the Board of Directors, the Board of Directors shall select and propose nominees to fill the vacant position. In the selection of candidates, various criteria are considered such as knowledge, capabilities and business-related experience.

In addition, the Company's directors and executives must not possess untrustworthy characteristics as determined by the Notification of the Securities and Exchange Commission as follows:

1. Having deficiency in legal competence or having been subject to any legal proceeding under the law governing capital market
 - a. Being an insolvent person, or
 - b. Being an incompetent or a quasi-incompetent person, or
 - c. Having been named in any criminal complaint filed by the SEC; or having been subject to any legal proceeding following the criminal complaint initiated by the SEC; or having been sentenced to imprisonment by the court's final judgment and it has not yet surpassed the three-year interval time after either the person completed the term of imprisonment or the suspension of sentence period was over, provided that the action taken hereto shall base upon the violation of the Securities and Exchange Act or the Derivatives Act.
2. Having any record of deceitful, fraudulent or dishonest management of assets
 - 2.1 Having been named in any criminal complaint filed by a financial regulatory authority or subject to any legal proceeding following the criminal complaint initiated by a financial regulatory authority, or barred from serving as director or executive of a financial regulatory agency, whereas the term "financial regulatory authority" herein means both local and foreign one; or having been sentenced to imprisonment by the court's final judgment and it has not yet surpassed the three-year interval time after either the person completed the term of imprisonment or the suspension of sentence period was over, provided that the action taken hereto shall base upon the commission of offences regarding deceitful, fraudulent or dishonest management of assets which has caused damage to either the financial institution which with which the person was associated or the customers thereto; or

- 2.2 Having been sentenced to imprisonment by the court's final judgment and it has not yet surpassed the three-year interval time after either the person completed the term of imprisonment or the suspension of sentence period was over, provided that the action taken hereto shall base upon the commission of public offences regarding deceitful, fraudulent or dishonest management of assets; or
- 2.3 Having been subject to the court's order of asset seizure under the Counter Corruption Act, the Anti-Money Laundering Act or any other similar law and it has not yet surpassed the three-year interval time after the date on which the court issued such order.
- 3. Having engaged in any transaction, practice or course of business which, if considered on a reasonable ground, materially affected shareholders, company or capital market
 - 3.1 Acted or omitted to act, without good faith or with gross negligence, in executing any transaction for the company or its subsidiary, which caused damage to the company or shareholders or generated unjust enrichment for oneself or others; or
 - 3.2 Disclosed or disseminated false information or statement regarding the company or its subsidiary which may cause misunderstanding or concealing material facts that should have been stated which may affect decision making of shareholders, investors or other parties involved, either by ordering, taking responsibility for or involving in preparation, disclosure or dissemination of such information or statement by taking or omitting to take any other action, unless the person can prove that, by virtue of own position, status or duty, he was not aware of such untruth or omission; or
 - 3.3 Engaged in any unfair practice or taking advantage of investors in trading securities or derivatives or aided or abetted thereof.

Election of Directors

Directors shall be elected by the General Meeting of Shareholders pursuant to the criteria and procedures as follows:

- (1) A shareholder shall have the number of votes equal to the number of shares held by him multiplied by the number of the Directors to be elected.
- (2) The shareholder may utilize the number of votes he is entitled to per (1) to elect one or more persons as the Directors of the Company. In case he elects more than one person, his number of votes must be equally distributed to such persons.
- (3) The person who receives the votes of the highest number and the next persons in the order of the number of votes received shall be elected Directors in the number permitted. In case the next persons in the order of the number of votes received obtain equal numbers of votes and the number of such persons exceeds the remaining number of Directors permitted, the Director to be elected therefrom shall be decided by the Chairman.

At the Annual General Meeting of shareholders one-third of the Directors, or if their number is not multiple of three, then the number nearest to one-third must retire from office.

Directors to retire first must be those having been elected the longest period and those in alphabetical order. A retiring Director is eligible for re-election.

The term of any Director shall be terminated upon the occurrence of any of the following:-

- (1) his/her death
- (2) his/her resignation
- (3) his/her being disqualified or possessing any of the prohibitive attributes as per Section 68 of the Public Limited Company Act B. E. 2535
- (4) when a shareholders' meeting has resolved that he be relieved of his post per section No. 18
- (5) upon the court's order that he be relieved of his post.

Any Director wishing to resign shall submit his resignation to the Company in writing. The resignation shall take effect from the date on which his resignation reaches the Company.

The Directors who has resigned per the first paragraph may also notify the Registrar of his resignation.

In case the post of a Director has been vacated owing to reasons other than by completion of his tenure, the Board of Directors shall elect a qualified person not having any prohibitive attributes pursuant to Section 68 of the Public Limited Company Act. B.E. 2535 as a replacement Director for subsequent meetings of the Board of Directors unless the remaining period of the tenure shall be less than two months.

The resolution of the Board of Directors pursuant to the first paragraph shall be passed by an affirmative vote of not less than three-fourths of the remaining Directors.

At a meeting of shareholders, a resolution may be passed to relieve a Director of his post prior to his completing his tenure by the affirmative votes of not less than three-fourths of the shareholders who attend the meeting and entitled to vote thereat and who hold shares in aggregate of not less than half of the total number of shares held by the shareholders attending the meeting and entitles to vote thereat.

Number of Consecutive Terms of Directors

The Company considers that every director who has been elected by the shareholders' meeting has the qualifications, knowledge, and capabilities that are accepted by all, has morals and ethics, and has satisfactorily performed his duties. If the shareholders' meeting gives their trust by re-electing the director, the Company respects the rights of the shareholders and therefore has not predetermined the number of consecutive terms of directors.

Qualifications of Independent Directors

The Company has determined the definition of the Company's independent directors **to be more stringent than the minimum requirements** of the Notification of the Capital Market Supervisory Board with regards to holdings of the Company's shares under No. 1 – 9 as follows:

1. Holding shares not exceeding 1% of the total number of shares with voting rights of the Company, its parent company, subsidiary company, associate company, major shareholder or controlling person, including shares held by related persons of such independent director;
2. Neither being nor used to be an executive director, employee, staff, advisor who receives salary, or controlling person of the Company, its parent company, subsidiary company, associate company, same-level subsidiary company, major shareholder or controlling person, unless the foregoing status has ended not less than 2 years. Such prohibited characteristic shall not include the case where the independent director used to be a government official or advisor of a government unit which is a major shareholder or controlling person of the Company;

3. Not being a person related by blood or legal registration as father, mother, spouse, sibling, and child, including spouse of child, executive, major shareholder, controlling person, or person to be nominated as executive or controlling person of the Company or its subsidiary company;
4. Neither having nor used to have a business relationship with the Company, its parent company, subsidiary company, associate company, major shareholder or controlling person, in the manner which may interfere with his independent judgment, and neither being nor used to be a significant shareholder or controlling person of any person having a business relationship with the Company, its parent company, subsidiary company, associate company, major shareholder or controlling person, unless the foregoing relationship has ended not less than 2 years;
5. Neither being nor used to be an auditor of the Company, its parent company, subsidiary company, associate company, major shareholder or controlling person, and not being a significant shareholder, controlling person, or partner of an audit firm which employs auditors of the Company, its parent company, subsidiary company, associate company, major shareholder or controlling person, unless the foregoing relationship has ended not less than 2 years;
6. Neither being nor used to be a provider of any professional services including those as legal advisor or financial advisor who receives service fees exceeding 2 million baht per year from the Company, its parent company, subsidiary company, associate company, major shareholder or controlling person, and not being a significant shareholder, controlling person or partner of the provider of professional services, unless the foregoing relationship has ended not less than 2 years;
7. Not being a director appointed as representative of directors of the Company, major shareholder or shareholder who is related to a major shareholder;
8. Not undertaking any business in the same nature and in competition to the business of the Company or its subsidiary company or not being a significant partner in a partnership or being an executive director, employee, staff, advisor who receives salary or holding shares exceeding 1% of the total number of shares with voting rights of other company which undertakes business in the same nature and in competition to the business of the Company or its subsidiary company;
9. Not having any other characteristics which cause the inability to express independent opinions with regard to the Company's business operations.

After being appointed as independent director with the qualifications under No. 1 - 9, the independent director may be assigned by the Board of Directors to take part in the business decision of the Company, its parent company, subsidiary company, associate company, same level subsidiary company, major shareholder or controlling person, provided that such decision shall be in the form of collective decision.

In the case where the person appointed by the applicant as independent director has or used to have a business relationship to provide professional services exceeding the value specified under No. 4 or No. 6, the Board of Directors may grant an exemption if the appointment of such person does not affect performing of duty and expressing of independent opinions. The following information shall be disclosed in the notice calling the shareholders meeting under the agenda for the appointment of independent directors:

- a. The business relationship or professional service which makes such person's qualifications not in compliance with the prescribed rules;
- b. The reason and necessity for maintaining or appointing such person as independent director; and
- c. The opinion of the Company's Board of Directors for proposing the appointment of such person as independent director.

Balance of power for non-executive Directors

As of 31st December 2020, the number of directors is 10 persons according to the Article of Association of the Company. The executive directors are those having most experience of the Company's business and may be or may not be shareholders. Board member consist of :

- Executive Directors 4 persons
- Independent Directors 5 persons
- Non-Executive Director 1 person

All shareholders and directors are free to vote for or have their own choice regarding Company matters. All elected directors may hold several positions as may be approved by the other directors which should exclude unlimited power for such a director.

Directors shall consider and approve the business policy, capital investment and other relevant matters. It shall receive the report of the internal audit committee. Directors meetings shall be held regularly at least every 3 months. Executive directors shall report developments and performance of their departments. There is no limitation as to the time any director may serve. However, one-third of directors shall retire by rotation and those directors shall be re-elected by the shareholders at the Annual General Meeting.

Leadership and Vision

Board of Directors shall consider and approve the business policy, capital investment and other matters, the meetings shall be held regularly at least every 3 months.

The Executive directors shall report developments and company's performance.



Corporate Governance

The Board of Director has established a policy on corporate governance that is in accordance with the principles and guidelines on good corporate governance of the Stock Exchange of Thailand and recommendations of the Thai Institute of Directors (IOD). The Board of Directors consistently adheres to good corporate governance principles and practices and recognizes the critical importance of corporate governance (CG) in the Company pursuit of sustainable, as well as communicates to all executives, and employees through many channels, i.e. orientation for new employees, information board, and all channel of communication.

The Company has established rules pertaining Corporate Governance Policy for all employees of ALUCON to acknowledge and practice as follows:

1. Structure, Duties, Responsibilities and Independence of Board of Directors.
2. Rights and Equitable Treatment to shareholders and stakeholders.
3. Information Disclosure and Transparency.
4. Controlling System and Risk Management.
5. Business Ethics

The Company performs administration in accordance with good governance guideline by recognizing the importance of and accountability to shareholders and stakeholders of the Company with full commitment and cooperation from all concerned parties, including the Board of Directors, Management and every employee. Such efforts positively contributed to the results of corporate governance assessment conducted by various organizations and agencies.

- In the 2019 Corporate Governance Survey of listed companies conducted by the Thai Institute of Directors (IOD), the Company received a rating of “Good” with the score at 79 from 100.
- In 2020 Quality of Annual General Meeting Survey conducted by the Thai Investors Association, the Company received a rating of “Good” with the score at 92 from 100.

Corporate Governance Policy

The Board of Directors has emphasis on good governance to build confidence among shareholders, investors and concerned parties by adhering to the listed company’s conducts guideline which confirms the guidance of the Stock Exchange of Thailand regarding good governance practices. The guideline comprises five principles which shaped up the Company’s good governance practices as follows:

1. Right of Shareholders
2. Equitable Treatment of Shareholders
3. Role of Stakeholders
4. Disclosure and Transparency
5. Board of Responsibilities

On Y2020, the Board of Directors have reviewed the principles of Corporate Governance Code in order to adjust the business practice on which matters have not yet to comply with and also record the reason why not yet to comply with, in the Minutes of Board of Directors, without disclosure of the reason.

Principle 1 : Right of Shareholders

The Company places emphasis on the rights of shareholders as the true owner of the Company. All kinds of shareholders, whether minority or institutional, are encouraged to exercise their fundamental rights, e.g. sales purchase or transfer of shares, profit sharing, receipt of the adequate information either via the Company's or the SET's websites or other channels, attendance at shareholders' meetings to acknowledge the Company's annual business performance, and voting rights at the shareholders' meetings to approve significant matters as specified by law, such as the appointment or removal of directors, directors' remuneration, the appointment of the auditor and determination of the auditor's fee, dividend payment or suspension of dividend payment, any capital increase and issuance of new shares, and making enquires or comments on the matters that the Board of Directors presents or requests for approval at the shareholders' meeting.

Shareholder' Meeting :

- 1.1 Information in invitation letter for attendance in shareholders' meeting includes date, time, venue, and meeting agenda as well all relevant information required for passing a resolution at the meeting which will be provided to shareholders ahead of time such as director appointment, remuneration review, auditor appointment, stipulation of audit fee, and dividend payment. For each agenda item, relevant facts and rationales are presented to shareholders together with the Board of Directors' comments for deliberation. According to attendance criteria and procedure of the shareholders' meeting, the Company nominates two independent directors as proxies of shareholders. The proxy form is a standard form on which comments about vote casting for each agenda item can be written.
- 1.2 Delivery of invitation letter and accompanying documents: To allow shareholders to study relevant information in both Thai and English versions (for foreign shareholders), the Company publishes announcements via SET news to inform shareholders that they can learn this information in the Company's webpage at least one month in advance. Such information is exactly the same as the information presented in a document form. The invitation letter and support documents will be delivered to shareholders at least 21 days prior to the meeting date.
- 1.3 Shareholders can download various information from the Company's webpage (www.alucon.th.com) such as financial data, the Company's information, and information about the meeting. The webpage can serve the needs of shareholders and interested persons who want to study some information about the Company. To inquire additional information, they can also send an email to Investor Relation at kanjana_p@alucon.th.com.
- 1.4 Allowing shareholders to propose an agenda item and qualified person's name for nomination as directors four months in advance of the meeting: Shareholders can learn from SET news that announces availability of such information in the Company's webpage. In this regard, relevant criteria and procedure are described such as a single shareholders or a number of shareholders with combined shares not less than 2,160,000 shares or 5% of registered capital. There is detailed information required for consideration, explicit criteria for decision whether to table or not table proposed agenda item, and other information regarding where and when to submit the proposal. In this regard, an informal proposal can be sent via email and later the original proposal must be delivered via registered mail to the Company Secretary. Upon receiving detailed information, the Board of Directors will deliberate on such matter as set out in the process. However, in the past nobody proposed any additional agenda item.
- 1.5 The Company has a policy to facilitate and support the individual shareholders, juristic shareholders and investment institution to attend the meeting at the same treatment.

1.6 Shareholders' meeting: The Company held one 2020 Annual General Meeting of Shareholders on 4th August 2020

- The meeting date (Tuesday) was not set on an extra holiday or a public holiday. The meeting time (10.00 am.) was not set too early in the morning or too late in the evening, so convenient transportation was ascertained as there is expressway nearby and close to BTS Bangna. The meeting area is 2 km. closed to the head quarter of the Company.
- The cutoff date of the shareholders list was under Record Date criteria and set to ensure that shareholders would have more time to review meeting documents or supporting information before the meeting date.
- Staffs were deployed to facilitate, advise and open registration service two hours prior to the meeting as it was started on 8.00 am. onward.
- If a shareholder cannot attend the meeting, he or she may assign up to two proxies but only one proxy is permitted to attend. Alternatively, a shareholder may assign two independent directors as a proxy. The Company encouraged shareholders to use Proxy Form B, which is the form in which each particular matter in detail is specified.
- The Company used the barcode system to run the registration process and count the votes, to facilitate the meeting.
- Before the meeting started, the Chairman of the Board of Directors introduces the member of Board of Director, the Audit Committee, the Executive Directors, the Auditor, the Company Secretary and the IR to the Meeting and then he has assigned the Company Secretary to facilitate the proceeding of the meeting. The secretary informed shareholders of the meeting rule and voting procedure.
- The Company has asked the Auditors as intermediary person to monitor the vote counting in case of objection during the meeting, and also requested one of shareholder attending the meeting to be witnessed.
- Language to be used in the Meeting is Thai and English language for understanding and communication among management and shareholders both Thai and Foreigner.
- Shareholders were allowed to comment and ask questions. Important questions and answers were noted. The meeting time was sufficiently allocated for thorough inquiries by shareholders as well as explanation and presentation of relevant information by the Company's directors and various committees. In addition, shareholders also had opportunities to send questions or other vital information of the Company in advance since the meeting notification was sent to shareholders. Questions and such information may be sent to pitipong@alucon.th.com or faxed to 02-3983455 or mailed to the Company's address.
- During votes casting, ballots were used for every agenda item so that votes could be counted expeditiously. Ballots would be stored only for the case which shareholders disagreed or abstained. To observe best practices of shareholders' meeting, ballots collected from all attending shareholders and proxies were collected after the meeting was adjourned. Furthermore, voting to elect committee members was cast for each individual director.
- The Company does not have a policy to derogate the rights of shareholders by abruptly distributing extra documents containing crucial information, not adding an agenda item or changing vital information that differs from documents delivered to shareholders, not restricting the right to attend meeting of shareholders by giving them voting or ballot casting right in certain agenda which are being considered and vote casting has not been underway. Moreover, video and audio recording of meeting can always be examined.

- Shareholder's minutes of meeting shows that the list of directors who attended or was absent from the meeting. In the 2020 Annual General Meeting of Shareholders, the Chairman of the Company, Chairperson of Audit Committee chairperson, Chairperson of Risk Management Committee, Managing Director, and top executives were all presented to meet with and answer any question from shareholders, offer pertinent explanation, summarize questions and answers or comments. Regarding vote casting and ballot counting method, in case there are dissenting votes, the number of favorable and dissenting votes or abstention will be recorded in the minutes of meeting accurately and completely and the meeting report will be publicized on the Company's webpage for shareholders' scrutiny.

- 1.7 The Company discloses verifiable shareholding structure in clear and transparent manners.
- 1.8 At the Annual General Meeting of Shareholders No. 60 on 4th August 2020, the Company has approved the dividend payment from the operation result of the Company according to the fiscal year ended 31st December 2019, to pay to all shareholders in amounting of 323,999,895 Baht.
- 1.9 The Company gives shareholders the opportunity to submit questions relating to the agenda of the AGM 2020 in advance between 29th March 2020 - April 10, 2020, by notifying shareholders and announcing rules and specify the procedures clearly in the meeting invitation and on the company's website at www.alucon.th.com.
- 1.10 The Company allows shareholders to elect each director individually by proposing the names of the directors to each shareholder to vote individually.
- 1.11 In organizing every shareholders' meeting, the Company has appointed auditors and 2 other shareholders as witnesses in quorum counting and the result of the vote, to be transparent legally and comply with the Company Articles of Association.
- 1.12 The Board of Directors of the Company does not hold shares, in total, more than 25 percent of the company's issued shares.
- 1.13 The company has a practice regarding the identification documents of shareholders according to the Office of the Securities and Exchange Commission No. Kor. Por. (Wor) 4/2016, rehearsing practices before the Annual General Meeting of Shareholders in matters of documents or evidence that must be presented in attending the general meeting of shareholders re: proxy case, the Company does not require the use of a real ID card or the original passport of the proxy holder in the shareholders' meeting.

Principle 2 : Equitable Treatment of Shareholder

All shareholders, both the executive and non-executive directors or minority shareholders and majority shareholders, including foreign shareholders shall be treated their rights equally and fairly. Alucon will communicate with shareholders and publish such information through various channels arranged by SET and via Company's website as well as other media being suitable and appropriate to all shareholders who receive information and data equity

- 2.1 The Company has delivered an invitation to shareholders' meeting, the details are accurate, complete, including the opinion of the directors for each item will be enough. Also, to assign to TSD as the Registrar of the Company to deliver the invitation to all shareholders prior to the meeting, not less than 21 days, the document will be available both in Thailand and English. In addition, Alucon will publish the invitation to shareholders' meeting with the information for the meeting through its website, both in Thai and English at least 30 days prior to the meeting so that shareholders have sufficient time to consider all agenda

- 2.2 The Company arranged the meetings of shareholders in accordance with the agenda set forth in the invitation to shareholders' meeting, by not adding-up the new agenda without informing such new agenda to the shareholders in advance, to have it studied before making a decision.
- 2.3 The Company arranged the proxy for the shareholders who cannot attend in person, be entitled to vote via the independent directors of the Company acting as proxies-holder. The Company prepared the Proxy Form B for the shareholders.
- 2.4 The Company set the right to vote at a meeting of shareholders by the number of shares held by shareholders. One share for one vote.
- 2.5 The Company set the criteria for minority shareholder to propose the nominated person to be elected as the new director. The Board of Director shall set the principles and practices and published in the Company website as well as through the Stock Exchange of Thailand channel.
- 2.6 The Company has minority shareholders proposed the agenda for the meeting in advance including to submit questions related to the agenda before the meeting in accordance with the prescribed procedures. The proposed agenda must not conflict with the following criteria.
 - Matters that beyond the company's authority
 - Matters that in contrary to the law, rules and regulations of government agencies and departments monitoring the Company or not comply with the objectives, articles of association and resolution of shareholders' meeting.
 - Matters that may cause significant damage to the shareholders in whole
 - Matters that already be implemented by the Company
 - Matters regarding to specific person's or group of person's benefit
 - Matters regarding to normal business operation and the claim of the proposed person does not demonstrate a reasonable doubt about the doubtful matter.
 - Matter that being considered by the Board of Directors that no need to be on the agenda and show and explain the reason to the shareholder to understand it.
- 2.7 The Company has the independent directors at least one-third of Board of Director of which must not less than 3 persons so that it can protect the right of shareholders.
- 2.8 The Company have the policy to prohibit the directors and executives including the employees who is related to the preparation on the inside information, to disclose such inside information to the outside or any person who not involve on such insider information. This is also not allowed to such prohibited person to trade on the securities of issued by the company before the financial statement released to the public at least one month.
- 2.9 The company imposes the directors and executives to report the change of securities holding to the corporate secretary for acknowledgement, in order to report such change to the SEC, as prescribed by law.
- 2.10 The Company has disclosed the information of shareholding of the directors, executives including their spouses and minor child, in the Annual Report.
- 2.11 The company imposed that the directors who have interest in any agenda must inform its stake on such agenda prior to the meeting and must record the details in the minutes. In case of conflict of interest, on the significant matter in such ways could make the director can not give his/her opinion freely, such director must refrain from participating in the meeting only in such agenda.

2.12 The company set that the Board of Directors have to consider the connected transaction that may have conflicts of interest. This includes items that are of interest to be accurate and complete compliance with the laws and regulations of the exchange, including disclosure of the transaction correctly. This is to ensure that such transactions are reasonable and beneficial to the Company.

2.13 The Company favours no particular group of stakeholders, giving all equal access to its public information, through the Company's website at www.alucon.th.com or through IR at 02-3980147 ext. 371 or email kanjana_p@alucon.th.com.

Principle 3 : Roles of Stakeholders

The Company recognized the importance of the environmental social responsibility including the other groups of stakeholders and was aware of the roles and importance of all groups of stakeholders.

- **Shareholder**

The Company is committed to business operation which yields good operating result, stability, growth, and competitiveness by taking into account of present and future risk factors in order to increase shareholder value over a long term. The Company must dutifully operate its business by disclosing information in transparent and equitable manners and endeavor to protect its assets and preserve its reputation.

- **Employee**

The Company believes that our employees are the main successful factor and valuable resource in business operation. We then significantly give priority to employees by providing fairness to every level of employees without discrimination and respects their right according to the basic international human rights, also the law and the rules. We also give importance to health, occupation, hygiene, and safety in life, property and the working environment of its employees. We also fortify good culture and working atmosphere and promote teamwork. Moreover, the Company has presented and opportunity to create working advancement to all employees with equality and seeing importance on potential of employees. So we focus on personnel development, both in aspect of functional and managing quality of life, with training of employees continuously inside and outside the organization. As well as organizing activities to create good relations in the organization among the employees and between the employees and the management. (Please see more details in Clause 8.5 hereof)

- **Community and society**

The Company is utterly concerned with quality of life and environment in surrounding communities so that the Company's operation will be accepted and can thrive in the society sustainably. It can be observed that the Company strictly complies with laws and regulations of relevant authorities such as the Department of Industrial Works, Ministry of Industry, Pollution Control Department, and so on. In this regard, the Company imposes stringent regulations requiring that employees working in the plant must wear protective equipments. Moreover, the Company also deals with environmental management in systematic manners and organizes public donations on an ongoing basis. The Company has arranged the activities joined with the local schools, local governmental agencies, communities, and there was a public relation to hear and solve the problem occurred from the community by the Company and also provide the scholarship to student and support the activities with the local schools.

- **Customer**

The Company gives priority to its customers, whom are the important part to make success to the Company. We then determines guideline to build satisfaction and confidence with our customers by presenting with quality that in accordance with or higher that expectation of the customers. We also develop the quality and format of the goods in response to the demand of the customers continuously and regularly. The Company also surveys the customer's satisfaction and listen to their comments or complaints and bring to use as guideline for improving the service and management.

In addition, the Company has policy and guideline to keep confidentiality of the customers. The Company would not disclose such information to other people, or using it in order to seek benefits for other purposes without prior consent from the information owner, unless the Company is required to disclose by laws.

- **Creditor**

The Company places emphasis on creating trustworthiness by abiding to our integrity, and strictly conform to terms and conditions of the contracts made with the creditors. We made all principle and interest payment on accuracy, timely and complete basis. Also, we shall not use the loan proceeds in the way that contrary to its objectives nor hide any information that may be harmful to creditors.

- **Competitor**

The Company shall compete with our competitors within the scope of laws and code of conduct and the competition is based on the fair competition. We shall not discredit or seek for confidential information of competitors in a corrupt or unfair manner but shall professionally operate the business with integrity. Furthermore, we support and promote fair and free trade. We do not force our customers to make transaction only with us also.

- **Business partner**

The Company values our business partners as the key to our growth through mutual support, including creating value to the customers and the shareholders. We, therefore, select business partners by considering their reputations, capability, legality and regularity, as well as treating them on the basis of equalities with emphasizing on the transparency and justification. The Company strictly complies with the terms and conditions specifying in contracts and code of conduct of the Company, in which in the case where there is term and condition that cannot be complied, the Company will immediately notify our business partners. In addition, the Company annually arranges events to create relationship with our business partner. In the previous year, the Company has arranged events to create relationship with our business partners.

- **Policy on Business Ethics**

The Company has the policy related to business ethics, which is the policy that promotes good governance such as the policy and guidance on human rights violation, policy and guidelines on anti-corruption and bribery, the policy and guidance on non-violation of intellectual property or copyright, policy and guidelines on using IT and communication of those can be summarized as follows:

Human Rights Violation

The Company treats all stakeholders with justification by adhering laws and regulations concerning employees and the international fundamental principles of human rights, regardless of the place of birth, nationality, gender, age, skin colour, religious belief, disability, status, family status, educational institute, or other status irrelevant to job performance, apart from respecting individualism and human dignity.

Anti-corruption and Bribery

The Company is opposed to all form of corruption and bribery and has policy to encourage employees to abide by the laws and be a good citizen of our country and to support the transparent business operation with our business partner. The objective is to improve and support the sustainable development of our society since the Company has joined the declaration to engage in Collective Anti-Corruption: CAC.

To state the Company's position on corruption and bribery as well as to provide rules and guideline for the directors, the executives and the employees to comply, we therefore established a set of policies and procedures regarding anti-corruption in written in our Corporate Governance Policy and the Code of Business Ethics and Conduct and Guideline.

Giving or acceptance of presents

Gifts, entertainment and hospitality offering gifts or entertainment and hospitality activities must be complied with Business Ethics and Conducts.

Charitable contributions

Charitable contribution or aid granting contribution or receiving the aid must be transparent and in accordance with stipulated laws by confirming that such transaction shall not be claimed as a bribery act.

Apart from publicized this policy via our communication channel, to be acknowledged this policy by employees, the Company has communicated through our executives and employee by orientation and annual re-orientation.

The Company has policy on protection to the employee or whistle-blower on the fraud including the internal procedures to manage on the complaints that would be corrupting matters. In addition, the Company has channels for any stakeholders to inform or complain any matter being treat as right violation. Information on contacting has been provided clearly.

The Company has arranged the internal auditor to evaluation the risk and impact on the anti-corruption every year.

In this respect, The Company has placed the policy of Anti-Corruption and Whistle Blowing to the Board of Directors, any suspicion that may lead to engaging in corruption can be whistled and submitted through e-mail to pitipong@alucon.th.com or red box that use for filing the complaint to the Audit Committee and the Board of Directors, respectively. It can be sure that the Company will confidentially keep the complaint's information, in order to protect the complaint's right. In this respect, the Company will appoint a person to be responsible for every clue that submitted to the Company. The Company also regularly assesses risk in activities that in connection with or lead to corruption.

1. Whistle-blowing and complaints

In order to encourage stakeholders, both in and outside the company, to participate in the corporate governance principles, should employees or stakeholders suspect any unlawful activities or those in violation of the law, rules, regulations, code of business conduct, or corporate governance principles, they can undertake whistle-blowing or file complaints with detailed evidence to the company or relevant agencies via the following channels:

1.1 Audit Committee

Tel (02) 3980147 ext. 381
 Email : Pitipong@alucon.th.com
 Mail : Audit Committee
 Corporate Secretarial Office
 Alucon Public Company Limited
 500 Moo 1 Soi Sirikham (Sukhumvit 72)
 Samrong Nua, Muang Samutprakarn,
 Samutprakarn Province 10270

1.2 Managing Director

Mail : Managing Director
 Alucon Public Company Limited
 500 Moo 1 Soi Sirikham (Sukhumvit 72)
 Samrong Nue, Muang Samutprakarn,
 Samutprakarn Province 10270

2. Conditions of whistle-blowing and complaints

- 2.1 The details of whistle-blowing or complaints must be factual, clear, or sufficient to lead to investigation.
- 2.2 The whistle-blower or the complainant may choose not to reveal his/her name, address, and telephone number(s) if the disclosure will cause danger or damage. But if the person chooses to reveal himself/herself, the investigation will proceed with speed, with additional useful information, factual revelation, or alleviation of the damage in a more convenient way and shorter time.
- 2.3 The information received is considered confidential, and no disclosure of the name of the whistle-blower or the complainant will be made public without consent.
- 2.4 The rights of the whistle-blower or the complainant will be protected whether he/she is an employee or an outsider.
- 2.5 The time required to process each complaint depends on the complexity of the case, document sufficiency, proofs received from the complainant, as well as documents, proofs, and explanations of the person complained against.
- 2.6 The person who receives the complaint and the person involved in the investigation must keep the information confidential. If necessary, they may disclose it taking into account the safety of and the damage to the complainant or any person who cooperates in the investigation, the information sources, or relevant persons.
- 2.7 If the complainant or the person who cooperates in the investigation thinks that he/she is unsafe or threatened, he/she may ask the company for appropriate protective measures, or the company may proactively provide protective measures if there is potential damage or danger.
- 2.8 The damaged person will be assisted by proper and just procedures.

3. Protection of rights of employees, temporary employees, and outsourced persons

The company will not unfairly treat employees, temporary employees, or outsourced persons, whether through changes in position, nature of work, or locations of work, suspension, threats, obstruction of work, termination of work, or any unfair act to these people because they:

- 3.1 Provide information, cooperation, assistance to the directors, executives, the public sector, or the monitoring agency if there is sufficient proof that those people violated or abused law, rules, regulations, the code of business conduct, or corporate governance principles
- 3.2 Give testimony, submit evidence, or provide assistance to the directors, executives, the public sector, or the monitoring agency useful to the consideration or investigation if there is doubt of the violation or abuse of law, rules, code of business conduct, or corporate governance principles.

Intellectual Property and Copyright

The Company sets policy against any infringement of intellectual property, in which all directors, executives and employees must not infringe on computer software by downloading and/or installing any programs those do not process by IT Department. In addition, the Company has assigned IT Department to be responsible for the monitoring and inspection to prevent any copyright infringement of computer software regularly.

Information Technology and Communications

The Company places emphasis on the policy on the use of information technology and communications by setting an information security standard to prevent or reduce any leak of significant or confidential information, whether intentionally or unintentionally. We have established a set of guidelines and procedures on the use of information technology and communication.

Any of the Company's confidential documents and information will only be kept in the system of the relevant department, of which cannot be reached by others irrelevant department. It then limits only the relevant staff to access in.

Moreover, the IT Department is required to keep the employee's traffic information as required by the Computer Related Crime Act B.E. 2560 and the Notification of the Ministry of Information and Communication Technology Re: Rule on the Record of Traffic Information by the Service Provider.

Principle 4 : Disclosure and transparency

The Company recognizes the importance of disclosure of its financial and non-financial information accurately, completely, regularly, timely, and transparently. In addition, such information should be easily accessible, equitable, and credible as follows:

- 4.1 Disclose relevant news and information as well as annual report via the Stock Exchange of Thailand's channel and the Company's webpage. In the past year, the Company had never been reprimanded by the Securities and Exchange Commission or the Stock Exchange of Thailand for violation of information disclosure guidelines.
- 4.2 The Company publishes the director's responsibilities to financial statement along with the auditor report in annual report. Such report contains contents which conform to accounting principles and financial reporting that presents accurate, complete, and factual information in compliance with accounting standards, this report is signed by both Chairman of the Board of Directors and Managing Director.
- 4.3 The Company publishes the director's responsibilities to financial statement along with the auditor report in annual report. Such report contains contents which conform to accounting principles and financial reporting that presents accurate, complete, and factual information in compliance with accounting standards, this report is signed by both Chairman of the Board of Directors and Managing Director.

| Name of Director | Board of Directors | Audit Committee | Risk Management |
|----------------------------|--------------------|-----------------|-----------------|
| 1. Mr. Somchai Aungsananta | 6/6 | - | - |
| 2. Mr. Takaaki Takeuchi | 6/6 | - | - |
| 3. Mrs. Eumporn Pamornbutr | 6/6 | - | 1/1 |
| 4. Mr. Subpachai Lovanit | 6/6 | - | - |
| 5. Ms. Salinee Mahtani | 6/6 | - | - |
| 6. Ms. Vrinporn Uer-anant | 6/6 | 4/4 | - |
| 7. Mr. Krit Indhewat | 6/6 | 4/4 | - |
| 8. Mr. Toshiyuki Koike | 6/6 | 4/4 | 1/1 |
| 9. Mr. Vibool Uer-anant | 6/6 | - | 1/1 |
| 10. Ms. Kasumi Takeuchi | 6/6 | - | - |

- 4.4 The Company is utterly concerned with disclosure of relevant information to investors so that investors can receive accurate, transparent, and thorough information. The Compliance and Investor Relation Department is assigned to act as a company representative responsible for communication, provision of information services, and dissemination of news and information about the Company's activities to institutions, investors, shareholders, analysts, general public and relevant authorities. To obtain various information about the Company, operating performance, financial statements and information reports submitted to the Stock Exchange of Thailand, which include current and past information, interested person can read and/or download such information from www.alucon.th.com which provides these information in both Thai and English.

Investors and concerned parties who have any inquiry and would like to obtain information about the Company can contact the Investor Relation:

- Ms. Kanjana Piyachart
Tel. 02-3980147 ext. 371
Email: kanjana_p@alucon.th.com

4.5 The Company disclosed scope of responsibilities and mandates of the Board of Directors and various committees in the annual information disclosure form.

4.6 Share trading report

According to the code of conduct, the Company has a policy to avoid/refrain from trading its shares one month before disclosing the information to the general public and to notify the Board of Directors and every company executive about the notification of the Office of the Securities and Exchange Commission (SEC) pertaining to Section 59 of the Securities and Exchange Act B.E 2535 that requires reporting of shareholding of themselves, their spouses of such shares, a copy of such report must be sent to the Company Secretary as an evidence. In the past, the Company never had any incident where any director or company executive used inside information for their own or others' undue personal gain and underage children to the SEC within 30 days after being elected as a director and appointed as a company executive.

Directors and management executives filed changes in share ownership report with the Office of the Securities and Exchange Commission in compliance with section 59 whenever share ownership changed. The Company Secretary is responsible for compiling information and reporting to SET every time.

4.7 Risk Management Report

On Y2020, it was monitored on the risk form working of each department and it can be concluded that there were 19 items on high risk and 90 items on medium risk. This Risk Management evaluation will be done annually.

Principle 5 : Board Responsibilities

5.1 According to the Article of Association (the Company is eligible to have at least 5 directors and not exceed 15 directors), the Company has 10 directors who are qualified according to the regulation and can be defined as follows:

| Sex | Number | Characteristic | Number |
|--------|--------|------------------------|--------|
| Female | 4 | Executive Director | 4 |
| Male | 6 | Independence Director | 5 |
| | | Non-Executive Director | 1 |

All directors are experts have various knowledge either of business administrative, engineering, accounting and finance, marketing and specific experience on the aluminium packaging industry.

List of directors and servicing years are as follows:

| Name | Position | Year in position / Served year |
|----------------------------|---|-----------------------------------|
| 1. Mr. Somchai Aungsananta | Independence director, Chairman of Board of Director | 1990 / 31 |
| 2. Mr. Takaaki Takeuchi | Executive Director | 1995 / 26 |
| 3. Mrs. Eumporn Pamornbutr | Executive Director / Risk Management Committee | 1990 / 31 |
| 4. Ms. Salinee Mahtani | Executive Director | 1998 / 23 |
| 5. Mr. Subpachai Lovanit | Executive Director | 1998 / 23 |
| 6. Ms. Vrinporn Uer-anant | Independence Director, Audit Committee – Chairperson | 1994 / 27 |
| 7. Mr. Krit Indhewat | Independence Director, Audit Committee | 2000 / 21 |
| 8. Mr. Toshiyuki Koike | Independence Director, Audit Committee, Risk Management Committee | 2010 / 11 |
| 9. Mr. Vibool Uer-anant | Independence Director, Risk Management Committee – Chairman | 2013 / 7 |
| 10. Ms. Kasumi Takeuchi | Non-Executive Director | 2017 / 4 |

Remark : based on information as of 31st December 2020

- 5.2 According to the Company's regulation, it is stipulated that one in three (1/3) of the total number of Directors at each annual general shareholder's meeting will vacate their offices. If the number may not be divisible by three, the number of Director to vacate their position will be the figure closest to the value of one in three (1/3). Therefore, each director's term lasts approximately three years.
- 5.3 The Company set up two sub-committees, which are Audit Committee and Risk Management Committee and prescribed their duties and responsibilities. To promote transparency and independence, most committee members are independent members. Moreover, to ensure that these committees are truly autonomous while carrying out their duties, the board chairman does not take up the position of committee chairman and member.
- 5.4 The Board is involved in defining the vision, mission, strategies, goals, business plans of the Company. It is independent and supervises the management of a business plan under the budget, in order to maximize the benefit to the organization, stakeholders and shareholders. In addition, the Board has also implements an internal control system, an audit system, and efficient risk management measures and constantly monitors these matters in board meeting.

- 5.5 The Company stipulates performance evaluation containing two parts, that is, key performance indicators (KPI) and competency. This system will help employees recognize and understand operational strategies and approaches which will achieve the organization's strategic targets such as goal, mission and performance measurement.
- 5.6 The Company creates and maintains an internal control system and regularly reviews efficiency of the internal control system in relation to financial control, operating performance, and corporate governance in compliance with pertinent legal provision and regulations, protection and maintenance of assets, and risk management. In this regards, the Company commissioned Dharmniti Internal Audit Co., Ltd. to audit business conduct of various functions and ensure that the operations conform to the guidelines set out in an approved annual audit plan. The internal audit report will be informed directly to the Audit Committee.

Based on Y2020, internal audit report prepared by Dharmniti Internal Audit Co., Ltd., has no significant discrepancies to be found. The Company had an adequate, prudent internal control system and properly complied with the regulations and laws of relevant authorities; moreover, its properties were protected from being used unscrupulously by management and employees.

- 5.7 Regarding conflict of interest, the Board of Directors informs board members and management executives to prepare a list of their own interest and interest of connected persons in accordance with the provision of the concerned agency. It is required that the Company must be notified of such list within 15 days after the initial request and every time changes occur. Such report will be used by the Company Secretary as information and tool to ensure that board members carry out their duties with integrity. The Company Secretary sends a copy of this report to the Chairman of the Company and the Audit Committee's chairperson for acknowledgement.
- 5.8 The Company holds board meetings and informs each board member of upcoming meeting in advance. In Y2020, a total of six board meetings were convened. In each board meeting, the Board of Directors, Board Chairman, Managing Director and the Company Secretary jointly review meeting agenda to ensure that vital matters are included in the agenda and each board member can table matters in meeting agenda autonomously.

The Company Secretary delivers meeting documents to directors, five days in advance. The document has been prepared concisely as possible. However, if there is any matter which cannot be disclosed in writing or if it is disclosed in advance, it may adversely affect the Company, the Board can bring up and discuss such matter at meeting and the Chairman will allocate sufficient time for such discussion. Directors are keen on every issue brought to their attention in meeting, including any corporate governance issue. For any issue which still lacks sufficient information directors can always request additional information from the Company Secretary.

Minutes of meeting of the Board of Directors contains essential information such as meeting date, time when meeting is called and adjourned, a list of directors who attend the meeting and are absent, summary of proposed matters, summary of debated issues and observation notes, the Board's resolution and director's comments, reporter's name, name of a person who endorses the report. The Company keeps minutes of meeting of all board meeting in good order. Such record can be readily searched but cannot be altered without the Board's consent.

- 5.9 Regarding remuneration of directors, it was proposed for approval by shareholders each year in accordance with transparency and auditing principles. Moreover, it is assured that remuneration is at a suitable level and sufficient enough to motivate and retain quality directors as required.

- 5.10 Regarding the policy concerning tenure of the Company's directors in other companies, the Company does not have any requirements in the event that each will hold a position in other companies. This is because such matter does not affect director's competency and expertise, provided that such director can fully devote his/her time for the Company in regard to policy formulation, consultation on problem-solving in business operation within the scope of power and duties of the Company's director. However, no director, at present, holds position in other company whether it is a limited company or listed company, in total more than 5 companies, and managing director and top management can serve as director of other companies without approval from the Board of Directors; unless, it is a business that competes with the Company.
- 5.11 In case a new director is appointed, the Company Secretary is responsible for preparing summary documents that cover business characteristics, organizational structure, operation, rules and regulation, vital policies as well as guideline on board member's conducts, provisions of the Stock Exchange of Thailand and the SEC Office in order to ensure that a new director can fully perform his/her duties as director of a listed company.
- 5.12 The Company recognizes the importance of the development of directors' knowledge. Therefore, the Company supports and facilitates the organization of training and educational programs for directors, whereby the Company Secretary was assigned to coordinate with directors, informing them of various training programs. In the past, directors regularly attended various courses of Thai Institute of Directors Association.
- 5.13 The Company assigns that Chairman of Board and Managing Director must not same person and their roles, responsibilities and duties are clearly separated. The Chairman of Board and the Chairman of sub-committees must be appointed from an independent director only.
- 5.14 The Company has a policy for non-executive directors to organize their own meeting in order to discuss on outstanding management problems at least once a year without the attendance of Management.
- 5.15 The Board of Directors has set up 2 sub-committees which are (1) Audit Committee and (2) Risk Management Committee. The scope of responsibilities of each committee has been regulated clearly.
- 5.16 The Board of Directors arranges the internal audit system covering the financial, operation in accordance with the law, rules and regulations, the risk management, as well as to have the effective mechanism by Internal Audit, being outsourced department, independence, and under control of Audit Committee, as well as, providing the quality report to Audit Committee with sufficient information to evaluate and verify internal control system, related transaction, the appointment of Auditor and summary of opinion of the Audit Committee.
- 5.17 The Board of Director monitors the Company to have risk management system sufficiently and follow up frequently. Therefore, the Company has set up the Risk Management Committee and Risk Management Team to evaluate and follow up the risk factors at least once a year.
- 5.18 Roles and scope of responsibility of Company Secretary are detailed in the aspect of Management.

Report by the Directors for the year 2020

Audited Accounts

The Directors submit the Statement of Finance Position, Statements of Comprehensive Income and Retained Earnings and Cash Flow together with the auditor's report for the year ended 31st December 2020.

Investments

Investments during the year in fixed assets amounted to MB 186.

Revenues

Total revenues amounted to MB 5,072 out of which sales were MB 4,928.

Profitability

Profits before financial cost and company income tax amount to MB 828 representing an increase of 26% compared to the previous year.

Finances

The Company has short to long term debts amounting to about MB 837 and the debt/equity ratio at the end of the year was 0.14:1

Appropriation of profits

Board of Directors proposes to declare a dividend for the Y2020 at the rate of Baht 10 per share and appropriation of profits as of 31st December 2020 shall be as follows:-

| | Baht | Baht |
|--|-------------|---------------|
| Retained earnings at beginning of year | | 4,875,858,380 |
| Final dividend for year 2019 of Baht 7.50 Being paid on 15 th May 2020 | 323,999,895 | |
| Net profit after tax and other comprehensive income (loss) for year 2020 | | 681,174,488 |
| Legal Reserve as required by law | | - |
| Profit available for appropriation | | 5,233,032,973 |
| Proposed dividend for year 2020 of Baht 10 per share on 43,199,986 shares | 431,999,860 | |
| Balance of profits to be carried forward | | 4,801,033,113 |

Election of Directors

Directors namely Mr. Subpachai Lovanit, Mr. Vibool Uer-anant, Mr. Krit Indhewat and Ms. Kasumi Takeuchi are retired by rotation; thus, the four remaining retired directors offer themselves for re-election by Annual General Meeting of Shareholders and also propose to appoint the new executive director who is Mr. Maksimiljan Pristovsek.

Director's and Audit Committee's Remuneration

The directors request approval by the General Meeting for payment of Directors' remuneration for year 2021 in total of Baht 5,160,000 detailed below:

1. Board of Directors
 - Chairman of Board of Directors Baht 650,000 per person per annum
 - Directors Baht 400,000 per person per annum
2. Audit Committee
 - Audit Committee Chairman Baht 300,000 per person per annum
 - Audit Committee Baht 250,000 per person per annum
3. Risk Management Committee
 - Risk Management Committee Chairman Baht 50,000 per meeting
 - Risk Management Committee Baht 30,000 per meeting

Auditor

The Directors propose the following persons of KPMG Phoomchai Audit limited to be appointed as the auditor of the Company for year 2021 and for payment of the annual audit fee of Baht 1,190,000.

1. Ms. Piyatida Tangdenchai 11766 and/or
2. Mr. Sumeth Jangsamsee 9362 and/or
3. Mr. Banthit Tangpakorn 8509

On behalf of the Board of Directors

Somchai Aungsananta

Chairman of Board of Directors

25th February 2021

Remuneration for Directors

Remuneration for directors is clearly set by following the data base of remuneration for directors for the listed companies in the year 2020, which was prepared by the SET to be used as reference by listed companies in paying remuneration to their directors, in the section regarding director remuneration for each business sector, and including the consideration on their experience, role and scope of duties and responsibilities, as well as, expected benefits from each directors are at the rate of appropriate and par with comparable companies in the manufacturing industry and appealing enough to attract and retain quality directors whom the Board needs to approve by the shareholders' meeting. Directors who are assigned with extra work (e.g. being members of committee) have been paid appropriately more.

Remuneration for the top executives shall be based on their position and responsibility in management as well as their seniority which corresponds to the performances of the company as well as that of each executive as approved by the Board.

Directors and Management's remuneration

Directors Remuneration

- *Remuneration in cash*

The remuneration in kind of cash being approved by the Shareholders' Meeting No. 60 on 4th August 2020 for 2019 and 2020 are as follows:

| Description | 2019 | 2020 |
|---------------------------------------|---------------------|---------------------|
| Chairman of Board of Directors | 650,000 Baht/person | 650,000 Baht/person |
| Directors | 400,000 Baht/person | 400,000 Baht/person |
| Chairman of Audit Committee | 300,000 Baht/person | 300,000 Baht/person |
| Audit Committee | 250,000 Baht/person | 250,000 Baht/person |
| Chairman of Risk Management Committee | 50,000 Baht/Meeting | 50,000 Baht/Meeting |
| Risk Management Committee | 30,000 Baht/Meeting | 30,000 Baht/Meeting |

| Name | Remuneration | | | |
|----------------------------|--------------|-------------------|----------------|---------|
| | Remuneration | Meeting Allowance | Transportation | Total |
| 1. Mr. Somchai Aungsananta | 650,000 | - | 84,000 | 734,000 |
| 2. Mr. Takaaki Takeuchi | 400,000 | - | - | 400,000 |
| 3. Mrs. Eumporn Pamornbutr | 430,000 | - | - | 430,000 |
| 4. Ms. Salinee Mahtani | 400,000 | - | - | 400,000 |
| 5. Mr. Subpachai Lovanit | 400,000 | - | - | 400,000 |
| 6. Ms. Vrinporn Uer-anant | 700,000 | - | 84,000 | 784,000 |
| 7. Mr. Krit Indhewat | 650,000 | - | 84,000 | 734,000 |
| 8. Mr. Toshiyuki Koike | 680,000 | - | 84,000 | 764,000 |
| 9. Mr. Vibool Uer-anant | 450,000 | - | 60,000 | 510,000 |
| 10. Ms. Kasumi Takeuchi | 400,000 | - | 60,000 | 460,000 |

- *Special Remuneration*

The Company, Board of Directors and Shareholders' Meeting have no payment on the special remuneration to the Board of Directors or Sub-committees in year 2020.

- *Other remuneration in other kind*

There is no payment on remuneration in other kind to the Board of Directors or Sub-committee in year 2020.

Executive Remuneration

Remuneration for executive excluding director remuneration shall be composed of salary, bonus can be illustrated for 3 consecutive years from 2018- 2020 are as follows:

(Unit : million Baht)

| | 2020 | 2019 | 2018 |
|-------------------|-------|-------|-------|
| Number of person | 6 | 6 | 5 |
| Remuneration (MB) | 41.46 | 46.99 | 52.84 |

Dividend Policy

According to the Company of Article of Association (AOA), distribution of dividends out of a source other than the profits is not permitted. In case the Company still registers an accumulated loss, no distribution of dividend is permitted. Distribution of dividends in respect of each share shall be equal. Dividend policy 50 - 70% of net profit after income tax.

Distribution of dividends must be effected within one month from the date on which the shareholders' resolution or the Board of Directors' resolution was passed as relevant. Notice of distribution of dividend must be sent to all shareholders and published in a newspaper.

Dividend payment of the Company between 2015 and 2020 illustrated below:

| Year | Capital Stock (1000) | Net Profit (1000) | Dividend: (baht/share) | Dividend: (Stock/share) | Total Dividend (baht/share) | Percent of net profit |
|------|----------------------|-------------------|------------------------|-------------------------|-----------------------------|-----------------------|
| 2015 | 43,200 | 775,067 | 10.00 | - | 10.00 | 55.74 |
| 2016 | 43,200 | 1,069,812 | 15.00 | - | 15.00 | 60.57 |
| 2017 | 43,200 | 783,739 | 11.00 | - | 11.00 | 60.63 |
| 2018 | 43,200 | 719,666 | 10.00 | - | 10.00 | 60.03 |
| 2019 | 43,200 | 532,116 | 7.50 | - | 7.50 | 60.89 |
| 2020 | 43,200 | 669,003 | 10.00 | - | 10.00 | 64.57 |

Executives

The names and details of executives and directors are as follows:

(1) Mr. Somchai Aungsananta (67)

| | |
|--|---|
| Position | : Independent Director and Chairman of Board of Directors |
| Education | : - MBA - West Texas State University, USA - Bachelor degree of Arts, Thammasart University |
| Training by Thai Institute of Directors | : None |
| Association (IOD) | |
| Relationship | : None |
| Company's securities holding as at 31 st December 2020 | : 87,750 shares = 0.20 % (no change) (Spouse holds 600 shares = 0.0001% & no minor children) |
| Work Experience | : 1996 – present Director Podium Home Center Co., Ltd. |
| Current position in other organization | |
| - in listed companies | : None |
| - in non-listed companies | : 1 company : Director - Podium Home Center Co., Ltd. |
| - in other organization | : No position of director, executive or consultant in any organization such as association or foundation. |
| - in other organization that may cause any conflict of interest to Company | : No position of director or executive in such organization |
| Numbers of meeting attendances | : 6/6 times |
| Year in Position / start from | : 31 years / 27 th May 1990 |
| Conflict of Interest | : - Not being a director who get the monthly benefit from the Company - Not being any kind of service professional to the Company - Not having any relationship with any business linking to the Company which influent to the decision making independently. |

(2) Mr. Takaaki Takeuchi (61)

| | |
|---|--|
| Position | : Director and Managing Director (Authorized Director) |
| Education | : Master of Science in Packaging, Michigan State University, USA. |
| Training by Thai Institute of Directors | : None |
| Association (IOD) | |
| Relationship | : Ms. Kasumi Takeuchi – Niece |
| Company's securities holding as at 31 st December 2020 | : 90,000 shares = 0.21% (no change) (Spouse and minor children – no share) |
| Work Experience | : 1995 – present Managing Director Alucon Public Company Limited |
| Current position in other organization | |
| - in listed companies | : None |
| - in non-listed companies | : None |
| - in other organization | : No position of director executive or consultant in any organization such as association or foundation. |

| | |
|--|---|
| - in other organization that may cause any conflict of interest to Company | : 1 company : Director – Takeuchi Press Industries Co., Ltd. |
| Numbers of meeting attendances | : 6/6 times |
| Year in Position / start from | : 26 years / 9 th May 1995 |
| Conflict of Interest | : - Being a director who get the monthly benefit from the Company - Not being any kind of service professional to the Company - Having any relationship with any business linking to the Company which influent to the decision making independently. |

(3) Mrs. Eumporn Pamornbutr (71)

| | |
|--|---|
| Position | : Director, Assistant Managing Director and Risk Management Committee |
| Education | : - Bachelor degree of Business Administration in Accounting, South East Bangkok College - Certificate - Mini MBA, Thammasat University - Certificate - Financial Management, Chulalongkorn University - Training by Federation of Accounting Professions - Chief Financial Officer Certification Program from Federation of Accounting Professions in year 2006 - Risk Management for Executive Program from Chulalongkorn University |
| Training by Thai Institute of Directors Association (IOD) | : - Directors Accreditation Program (DAP) – in year 2003 - Finance for Non-Finance Directors – in year 2005 - Role of Compensation Committee – in year 2012 |
| Relationship | : None |
| Company's securities holding as at 31 st December 2020 | : 58,500 shares = 0.14% (no change) (Spouse – no share & no minor children) |
| Work Experience | : 2016 – Present Senior Assistant Managing Director Alucon Public Company Limited 2003 – 2016 Assistant Managing Director Alucon Public Company Limited |
| Current position in other organization | |
| - in listed companies | : None |
| - in non-listed companies | : 1 company : Director - H.W Schneider Co., Ltd. |
| - in other organization | : 1 organization : President - Hartmuth & Illse Schneider Foundation for Children, Thailand |
| - in other organization that may cause any conflict of interest to Company | : No position of director or executive in such organization |
| Numbers of meeting attendances | : 6/6 times |
| Year in Position / start from | : 31 years / 27 th May 1990 |
| Conflict of Interest | : - Being a director who get the monthly benefit from the Company - Not being any kind of service professional to the Company - Not having any relationship with any business linking to the Company which influent to the decision making independently. |

(4) Ms. Salinee Mahtani (55)

| | | |
|---|---|--|
| Position | : | Director, Assistant Managing Director (Authorized director). |
| Education | : | Master Degree in International Business – KOBE University, Japan |
| Training by Thai Institute of Directors | : | - Directors Accreditation Program (DAP) – in year 2003 |
| Association (IOD) | | - Understanding the Fundamental of Financial Statement – in year 2006 |
| Relationship | : | None |
| Company's securities holding as at 31 st December 2020 | : | 245,000 shares = 0.56% (no change) (Spouse – no share & no minor children) |
| Work Experience | : | <div style="display: flex; justify-content: space-between;"> 2016 – Present Director – Assistant Managing Director Alucon Public Company Limited </div> <div style="display: flex; justify-content: space-between;"> 1998 – 2016 Director – General Manager Alucon Public Company Limited </div> |
| Current position in other organization | | |
| - in listed companies | : | None |
| - in non-listed companies | : | None |
| - in other organization | : | No position of director, executive or consultant in any organization such as association or foundation. |
| - in other organization that may cause any conflict of interest to Company | : | No position of director or executive in such organization. |
| Numbers of meeting attendances | : | 6/6 times |
| Year in Position / start from | : | 23 years / 30 th April 1998 |
| Conflict of Interest | : | - Being a director who get the monthly benefit from the Company - Not being any kind of service professional to the Company - Not having any relationship with any business linking to the Company which influent to the decision making independently. |

(5) Mr. Subpachai Lovanit (79)

| | |
|---|--|
| Position | : Director, Plant Manager |
| Education | : Vocational Certificate obtained scholarship from German Government to study engineering in Berlin for 2 years |
| Training by Thai Institute of Directors Association (IOD) | : - Directors Accreditation Program (DAP) – in year 2003 - Understanding the Fundamental of Financial Statements in year 2006 |
| Relationship | : None |
| Company's securities holding as at 31 st December 2020 | : 59,400 shares = 0.13% (no change) (Spouse – no share & no minor children) |
| Work Experience | : 1998 – Present Director & Plant Manager Alucon Public Company Limited |
| Current position in other organization | |
| - in listed companies | : None |
| - in non-listed companies | : None |

| | |
|--|---|
| - in other organization | : 3 organizations are as follows: |
| | 1. Vice President – Ferrous and Non-Ferrous Employers' Association |
| | 2. Director - Employers' Confederation of Thai Trade and Industries |
| | 3. Director - The Federation of Industries, Samutprakarn Province |
| - in other organization that may cause any conflict of interest to Company | : No position of director or executive in such organization. |
| Numbers of meeting attendances | : 6/6 times |
| Year in Position / start from | : 23 years / 30 th April 1998 |
| Conflict of Interest | : - Being a director who get the monthly benefit from the Company - Not being any kind of service professional to the Company - Not having any relationship with any business linking to the Company which influent to the decision making independently. |

(6) Ms. Vrinporn Uer-anant (71)

| | |
|--|---|
| Position | : Independent Director and Audit Committee - Chairperson |
| Education | : BBA, Faculty of Accounting, Chulalongkorn University MBA, Utah State University, USA Certified Master Practitioner and Master Therapeutic Coach of NLP, approved by American Board of NLP and NLP University |
| Training by Thai Institute of Directors Association (IOD) | : - Directors Accreditation Program (DAP) - in year 2004 - Finance for Non-Finance Director in year 2007 |
| Relationship | : Sister - Mr. Vibool Uer-anant |
| Company's securities holding as at 31 st December 2020 | : 154,300 shares = 0.36% (no change) (No spouse and minor children) |
| Work Experience | : 2013 - present Consultant - Quality Management System 2006 - 2013 Lecturer, School of Management and Economic, Assumption University (ABAC) |
| Current position in other organization | |
| - in listed companies | : None |
| - in non-listed companies | : 2 companies : Director - Thai Farmer Properties Co., Ltd. Director - Moon Light Bay Co., Ltd. |
| - in other organization | : No position of director, executive or consultant in any organization such as association or foundation. |
| - in other organization that may cause any conflict of interest to Company | : No position of director or executive in such organization. |
| Numbers of meeting attendances | : 6/6 times |
| Year in Position / start from | : 27 years / 27 th May 1994 |
| Conflict of Interest | : - Not being a director, employee, consultant who get the monthly benefit from the Company - Not being any kind of service professional to the Company - Not having any relationship with any business linking to the Company which influent to the decision making independently. |

(7) Mr. Krit Indhewat (80)

| | |
|--|---|
| Position | : Independent Director, Audit Committee |
| Education | : Bachelor Degree – London University, England |
| Training by Thai Institute of Directors | : None |
| Association (IOD) | |
| Relationship | : None |
| Company's securities holding as at 31 st December 2020 | : 155,250 shares = 0.36% (changed) (Spouse hold 9,000 shares = 0.02% and no minor children) |
| Work Experience | : Director – Advance Ad Co., Ltd. Board Consultant – Kodanmal Co., Ltd. |
| Current position in other organization | |
| - in listed companies | : None |
| - in non-listed companies | : 2 companies : Director – Advance Ad Co., Ltd. Board Consultant – Kodanmal Co., Ltd. |
| - in other organization | : Director – Rotary Club of Bangkok Foundation |
| - in other organization that may cause any conflict of interest to Company | : No position of director or consultant in such organization |
| Numbers of meeting attendances | : 6/6 times |
| Year in Position / start from | : 21 years / 30 th April 2000 |
| Conflict of Interest | : - Not being a director who get the monthly benefit from the Company - Not being any kind of service professional to the Company - Not having any relationship with any business linking to the Company which influent to the decision making independently. |

(8) Mr. Toshiyuki Koike (48)

| | |
|---|--|
| Position | : Independent Director, Audit Committee, and Risk Management Committee |
| Education | : Master of Management, Mahidol University, Thailand Bachelor of Arts (Economic and Literature), Aoyama Gakuin University, Japan |
| Training by Thai Institute of Directors | : None |
| Association (IOD) | |
| Relationship | : None |
| Company's securities holding as at 31 st December 2020 | : No share |
| Work Experience | : 2018 – present Director SBA Limited 2012– 2018 Managing Director ENZO International Co., Ltd. 2010 – 2012 Managing Director OSD Network Co., Ltd. |
| Current position in other organization | |
| - in listed companies | : None |
| - in non-listed companies | : 1 company : Director – SBA Limited |

| | |
|--|---|
| - in other organization | : No position of director, executive or consultant in any organization such as association or foundation. |
| - in other organization that may cause any conflict of interest to Company | : No position of director or executive in such organization. |
| Numbers of meeting attendances | : 6/6 times |
| Year in Position / start from | : 11 years / 10 th May 2010 |
| Conflict of Interest | : - Not being a director, employee, consultant who get the monthly benefit from the Company - Not being any kind of service professional to the Company - Not having any relationship with any business linking to the Company which influent to the decision making independently. |

(9) Mr. Vibool Uer-anant (65)

| | |
|--|---|
| Position | : Independent Director and Risk Management Committee - Chairman |
| Education | : Bachelor of Science in Microbiology, Weber State College Bachelor of Science in Business Administration, Chapman College M.P.A California State University, Fullerton, USA. |
| Training by Thai Institute of Directors Association (IOD) | : - Directors Certification Program (DCP) – in year 2015 - Risk Management Program (RMP) in year 2015 |
| Relationship | : Brother – Ms. Vrinporn Uer-anant |
| Company's securities holding as at 31 st December 2020 | : 10,000 shares = 0.02% (no change) (Spouse hold 4,000 shares = 0.009% and minor children - no share) |
| Work Experience | : 2001– present Managing Director Varothorn Parts & Service Co., Ltd. 2002 – present Managing Director Samma Biz Co., Ltd. |
| Current position in other organization | |
| - in listed companies | : None |
| - in non-listed companies | : 2 companies : Managing Director – Vorothorn Part & Service Co., Ltd. Managing Director – Sama Biz Co. Ltd. |
| - in other organization | : No position of director, executive or consultant in any organization such as association or foundation. |
| - in other organization that may cause any conflict of interest to Company | : No position of director or executive in such organization. |
| Numbers of meeting attendances | : 6/6 times |
| Year in Position / start from | : 7 years / 11 th November 2013 |
| Conflict of Interest | : - Not being a director, employee, consultant who get the monthly benefit from the Company - Not being any kind of service professional to the Company - Not having any relationship with any business linking to the Company which influent to the decision making independently. |

(10) Ms. Kasumi Takeuchi (32)

| | |
|--|--|
| Position | : Non-executive Director |
| Education | : - Bachelor degree of Laws, University of Tokyo, Japan - Master of Public Policy, National Graduate Institute for Policy Studies, Japan - MBA with High Distinction – University of Michigan, USA |
| Training by Thai Institute of Directors | : None |
| Association (IOD) | |
| Relationship | : Mr. Takaaki Takeuchi - Uncle |
| Company's securities holding as at 31 st December 2020 | : None |
| Work Experience | : 2019 – Present Manager Director, General Manager - Administration Division Takeuchi Press Industries Co., Ltd. 2017 – 2019 Director, Deputy General Manager - Administration Division Takeuchi Press Industries Co., Ltd. |
| Current position in other organization | |
| - in listed companies | : None |
| - in non-listed companies | : None |
| - in other organization | : No position of director, executive or consultant in any organization such as Association or Foundation |
| - in other organization that may cause any conflict of interest to Company | : 1 company : Managing Director, General Manager - Administration Division Takeuchi Press Industries Co., Ltd. |
| Numbers of meeting attendances | 6/6 times |
| Year in Position / start from | : 4 years / 20 th April 2017 |
| Conflict of Interest | : - Not being a director who get the monthly benefit from the Company : - Not being any kind of service professional to the Company - Having relationship with Takeuchi Press Industries linking to the Company which influent to the decision making independently. |

Explanation and analysis of Financial Status and Business Performance

In 2020, the operating profit increased by 25.7% while total revenue of the company was decreased 10.1%, mainly from decreased sales on aluminium tubes and can as well as exported slugs are also decreased. This is mainly due to the slowdown in the economy of Thailand and the world. The main factor is from the epidemic situation of COVID-19 together with the Lock Down measures in many countries around the world including Thailand especially in second quarter of Y2020, resulting in lower sales.

The main factor contributing to the substantial increase in profits was the cost of the main raw material, which was lower in the world market including the plan to consolidate the production base between Samrong Plant and the Sriracha Plant helps to save energy. In addition, the volume of aluminum slugs production increased from customer orders causing the production cost of aluminum slugs decreased.

This is because most of the income over 70% comes from export sales. The depreciation of the Thai Baht caused the export value to increase. The average Thai Baht depreciated against the Japanese yen and the US dollar causing the company to have a profit from exchange rate of MB 30.5.

In summary, the company reported total revenue in 2020 of MB 5,072, down 10.1% from MB 5,497 in 2019 and net profit of MB 669 or up 25.7% from MB 532 in 2019. (see more details in Annual Registration Statement 2018 (56-1) Part 3 Financial Position and Results of operations)

Reasons for material changes in operation or financial ratio

There are no material changes in operations and financial ratio.

Extraordinary item which have material impact on the Company's operation

There are no extraordinary items that have an impact on the Company's profitability.

Explanation on the material differences

There are no material differences between the actual and projected performance of the previous year.

Significant changes

There are significant changes in Y2020, with items that are not recurring regularly. During Y2020, the Board of Directors of the Company approved the Company to invest in the financial fund account with a certain asset management company amounted to MB 700. The Company intended to hold the securities for the higher return than general cash deposit at the Bank purposes. The Company has designated them a measured at FVBTPPL. The gain (loss) on measurement of these investments will be reclassified to profit or loss at the end of the accounting period. The Company recognized gain on fair value adjustment on such investment amounted to MB1.1 in the profit or loss for the year ended 31st December 2020 as not affected to the financial status and operation.

Effect from the changes in restructure of the Group shareholding

There are no changes in the structure of the Company and group shareholding.

Guarantee contingent, liabilities, investment or commitments.

Please refer to Note 4 paged 86 and Note 25 paged 112

Factors related to investment decision

Legal Dispute

As of 31st December 2020, the company has no lawsuit.

Obligation on future issuance of shares

The Company has no obligation to issue new shares at present.

Information regarding debenture or promissory notes:

The Company does not hold and has not issued any debentures or promissory notes.

Future Plan

In year 2021, Alucon has development projects for the business in the near future as follows:

- We have been focusing on sustainable operation. We are trying to get the low-carbon materials and also have been trying to develop the aluminum alloy slugs for lightweight cans production.
- We have just started the new environment committee which studies about eco-friendly for the future operation and business sustainability.
- CPS9 and SPS4 buildings will be installed the solar panels for operation within this year. This is not only good for the environment, but also for reducing the cost of production. We have also continued the trees planting.
- Visual camera inspecting systems were applied more together with the automatic packing systems for saving the number of operators per production lines.
- We have been investing for improving the quality and efficiency in SPS.
- We have been developing new bottle shaped cans for expanding new markets.

Relations with Investors

Board of Directors recognizes the importance that the Company discloses material information correctly, timely and transparently even financial statements or general information along with important information that may effect in price of company securities. Company discloses via the SET Client Portal (SCP) and www.setportal.set.or.th and by our company website. Investors to be notified of such material information should visit our website at ww.alucon.th.com or contact our e-mail address at alucon@ksc.th.com, contact person: Ms. Kanjana Piyachart, Investment Relation (IR).

Control of Internal Information

The company has complied with the Rules re: the Use of Inside information by the management, executives and employees must be complemented in general. All management, executives and employees must not take inside information of the Company or business partners to buy or sell or offer to buy or offer for sale, or persuade others to buy or sell, or offer to buy or offer the Company's securities or business partners for their own benefit or others or to do business competing against the Company business or related businesses; although the Company may not lose any benefit. The Company shall comply with the relevant laws strictly by the directors and executives have the duties to

- Report on Company's securities holding at the first time and reports on changes in securities holding. This report includes the spouses and minor children securities holding; as well as related persons under section 59 of the Securities and Exchange Act B.E. 2535 within 3 business days from the date of purchase, sale, transfer or acceptance of transfer to the Office of the Securities and Exchange Commission. This includes the prohibition of trading in the company's securities during one month prior to publishing the financial statements to the public.
- Report on changes in securities holding to the Securities and Exchange Commission and send a copy of the said report to the Company on the same day as the reporting date to the Securities and Exchange Commission.
- Suspend the trading of company securities on the 1 month period prior to the financial statements or inside information have been published to the public, if having received the significant internal information that affects the price changed; and do not disclose such significant information to other persons.
- Report on the sale and purchase of Company's securities to the Board of Director, at least 1 day in advance, prior to trading.

Anyhow, the Company Secretary shall sent the notice, 1 week in advance, to the director, executives and any departments acknowledging the inside information, not to disclose the inside information to the third person or any non-relative persons and suspend such persons not to buy and sell the Company's securities within 1 month period prior to the announcement of the financial statement to the public.

In the previous year Y2020, the Board of Directors and Executives have strictly complied with the Regulation; therefore, there is no case of violation or fail to comply with the Rules of Insider trading and trading assets according to the Rules or the Stock Exchange and the Securities and Exchange Commission of Thailand.

Internal Control System

- Board of Directors' opinion in relation to the internal control system of the Company

The company has assessed the internal control system from the assessment report by the Audit Committee and it can be concluded that it is composed of 5 factors: internal control in organization, risk assessment, controlling on operation, IT system and communication and monitoring system. The Audit Committee reviewed that the Company's internal control over transactions with major shareholders, directors, executives or connected persons is sufficient. For internal control on other articles, the Committee considers it has sufficient internal control system as well.

- Audit Committee's opinion

The Audit Committee has no opinion different from the opinion of the Board of Directors or the Auditor.

- Head of Internal Audit and Compliance Leader

The company has hired the outsourced internal audit who is Dharmniti Internal Audit Co., Ltd., Registration No. 0105559084734 locate at No. 178 Dharmniti Building 5th floor, Soi Permsap (Prachachuen 20) ,Prachachuen Road Bangsue,Bangkok 10800. With regard to the Compliance Leader, the Company has assigned to the Manager of Legal Department to be responsible for this function.

Company Secretary

The Board of Directors' Meeting had a resolution on 6th August 2010 for the appointment of Mr. Pitipong Archamongkol, a Legal Manager, as a Company Secretary.

The information and their responsibilities are as follows:

Name : Mr. Pitipong Archamongkol

Age: 47 years

Appointing Date: 6th August 2010

Education: Bachelor Degree on Law from Chulalongkorn University

Master Degree on Business Law from Chulalongkorn University

Certificate on International Trade Law from Thammasat University

Training by IOD: Company Secretary Program on year 2011

Board Reporting Program on year 2011

Anti-Corruption : The Practical Guide on year 2016

Shareholding: 100 shares = 0.0002 % (No change)

Work Experience: 2010 - present Legal Manager and Corporate Secretary

ALUCON Public Company Limited

2004 - 2010 Legal Manager - Siam Nissan Automobile Co., Ltd.

1996 - 2004 Senior Associate - Johnson Stokes & Master

Scope of Responsibility of Corporate Secretary shall be follows:

1. To organize the Executive Committee's meetings, the Board of Directors' meetings and shareholders' meetings in compliance with the applicable laws and regulations.
2. To prepare and keep the following documents:
 - Directors' registration;
 - the invitation to the Board of Directors' and the Executive Committees' meetings, the minutes of the Board of Directors' and the Executive Committees' meetings, including Annual Report of the Company; and
 - the invitation to the shareholders' meetings and the minutes of the shareholders' meetings;
3. To keep the report on interest filed by Directors or Executive;
4. To provide an advice to the Directors as regards the laws and regulations in relation to the good corporate governance, the maintenance of the status as a listed company and other laws and regulations relevant to the Company's businesses;
5. To monitor and ensure that the disclosure of information is in compliance with the regulations of the Stock Exchange of Thailand, the SEC and other supervisory agencies as well as the good corporate governance principles;
6. To perform other tasks as stipulated by the Capital Market Supervisory Board or as assigned by the Board of Directors.



Sub-committees

The Company has set up 2 sub-committees which are Audit Committee and Risk Management Committee. The details of sub-committees are as follows:

1. Audit Committee

In order to have proper checks and balances, and to manage and operate according to the policy of Good Governance, the Company has appointed one sub-committee which is Audit Committee, of which composed of 3 persons as follows:

1. Ms. Vrinporn Uer-anant

Age: 71 years
 Position: Audit Committee - Chairperson
 Education: BBA, Chulalongkorn University
 MBA, Utah State University, USA
 Certified Master Practitioner and Master Therapeutic Coach of NLP, approved by American Bard of NLP and NLP University
 Shareholding: 154,300 shares = 0.36 %
 Work Experience: 2013 - present Consultant – Quality Management System
 2006 - 2013 Lecturer, School of Management and Economic, Assumption University (ABAC)

2. Mr. Krit Indhewat

Age: 80 years
 Position: Audit Committee
 Education: Bachelor Degree - London University, England
 Shareholding: 155,250 shares = 0.36 %
 Work Experience: Director - Advance Ed Co., Ltd.
 Board Consultant - Kodanmal Co., Ltd.

3. Mr. Toshiyuki Koike

Age: 48 years
 Position: Audit Committee
 Education: Master of Management, Mahidol University, Thailand
 Bachelor of Arts in Economic, Aoyama Gakuin University, Japan
 Bachelor of Arts in Literature, Aoyama Gakuin University, Japan
 Shareholding: None
 Work Experience: 2018 - present Director
 SBA Limited.
 2012 - 2018 Managing Director
 ENZO International Co., Ltd.
 2010 - 2012 Managing Director
 OSD Network (Thailand) Co., Ltd.

Scope of Duties:

1. To review the Company's financial reporting process to ensure that it is accurate and adequate;
2. To review the Company's internal control system and internal audit system to ensure their appropriateness and efficiency, to consider the adequacy of the budget and manpower and to review the independence of the Internal Audit Office as well as to approve the appointment, transfer and dismissal of the head of the Internal Audit Office or any other unit in charge of an internal audit;
3. To review that the Company is in compliance with securities and exchange laws, the regulations of the SET and the laws relevant to the Company's businesses;
4. To consider, select, nominate and dismiss independent person(s) to be elected as the Company's external auditor(s) as well as to propose their remuneration, and to attend a non-management meeting with the external auditor(s) at least once a year;
5. To consider the connected transactions or the transactions that may lead to conflict of interests to ensure that those transactions are in compliance with the laws and regulations of the SET, and are justifiable and for the utmost benefit of the Company;
6. To prepare and disclose in the Company's Annual Report, the Audit Committee's report which must be signed by the Chairman of the Audit Committee and consist of at least the following information:
 - An opinion on the accuracy, completeness and creditability of the Company's financial report;
 - An opinion on the adequacy of the Company's internal control system;
 - An opinion on the compliance with the securities and exchange laws, the regulations of the SET, Capital Market Supervisory Board or the laws relevant to the Company's businesses;
 - An opinion on the suitability of the external auditor(s);
 - An opinion on the transactions that may lead to conflict of interests;
 - The number of the Audit Committee's meeting, and the meeting attendance by each committee member;
 - An opinion or overview comment of the Audit Committee derived from their performance of duties under the scope of the Audit Committee Charter;
7. To perform any other duties as assigned by the Board of Directors as the Audit Committee may agree.

Term of Office of Audit Committee

An Audit Committee member has a term of office of 3 years each by the resolution of Board of Directors, except an Audit Committee member who has been appointed to fill a vacancy for any reason other than by rotation, in which case he shall retain office for the remaining term of office of the Audit Committee member whom he replaces.

2. Risk Manager Committee

According to the resolution passed on the Board of Directors' Meeting, it is resolved that to set up the Risk Management Committee composing of 3 persons as follows:

1. Mr. Vibool Uer-anant

Age: 65 years
 Position: Chairman – Risk Management Committee
 Education: Bachelor of Science in Microbiology, Weber State College
 Bachelor of Science in Business Administration, Chapman College
 M.P.A California State University, Fullerton, USA. Master of Management, Mahidol University, Thailand
 Shareholding: 10,000 share = 0.02%
 Work Experience: 2001 – present Managing Director
 Varothorn Parts & Service Co., Ltd.
 2002 – present Managing Director
 Sama Biz Co., Ltd.

2. Mr. Toshiyuki Koike

Age: 48 years
 Position: Risk Management Committee
 Education: Master of Management, Mahidol University, Thailand
 Bachelor of Arts in Economic, Aoyama Gakuin University, Japan
 Bachelor of Arts in Literature, Aoyama Gakuin University, Japan
 Shareholding: None
 Work Experience: 2018 - present Director
 SBA Limited
 2012 - 2018 Managing Director
 ENZO International Co., Ltd.
 2010 - 2012 Managing Director

3. Mrs. Eumporn Pamornbutr

Age: 71 years
 Position: Risk Management Committee
 Education: Bachelor degree of Business Administration in Accounting, South East Bangkok College
 Certificate - Mini MBA, Thammasat University
 Certificate - Financial Management, Chulalongkorn University
 Training by Federation of Accounting Professions
 - Chief Financial Officer Certification Program from Federation of
 Accounting Professions in year 2006
 - Risk Management for Executive Program from Chulalongkorn University
 Shareholding: 58,500 shares = 0.14 %
 Work Experience: 2016 - Present Senior Assistant Managing Director
 Alucon Public Company Limited
 2003 – 2016 Assistant Managing Director

Scope of Duties:

The Risk Management Committee has the scope of duties as being assigned by the Board of Directors as follows:

1. Assessing and presenting risk management policy and framework to the Board of Directors for approval.
2. Examining and agreeing on risk appetite (acceptable risk levels), and present to the Board of Directors.
3. Continuously monitoring development activities and compliance actions according to the policies and the risk management framework so the company's group will have a risk management system that is uniformly effective throughout the organization to ensure that such policies continue to be observed.
4. Assessing risk identification and assessment procedures, reporting on significant risk management activities and enforce procedures to ensure that the organization has sufficient and appropriate risk management systems in place.
5. Coordinating with the Audit Committee about significant risk factors and having the Internal Audit Unit to review that the risk management system of the company's group is appropriate to the exposure, being adapted as needed and adopted throughout the organization.
6. Continually reporting to the Board of Directors on significant risks and risk management solutions.
7. Executing other activities that pertain to risks management as assigned by the Board of Directors.

Term of Office of Risk Management Committee

The Risk Management Committee member has a term of office of 3 years each by the resolution of Board of Directors, except the Risk Management Committee member who has been appointed to fill a vacancy for any reason other than by rotation, in which case he shall retain office for the remaining term of office of the Risk Management Committee member whom he replaces.



Note from Audit Committee

The Audit Committee of Alucon Public Company Limited was appointed by the Board of Directors. There are three audit committee members whose qualifications meet the Audit Committee's charters which are consistent with the provision of the Office of Securities and Exchange Commission. The names of committee members are as follows:

1. Ms. Vrinporn Uer-anant Audit Committee - Chairperson
2. Mr. Krit Indhewat Audit Committee Member
3. Mr. Toshiyuki Koike Audit Committee Member

and Mr. Pitipong Archamongkol, Company Secretary, as a coordinator to Audit Committee.

The Audit Committee performs its duties within the scope, duties, and responsibilities as designated by the Board of Directors which fully accord with the stipulation of the Stock Exchange of Thailand's notifications.

In 2020, the Audit Committee held four meetings. Every committee member had perfect attendance for all committee meetings. Sometimes the Audit Committee attended meetings with top management. In essence, the Audit Committee's performance can be summarized as follows:

1. Reviewed quarterly and annual financial statements to ensure that the Company's financial statements were made accurately and reliably. The Audit Committee agreed with the auditors that the essence of these financial statements was accurate as deemed appropriate according to the generally accepted accounting standards.
2. Reviewed to ensure that the Company maintains a suitable, adequate, and efficient internal control system. In this regard, internal audit experts were commissioned to conduct assessment and internal auditors also conducted internal audit of core operating systems in accordance with the annual audit plan which was reviewed and approved by the Audit Committee. In addition, they were also assigned to keep track of rectification of the discrepancies described in the audit report. It was discerned that the Company's internal control system was adequate and suitable with the nature of the business and no significant shortcomings or weaknesses were found. Property maintenance was carried out properly and full information disclosure was observed.

Furthermore, the Audit Committee reviewed the internal audit system by examining the tasks, scope of operation, roles and responsibilities, head counts and the independence of the internal audit unit. The internal audit unit was thereby required to submit audit reports to the Audit Committee and present management reports to the Management. It was discerned that the Company's internal audit was conducted independently, adequately and effectively.

3. Reviewed to ensure that Company complied with securities and stock exchange laws, SET provisions or other laws which are pertinent to its business operation. It was discerned that no significant shortcomings were found in regard to non-compliance with relevant laws and provisions.
4. Reviewed and commented the execution of connected transactions or items which might pose conflict of interest. It was discerned that there were no items that posed conflict of interest and the Company disclosed relevant information accurately and thoroughly.

5. Considered and proposed selection of auditors and audit fee to the Board of Directors for approval by the shareholders' meeting. The Audit Committee scrutinized performance of the auditors last year as well as their knowledge, expertise, and independence. Then, the Audit Committee recommended the Board of Directors to request the shareholders' meeting to approve the appointment of Mrs. Piyatida Tangdenchai and/or Mr. Sumeth Jangsamsee and/or Mr. Banthit Tangpakorn of KPMG Phoomchai Audit Limited as the auditors for the year 2020. Total audit fee is 1,190,000 Baht per annum.

In conclusion, the Audit Committee fully performed its duties as stipulated in the charters of the Audit Committee which was approved by the Board of Directors. In the Audit Committee's opinion, the Company has had accurate and robust reporting of financial and operational data and also has had suitable and effective internal control system, internal audit, and risk management. In addition, the Company also properly complied with the laws and provisions and fulfilled obligations; connected items were executed properly; the operation was conducted in conformity with the corporate governance system adequately, transparently and reliably. Finally, the Audit Committee also examined the auditors' independence for appointment and submitted a proposal of audit fee.

Ms. Vrinporn Uer-anant
Chairman of Audit Committee

Opinion of Independent Directors:

Mr. Somchai Aungsanant

Mr. Toshiyuki Koike

Mr. Krit Indhewat

Ms. Vrinporn Uer-anant

Mr. Vibool Uer-anant

The Independent Directors have carefully considered the connected transactions as stated on page 12 – 13 of the Annual Report. In view of customers in Japan requiring special attention and excellent service the assistance of Takeuchi Press Industries Co., Ltd., Japan is most suitable to increase the sales of the Company to Japan. There is no disadvantage to Alucon by such an intermediary but it ensures regular sales to customers in Japan. Accordingly, the Independent Directors considered such connected transactions as beneficial to the Company.

The Independent Directors considered the performance of the Company respectively its various factories as satisfactory. However, they recommend that efficiency is increased further which should increase profitability.

Note from Risk Management Committee

The Risk Management Committee of Alucon Public Company Limited was appointed by the Board of Directors. Risk Management Committee are composed of two Independence Directors and One Executive Director whose qualifications meet the Risk Management Committee's charters which are consistent with the provision of the Office of Securities and Exchange Commission. The names of committee members are as follows:

- | | | |
|----|-------------------------|---------------------------------------|
| 1. | Mr. Vibool Uer-anant | Chairman of Risk Management Committee |
| 2. | Mr. Toshiyuki Koike | Risk Management Committee Member |
| 3. | Mrs. Eumporn Pamornbutr | Risk Management Committee Member |

and Mr. Pitipong Archamongkol, Company Secretary, as a coordinator to Risk Management Committee.

The Risk Management Committee appointed the Risk Management Team to revise the risk management according to the criteria described in ISO 9001:2015 which are higher than normal basic for evaluating the operational risk of all departments. It can be concluded the high risk at 19 items and medium risk at 82 items. The risk evaluation will be done annually but there were twice on this year due to COVID-19 spread around the world, and cause effect to our business.

The Risk Management performs its duties within the scope, duties, and responsibilities as designated by the Board of Directors which fully accord with the stipulation of the Stock Exchange of Thailand's notifications.

The Company has conducted operational risk management activities where risk indicators are identified by various departments of which they have been assessed either of internal and external factors. It also managed the risk and monitor the progress of each department to ensure that they achieve the goals as the targets were set. And if there is an event that may affect the achievement of organizational objectives, it can manage the risk down to an acceptable level promptly where the Risk Management Committee is in opinion that the Company has an appropriate, adequate and effective risk management system.

For Y2020, the industry is still volatile due to the economic situation, trade war and the coronavirus disease (COVID-19) epidemic. The Risk Management Committee has continuously monitored and commented on organizational risk management and cover all issues that would major risks, both short-term and long-term and also significantly focus on new risk factors that would affect the Company's business operations in the future. It is to ensure that the Company has managed organizational risk efficiently, appropriately and under control to an acceptable level that enable to achieve its goals and create long-term sustainable value for the business.

Mr. Vibool Uer-anant
Chairman of Audit Committee

Alucon Public Company Limited

Financial statements for the year ended

31 December 2020

and

Independent Auditor's Report



Independent Auditor's Report

To the Shareholders of Alucon Public Company Limited

Opinion

I have audited the financial statements of Alucon Public Company Limited (the "Company"), which comprise the statement of financial position as at 31 December 2020, the statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2020 and its financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards ("TFRSs").

Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing ("TSAs"). My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Company in accordance with Code of Ethics for Professional Accountants issued by the Federation of Accounting Professions that is relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the financial statements of the current period. These matters were addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

Valuation of defined employee benefit plan

Refer to Note 3(k) and 12 to the financial statements.

| The key audit matter | How the matter was addressed in our audit |
|---|---|
| The valuation of the defined employee benefit plan requires significant judgment of the Company because the Company has a significant number of employees who are potentially able to meet the conditions of the defined employee benefit plan and there is a low employee turnover rate. The assumptions used for estimation requires judgment of the Company and has uncertainty of estimates made in respect of long-term trends and market conditions to determine the value of employee benefit obligations, this is focus area in my audit. | <p>My audit procedures included testing underlying data provided to the actuary on a sample basis for calculation of the employee benefit obligation. I evaluated the competence and independence of the Company's actuary and assessed the key assumptions with the actual result incurred in previous years. Moreover, I involved KPMG actuarial specialist to assist me in assessing the appropriateness of the assumptions applied and tested calculation for the valuation of the defined benefit obligation by considering the actuarial report and by comparison of key assumptions against externally derived data and performed the sensitivity analysis, which included assessing if the effect of the change of key assumptions were reasonably possible.</p> <p>In addition, I also assessed the adequacy of the Company's disclosure in accordance with Thai Financial Reporting Standard.</p> |

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and my auditor's report thereon. The annual report is expected to be made available to me after the date of this auditor's report.

My opinion on the financial statements does not cover the other information and I will not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

When I read the annual report, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the correction be made.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with TFRSs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with TSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with TSAs, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

(Piyatida Tangdenchai)
Certified Public Accountant
Registration No. 11766

KPMG Phoomchai Audit Ltd.
Bangkok
25 February 2021

Statement of financial position

| Assets | Note | 31 December | |
|------------------------------------|-------|----------------------|----------------------|
| | | 2020 | 2019 |
| | | (in Baht) | |
| <i>Current assets</i> | | | |
| Cash and cash equivalents | 5 | 1,125,835,834 | 883,872,643 |
| Trade accounts receivable | 4, 23 | 759,703,104 | 891,933,742 |
| Inventories | 6 | 1,014,868,820 | 1,352,105,316 |
| Refundable value added tax | | 10,598,143 | 29,914,391 |
| Other current assets | | 19,898,483 | 18,427,271 |
| Total current assets | | 2,930,904,384 | 3,176,253,363 |
| <i>Non-current assets</i> | | | |
| Other non-current financial assets | 23 | 701,075,766 | - |
| Property, plant and equipment | 7 | 3,130,819,175 | 3,382,399,723 |
| Intangible assets | 8 | 7,474,498 | 8,772,261 |
| Deferred tax assets | 9 | 28,482,450 | 42,886,411 |
| Other non-current assets | | 302,716 | 311,676 |
| Total non-current assets | | 3,868,154,605 | 3,434,370,071 |
| Total assets | | 6,799,058,989 | 6,610,623,434 |

The accompanying notes are an integral part of these financial statements.

Statement of financial position

| Liabilities and equity | Note | 31 December | |
|---|-----------|----------------------|----------------------|
| | | 2020 | 2019 |
| | | <i>(in Baht)</i> | |
| Current liabilities | | | |
| Bank overdrafts | 23 | 598 | 112,745 |
| Trade accounts payable | 4, 10, 23 | 107,814,719 | 227,962,781 |
| Contract liabilities | 14 | 15,012,718 | 7,123,960 |
| Other payables to related parties | 4, 23 | 10,432,609 | 8,931,412 |
| Other payables to other parties | 11, 23 | 116,363,085 | 117,118,186 |
| Deferred income | | - | 459,694 |
| Current income tax payable | | 66,228,442 | 56,559,299 |
| Current provisions for employee benefits | 12 | 23,313,389 | 20,095,344 |
| Other current liabilities | | 14,709,043 | 13,124,923 |
| Total current liabilities | | 353,874,603 | 451,488,344 |
| Non-current liabilities | | | |
| Non-current provisions for employee benefits | 12 | 482,951,553 | 554,076,850 |
| Total non-current liabilities | | 482,951,553 | 554,076,850 |
| Total liabilities | | 836,826,156 | 1,005,565,194 |
| Equity | | | |
| Share capital | | | |
| Authorised share capital | | | |
| <i>(43,200,000 ordinary shares, par value at Baht 10 per share)</i> | | 432,000,000 | 432,000,000 |
| Issued and paid-up share capital | | | |
| <i>(43,199,986 ordinary shares, par value at Baht 10 per share)</i> | | 431,999,860 | 431,999,860 |
| Share premium | | | |
| Share premium on ordinary shares | 13 | 254,000,000 | 254,000,000 |
| Retained earnings | | | |
| Appropriated | | | |
| Legal reserve | 13 | 43,200,000 | 43,200,000 |
| Unappropriated | | 5,233,032,973 | 4,875,858,380 |
| Total equity | | 5,962,232,833 | 5,605,058,240 |
| Total liabilities and equity | | 6,799,058,989 | 6,610,623,434 |

The accompanying notes are an integral part of these financial statements.

Statement of Comprehensive income

| | | Year ended 31 December | |
|--|-------|------------------------|----------------------|
| | Note | 2020 | 2019 |
| | | (in Baht) | |
| Revenue | | | |
| Revenue from sale of goods | 4, 14 | 4,928,044,962 | 5,496,619,244 |
| Net foreign exchange gain | | 30,497,866 | - |
| Other income | 15 | 113,835,126 | 147,746,116 |
| Total revenue | | 5,072,377,954 | 5,644,365,360 |
| Expenses | | | |
| Cost of sale of goods | 4, 6 | 3,959,603,634 | 4,658,586,369 |
| Distribution costs | 4, 16 | 141,724,672 | 146,473,427 |
| Administrative expenses | 4, 17 | 142,641,000 | 150,601,974 |
| Net foreign exchange loss | | - | 29,579,022 |
| Finance costs | 4 | 9 | 1,241,840 |
| Total expenses | | 4,243,969,315 | 4,986,482,632 |
| Profit before income tax expense | | 828,408,639 | 657,882,728 |
| Tax expense | 20 | 159,405,388 | 125,766,536 |
| Profit for the year | | 669,003,251 | 532,116,192 |
| Other comprehensive income | | | |
| Items that will not be reclassified to profit or loss | | | |
| Gain (loss) on remeasurements of defined benefit plans | 12 | 15,214,047 | (47,645,738) |
| Income tax relating to items that will not be reclassified | 20 | (3,042,810) | 9,529,148 |
| Other comprehensive income (expense) | | | |
| for the year, net of tax | | 12,171,237 | (38,116,590) |
| Total comprehensive income for the year | | 681,174,488 | 493,999,602 |
| Basic earnings per share (in Baht) | 21 | 15.49 | 12.32 |

The accompanying notes are an integral part of these financial statements.

Statement of changes in equity

| | Issued and paid-up share capital | Share premium | Retained earnings | | Total equity |
|--|--|--------------------|--------------------------------------|----------------------|----------------------|
| | | | Legal reserve <i>(in Baht)</i> | Unappropriated | |
| Year ended 31 December 2019 | | | | | |
| Balance at 1 January 2019 | 431,999,860 | 254,000,000 | 43,200,000 | 4,813,857,638 | 5,543,057,498 |
| Transactions with owners, recorded directly in equity | | | | | |
| <i>Distribution to owners</i> | | | | | |
| Dividends | 22 | - | - | (431,998,860) | (431,998,860) |
| <i>Total distribution to owners</i> | - | - | - | (431,998,860) | (431,998,860) |
| Total transactions with owners, recorded directly in equity | - | - | - | (431,998,860) | (431,998,860) |
| Comprehensive income for the year | | | | | |
| Profit for the year | - | - | - | 532,116,192 | 532,116,192 |
| Other comprehensive income | - | - | - | (38,116,590) | (38,116,590) |
| Total comprehensive income for the year | - | - | - | 493,999,602 | 493,999,602 |
| Balance at 31 December 2019 | 431,999,860 | 254,000,000 | 43,200,000 | 4,875,858,380 | 5,605,058,240 |

The accompanying notes are an integral part of these financial statements.

Statement of changes in equity

| | Issued and paid-up | Share premium | Retained earnings | | Total equity |
|--|--------------------|--------------------|----------------------------|----------------------|----------------------|
| | | | Legal reserve (in Baht) | Unappropriated | |
| Year ended 31 December 2020 | | | | | |
| Balance at 1 January 2020 | 431,999,860 | 254,000,000 | 43,200,000 | 4,875,858,380 | 5,605,058,240 |
| Transactions with owners, recorded directly in equity | | | | | |
| <i>Distribution to owners</i> | | | | | |
| Dividends | 22 | - | - | (323,999,895) | (323,999,895) |
| <i>Total distribution to owners</i> | | - | - | (323,999,895) | (323,999,895) |
| Total transactions with owners, recorded directly in equity | | - | - | (323,999,895) | (323,999,895) |
| Comprehensive income for the year | | | | | |
| Profit for the year | - | - | - | 669,003,251 | 669,003,251 |
| Other comprehensive income | - | - | - | 12,171,237 | 12,171,237 |
| Total comprehensive income for the year | - | - | - | 681,174,488 | 681,174,488 |
| Balance at 31 December 2020 | 431,999,860 | 254,000,000 | 43,200,000 | 5,233,032,973 | 5,962,232,833 |

The accompanying notes are an integral part of these financial statements.

Statement of cash flows

| | | Year ended 31 December | |
|--|------|-----------------------------|-----------------------------|
| | Note | 2020 | 2019 |
| | | (in Baht) | |
| <i>Cash flows from operating activities</i> | | | |
| Profit for the year | | 669,003,251 | 532,116,192 |
| <i>Adjustments to reconcile profit to cash receipts (payments)</i> | | | |
| Tax expense | 20 | 159,405,388 | 125,766,536 |
| Finance costs | | 9 | 1,241,840 |
| Depreciation | 7 | 436,986,014 | 446,416,707 |
| Amortisation | 8 | 1,579,961 | 1,606,340 |
| Provisions for employee benefits | 12 | 70,089,499 | 86,176,722 |
| Recognised deferred income | | (459,694) | (5,785,810) |
| Gain on fair value adjustment on unit trust - debt instruments | 23 | (1,075,766) | - |
| Unrealised loss on exchange | | 6,808,853 | 1,545,956 |
| Reversal of losses on inventories devaluation | 6 | (627,943) | (1,543,031) |
| Gain on disposal of plant and equipment | | (97,220) | (706,466) |
| Interest income | | <u>(3,187,468)</u> | <u>(2,477,803)</u> |
| | | 1,338,424,884 | 1,184,357,183 |
| <i>Changes in operating assets and liabilities</i> | | | |
| Trade accounts receivable | | 125,431,795 | 185,468,813 |
| Inventories | | 337,864,439 | 458,570,174 |
| Refundable value added tax | | 19,316,248 | 3,368,909 |
| Other current assets | | (774,006) | (6,033,684) |
| Other non-current assets | | 8,960 | - |
| Trade accounts payable | | (120,158,074) | (18,128,345) |
| Contract liabilities | | 7,888,758 | (8,033,617) |
| Other payable to related parties | | 1,501,197 | (2,635,961) |
| Other payable to other parties | | (3,786,924) | (16,716,927) |
| Other current liabilities | | 1,584,120 | (1,190,640) |
| Repayment of employee benefits | | <u>(122,782,704)</u> | <u>(52,730,768)</u> |
| Net cash generated from operating | | 1,584,518,693 | 1,726,295,137 |
| Taxes paid | | <u>(138,375,094)</u> | <u>(165,330,715)</u> |
| Net cash from operating activities | | <u>1,446,143,599</u> | <u>1,560,964,422</u> |

The accompanying notes are an integral part of these financial statements.

Statement of cash flows

| | | Year ended 31 December | |
|--|------|------------------------|----------------------|
| | Note | 2020 | 2019 |
| | | (in Baht) | |
| Cash flows from investing activities | | | |
| Payment for acquisition of unit trust - debt instruments | 23 | (700,000,000) | - |
| Proceeds from sale of equipment | | 196,556 | 3,685,252 |
| Payment for acquisition of property, plant and equipment | | (182,472,978) | (298,008,451) |
| Payment for acquisition of intangible assets | | (282,198) | (379,841) |
| Interest received | | 2,490,263 | 2,453,765 |
| Net cash used in investing activities | | (880,068,357) | (292,249,275) |
| Cash flows from financing activities | | | |
| Decrease in bank overdrafts | | (112,147) | (48,543) |
| Repayment of short-term borrowings from related party | 4 | - | (200,000,000) |
| Dividends paid to owners of the Company | 22 | (323,999,895) | (431,998,860) |
| Interest paid | | (9) | (1,664,689) |
| Net cash used in financing activities | | (324,112,051) | (633,712,092) |
| Net increase in cash and cash equivalents | | 241,963,191 | 635,003,055 |
| Cash and cash equivalents at 1 January | | 883,872,643 | 248,869,588 |
| Cash and cash equivalents at 31 December | 5 | 1,125,835,834 | 883,872,643 |
| Supplemental disclosures of cash flows information: | | | |
| Cash paid for purchase of property, plant and equipment during the year are detailed as follows: | | | |
| Total addition of property, plant and equipment during the year | 7 | 185,504,808 | 283,317,931 |
| Add: settlement of payables for property, plant and equipment previously purchased | | 27,368,806 | 39,027,504 |
| Less: payables on purchase of property, plant and equipment | | (30,400,636) | (24,336,984) |
| Net purchases of property, plant and equipment paid by cash | | 182,472,978 | 298,008,451 |

The accompanying notes are an integral part of these financial statements.

Notes to the financial statements

For the year ended 31 December 2020

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Notes to the financial statements

For the year ended 31 December 2020

These notes form an integral part of the financial statements.

The financial statements issued for Thai statutory and regulatory reporting purposes are prepared in the Thai language. These English language 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 25 February 2021.

1 General information

Alucon Public Company Limited, the “Company”, is incorporated in Thailand and was listed on the Stock Exchange of Thailand in November 1989 and converted to a public company in May 1994. The Company’s registered office at 500 Moo 1, Soi Sirikam, Sukhumvit 72 Road, North Samrong, Muang, Samut Prakarn. Another plant at Chonburi is located at 272/5, Moo 3, Bor Win, Sriracha, Chonburi.

The parent company during the financial year was Takeuchi Press Industries Company Limited, incorporated in Japan, which held 71.65% of the paid up share capital.

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 financial statements

(a) Statement of compliance

The financial statements are prepared in accordance with Thai Financial Reporting Standards (“TFRS”), guidelines promulgated by the Federation of Accounting Professions; and applicable rules and regulations of the Thai Securities and Exchange Commission.

New and revised TFRS are effective for annual accounting periods beginning on or after 1 January 2020. The initial application of these new and revised TFRS has resulted in changes in certain of the Company’s accounting policies.

The Company has initially applied TFRS - Financial instruments standards which comprise TFRS 9 *Financial Instruments* and relevant standards and interpretations and TFRS 16 *Leases* which have no material impact on the financial statements.

In addition, the Company has not early adopted a number of new and revised TFRS which are not yet effective for the current period in preparing these financial statements. The Company has assessed the potential initial impact on the financial statements of these new and revised TFRS and expects that there will be no material impact on the financial statements in the period of initial application.

Notes to the financial statements

(b) *Functional and presentation currency*

The financial statements are presented in Thai Baht, which is the Company's functional currency. All financial information presented in Thai Baht has been rounded in the notes to the financial statements to the nearest thousand unless otherwise stated.

(c) *Use of judgements and estimates*

The preparation of financial statements in conformity with TFRS requires management to make judgments, estimates and assumptions that affect the application of the Company's accounting policies. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Assumptions and estimation uncertainties

Information about assumption and estimation uncertainties at 31 December 2020 that have a significant risk of resulting in a material adjustments to the carrying amounts of assets and liabilities in the next financial year is included in the following notes:

Note 9 Recognition of deferred tax assets: availability of future taxable profit against which deductible temporary differences can be utilised

Note 12 Measurement of defined benefit obligations: key actuarial assumptions

3 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

(a) *Foreign currencies*

Foreign currency transactions

Transactions in foreign currencies are translated to the functional currency at exchange rate at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated to the functional currency at the exchange rate at reporting date.

Non-monetary assets and liabilities measured at cost in foreign currencies are translated to the functional currency at the exchange rates at the dates of the transactions.

Foreign currency differences are generally recognised in profit or loss.

(b) *Financial instruments*

Recognition and initial measurement

Trade receivables and trade payables are initially recognised when transaction occurred. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

Notes to the financial statements

A financial asset and financial liability (unless it is a trade receivable without a significant financing component or measured at FVTPL) is initially measured at fair value plus transaction costs that are directly attributable to its acquisition. A trade receivable without a significant financing component is initially measured at the transaction price. A financial asset and a financial liability measured at FVTPL are initially recognised at fair value.

Classification and subsequent measurement

Financial assets - classification

On initial recognition, a financial asset is classified as measured at: amortised cost; fair value to other comprehensive income (FVOCI); or fair value to profit or loss (FVTPL).

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified prospectively from the reclassification date.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cashflows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets - business model assessment

The Company makes an assessment of the objective of a business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

Notes to the financial statements

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Company's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Financial assets that are held for trading is evaluated on a fair value basis are measured at FVTPL.

Financial assets - assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable-rate features; and
- terms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse features).

Financial assets - subsequent measurement and gains and losses

| | |
|---------------------------|--|
| Financial assets at FVTPL | These assets are subsequently measured at fair value. Net gains and losses, including any interest are recognised in profit or loss. |
|---------------------------|--|

| | |
|------------------------------------|--|
| Financial assets at amortised cost | These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss. |
|------------------------------------|--|

Notes to the financial statements

Financial liabilities - classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost. Financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

Derecognition

Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Company enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(c) Cash and cash equivalents

Cash and cash equivalents comprise cash balances, call deposits and highly liquid short-term investments. Bank overdrafts that are repayable on demand are a component of financing activities for the purpose of the statement of cash flows.

(d) Trade and other accounts receivable

Trade and other accounts receivable are recognised when the Company has an unconditional right to receive consideration. If revenue has been recognised before the Company has an unconditional right to receive consideration, the amount is presented as a contract asset.

Trade and other accounts receivable are measured at transaction price less allowance for expected credit loss (2019: allowance for doubtful accounts) which is determined based on an analysis of payment histories and future expectations of customer payments. Bad debts are written off when incurred.

Notes to the financial statements

(e) *Inventories*

Inventories are measured at the lower of cost and net realisable value.

Cost is calculated using the first in first out principle, and comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. In the case of manufactured inventories and work-in-progress, cost includes an appropriate share of production overheads based on normal operating capacity and is calculated using standard cost adjusted to approximate average cost.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs to complete and to make the sale.

(f) *Property, plant and equipment*

Recognition and measurement

Owned assets

Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses (if any).

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Any gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognised in profit or loss.

Subsequent costs

The cost of replacing a part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company, and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

Depreciation

Depreciation is calculated based on the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value.

Depreciation is charged to profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment. The estimated useful lives are as follows:

Notes to the financial statements

| | |
|------------------------------------|----------------|
| Land improvement | 5 - 30 years |
| Buildings and building improvement | 5 - 40 years |
| Machinery and equipment | 2 - 20 years |
| Office equipment | 3 - 8 years |
| Vehicles | 5 and 10 years |
| Spare parts | 2 - 10 years |

No depreciation is provided on freehold land or assets under construction and installation.

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

(g) *Intangible assets*

Intangible assets that are acquired by the Company and have finite useful lives are measured at cost less accumulated amortisation and accumulated impairment losses (if any).

Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in profit or loss as incurred.

Amortisation

Amortisation is based on the cost of the asset, or other amount substituted for cost, less its residual value.

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets from the date that they are available for use, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. The estimated useful lives for the current and comparative periods are as follows:

| | |
|------------------|----------|
| Software license | 10 years |
|------------------|----------|

Amortisation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

(h) *Impairment of financial assets*

The Company recognises allowances for expected credit losses (ECLs) on financial assets measured at amortised cost (including cash and cash equivalents, trade receivables and other receivables).

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

Notes to the financial statements

ECLs are measured on either of the following bases:

- 12-month ECLs: these are losses that are expected to result from possible default events within the 12 months after the reporting date; or
- lifetime ECLs: these are losses that are expected to result from all possible default events over the expected lives of a financial instrument.

Loss allowances for trade receivables and other receivables are always 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 an assessment of both current and forecast general economic conditions at the reporting date.

Loss allowances for all other financial instruments, the Company recognises ECLs equal to 12-month ECLs unless there has been a significant increase in credit risk of the financial instrument since initial recognition or credit-impaired financial assets, in which case the loss allowance is measured at an amount equal to lifetime ECLs.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due, significant deterioration in financial instruments's credit rating, significant deterioration in the operating results of the debtor and existing or forecast changes in the technological, market, economic or legal environment that have a significant adverse effect on the debtor's ability to meet its obligation to the Company.

The Company considers a financial asset to be in default when:

- the debtor is unlikely to pay its credit obligations to the Company in full without recourse by the Company to actions such as realising security (if any is held); or
- the financial asset is more than 90 days past due.

Depending on the nature of the financial instruments, the assessment of a significant increase in credit risk is performed on either an individual basis or a collective basis. When the assessment is performed on a collective basis, the financial instruments are grouped based on shared credit risk characteristics, such as past due status.

ECLs are remeasured at each reporting date to reflect changes in the financial instrument's credit risk since initial recognition. Increased in loss allowance is recognised as an impairment loss in profit or loss. Loss allowances are deducted from the gross carrying amount of the assets.

Credit-impaired financial assets

At each reporting date, the Company assesses whether financial assets carried at amortised cost and debt securities at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence of credit-impairment includes significant financial difficulty, a breach of contract such as more than 90 days past due, probable the debtor will enter bankruptcy.

Notes to the financial statements

Write-off

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering. Subsequent recoveries of an asset that was previously written off, are recognised as a reversal of impairment in profit or loss in the period in which the recovery occurs.

(i) Impairment of non-financial assets

The carrying amounts of the Company's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. The impairment loss is recognised in profit or loss.

Calculation of recoverable amount

The recoverable amount of a non-financial asset is the greater of the assets' value in use and fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Reversals of impairment

Impairment losses recognised in prior periods in respect of non-financial assets are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(j) Contract Liabilities

A contract liability is the obligation to transfer goods or services to the customer. A contract liability is recognised when the Company receives or has an unconditional right to receive non-refundable consideration from the customer before the Company recognises the related revenue.

(k) Employee benefits

Defined contribution plans

Obligations for contributions to defined contribution plans are expensed in profit or loss as the related service is provided.

Defined benefit plans

The Company's obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount.

Notes to the financial statements

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any application minimum funding requirements.

Remeasurements of the net defined benefit liability, actuarial gain or loss are recognised immediately in other comprehensive income ("OCI"). The Company determines the interest expense on the net defined benefit liability for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period, taking into account any changes in the net defined benefit liability during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Other long-term employee benefits

The Company's obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value. Remeasurements are recognised in profit or loss in the period in which they arise.

Termination benefits

Termination benefits are expensed at the earlier of when:

- (1) the Company can no longer withdraw the offer of those benefits or
- (2) when the Company recognises costs for a restructuring.

If benefits are not expected to be settled wholly within 12 months of the end of the reporting period, then they are discounted.

Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(I) Provisions

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as a finance cost.

Notes to the financial statements

(m) *Fair values measurement*

'Fair value' is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Company has access at that date. The fair value of a liability reflects its non-performance risk.

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial.

When one is available, the Company measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as 'active' if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, then the Company uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

If an asset or a liability measured at fair value has a bid price and an ask price, then the Company measures assets and long positions at a bid price and liabilities and short positions at an ask price.

The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price - i.e. the fair value of the consideration given or received. If the Company determines that the fair value on initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique for which any unobservable inputs are judged to be insignificant in relation to the measurement, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price. Subsequently, that difference is recognised in profit or loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: inputs for the asset or liability that are based on unobservable input.

If the inputs used to measure the fair value of an asset or liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Notes to the financial statements

(n) *Revenue*

Revenue is recognised when a customer obtains control of the goods in an amount that reflects the consideration to which the Company expects to be entitled, excluding those amounts collected on behalf of third parties, value added tax and is after deduction of any trade discounts and volume rebates.

Sale of goods

Revenue from sales of goods is recognised when a customer obtains control of the goods, generally on delivery of the goods to the customers. For contracts that permit the customers to return the goods, revenue is recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. Therefore, the amount of revenue recognised is adjusted for estimated returns, which are estimated based on the historical data.

(o) *Interest*

Accounting policies applicable from 1 January 2020

Effective Interest Rate (EIR)

Interest income or expense is recognised using the effective interest method. The EIR is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset.

If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

Accounting policies applicable before 1 January 2020

Interest income is recognised in profit or loss at the rate specified in the contract.

Interest expenses and similar costs are charged to profit or loss for the period in which they are incurred.

(p) *Income tax*

Income tax expense for the year comprises current and deferred tax. Current and deferred tax are recognised in profit or loss except to the extent that they relate to items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Notes to the financial statements

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Company's expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, using tax rates enacted or substantively enacted by the reporting date.

In determining the amount of current and deferred tax, the Company takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Company believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgments about future events. New information may become available that causes the Company to change its judgment regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(q) Earnings per share

The Company presents basic earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period, adjusted for own shares held.

(r) Related Parties

A related party is a person or entity that has direct or indirect control or joint control, or has significant influence over the financial and managerial decision-making of the Company; a person or entity that are under common control or under the same significant influence as the Company; or the Company has direct or indirect control or joint control or has significant influence over the financial and managerial decision-making of a person or entity.

(s) Segment reporting

Segment results that are reported to the Company's CEO (the chief operating decision maker) include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly other income, selling and administrative expenses, loans and employee benefit obligations.

Notes to the financial statements

4 Related parties

Relationships with related parties that the Company had significant transactions with during the year were as follows:

| Name of entities | Country of incorporation | Nature of relationships |
|---|--------------------------|--|
| Takeuchi Press Industries Company Limited | Japan | Parent Company, 71.65% shareholding |
| Key management personnel | | Persons having authority and responsibility for planning directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of the Company. |

The pricing policies for transactions with related parties are explained further below:

| Transactions | Pricing policies |
|---|--|
| Revenue from sale of goods | The market price or the price based on the memorandum of understanding. The selling price structure with the parent company is based on the actual cost incurred plus gross margin rate including the consideration of size, sale volume, country and transportation |
| Purchase of raw materials and spare parts | The market price |
| Purchase of machinery and equipment | The market price |
| License fee | Percentage of sales amount as determined in an agreement |
| Commission expenses | Percentage of sales amount as determined in an agreement |
| Key management personnel compensation | Amount approved by the directors and / or the shareholders |
| Interest expense | 1.30 - 1.79% per annum |

Notes to the financial statements

Significant transactions for the years ended 31 December with related parties were as follows:

| <i>Year ended 31 December</i> | 2020 | 2019 |
|--|---------------------------|---------------|
| | <i>(in thousand Baht)</i> | |
| Parent | | |
| Revenue from sale of goods | 1,067,374 | 1,284,062 |
| Purchase of raw materials and spare parts | 9,486 | 12,159 |
| Purchase of machinery and equipment | 254 | 564 |
| License fee | 16,806 | 20,427 |
| Commission expenses | 2,090 | 2,636 |
| Other expenses | 18 | 105 |
| Interest expense | - | 1,238 |
| Key management personnel | | |
| Key management personnel compensation | | |
| Short-term employee benefit | 45,766 | 49,520 |
| Post-employment benefits | 1,313 | 3,119 |
| Total key management personnel compensation | 47,079 | 52,639 |

Balances as at 31 December with related parties were as follows:

Trade account receivable - related party

| | 2020 | 2019 |
|---|---------------------------|--------|
| | <i>(in thousand Baht)</i> | |
| Parent | | |
| Takeuchi Press Industries Company Limited | 60,503 | 55,283 |

Trade account payable - related party

| | 2020 | 2019 |
|---|---------------------------|-------|
| | <i>(in thousand Baht)</i> | |
| Parent | | |
| Takeuchi Press Industries Company Limited | 1,675 | 1,579 |

Notes to the financial statements

Other payables to related party

| | 2020 | 2019 |
|---|---------------------------|--------------|
| | <i>(in thousand Baht)</i> | |
| <i>Accrued license fee</i> | | |
| Parent | | |
| Takeuchi Press Industries Company Limited | 5,052 | 3,714 |
| <i>Accrued commission payable</i> | | |
| Parent | | |
| Takeuchi Press Industries Company Limited | 707 | 543 |
| <i>Accrued management's remuneration and other benefits</i> | | |
| Key management personnel | 4,674 | 4,674 |
| Total | 10,433 | 8,931 |

Movements during the years ended 31 December of short-term loans from related party were as follows:

| | 2020 | 2019 |
|-------------------------|---------------------------|-----------|
| | <i>(in thousand Baht)</i> | |
| <i>Short-term loans</i> | | |
| Parent | | |
| At 1 January | - | 200,000 |
| Decrease | - | (200,000) |
| At 31 December | - | - |

*Significant agreement with related party**Technical license agreement*

The Company entered into a technical license agreement with Takeuchi Press Industries Company Limited, the parent company. Under the term of the agreement, the parent company agrees to provide technical assistance inclusive technical information and know-how, equipment for manufacturing and rights to sell the products. The Company is committed to pay a license and commission fee as indicated in the agreement. This agreement is valid for 10 years and shall be renewed automatically from year to year unless either party notifies the other party by a written notice at least 6 months prior to the expiration of the agreement.

Notes to the financial statements

Commitments for purchase of raw materials and spare parts

| | 2020 | 2019 |
|---|---------------------------|------------|
| | <i>(in thousand Baht)</i> | |
| Parent | | |
| Takeuchi Press Industries Company Limited | <u>522</u> | <u>320</u> |

Significant memorandum of understanding

On 4 February 2020, 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 2020 to March 2021.

5 Cash and cash equivalents

| | 2020 | 2019 |
|----------------------------------|---------------------------|-----------------------|
| | <i>(in thousand Baht)</i> | |
| Cash on hand | 47 | 159 |
| Cash at banks - current accounts | 22,494 | 30,349 |
| Cash at banks - saving accounts | 603,295 | 853,365 |
| Cash at banks - fixed accounts | 500,000 | - |
| Total | <u>1,125,836</u> | <u>883,873</u> |

6 Inventories

| | 2020 | 2019 |
|---|---------------------------|------------------|
| | <i>(in thousand Baht)</i> | |
| Finished goods | 230,851 | 150,779 |
| Work in progress | 147,148 | 135,755 |
| Raw materials | 341,130 | 636,572 |
| Spare parts | 192,091 | 213,954 |
| Goods in transit | 105,351 | 217,375 |
| Total | 1,016,571 | 1,354,435 |
| <i>Less allowance for decline in value</i> | <i>(1,702)</i> | <i>(2,330)</i> |
| Net | 1,014,869 | 1,352,105 |
| Inventories recognised in “cost of sales of goods”: | | |
| - Cost | 3,960,232 | 4,660,129 |
| - Reversal of write-down to net realisable value | (628) | (1,543) |
| Total | 3,959,604 | 4,658,586 |

7 Property, plant and equipment

| | Land and improvement | Buildings and building improvement | Machinery and equipment | Office equipment | Vehicles | Spare parts | Assets under construction and installation | Total |
|--------------------------------|---------------------------|--|-------------------------------|---------------------|---------------|---------------|---|------------------|
| | <i>(in thousand Baht)</i> | | | | | | | |
| Cost | | | | | | | | |
| At 1 January 2019 | 273,446 | 1,706,576 | 7,122,159 | 19,248 | 31,190 | 95,569 | 114,040 | 9,362,228 |
| Additions | 165 | 3,068 | 36,192 | 609 | 2,850 | 32,010 | 208,424 | 283,318 |
| Transfers | 18,939 | 47,446 | 222,563 | - | - | (28,956) | (259,992) | - |
| Disposals | - | - | (27,352) | (356) | (2,363) | - | - | (30,071) |
| At 31 December 2019 and | | | | | | | | |
| 1 January 2020 | 292,550 | 1,757,090 | 7,353,562 | 19,501 | 31,677 | 98,623 | 62,472 | 9,615,475 |
| Additions | 1,210 | 2,285 | 20,988 | 1,208 | 1,916 | 23,119 | 134,779 | 185,505 |
| Transfers | - | 22,765 | 134,512 | - | - | (25,631) | (131,646) | - |
| Disposals | - | - | (62,093) | (1,083) | - | - | - | (63,176) |
| At 31 December 2020 | 293,760 | 1,782,140 | 7,446,969 | 19,626 | 33,593 | 96,111 | 65,605 | 9,737,804 |

Notes to the financial statements

| | Land and improvement | Buildings and building improvement | Machinery and equipment | Office equipment | Vehicles | Spare parts | Assets under construction and installation | Total |
|----------------------------------|---------------------------|------------------------------------|-------------------------|------------------|----------|-------------|--|-----------|
| | <i>(in thousand Baht)</i> | | | | | | | |
| Depreciation | | | | | | | | |
| At 1 January 2019 | 30,023 | 837,403 | 4,909,993 | 15,328 | 21,004 | - | - | 5,813,751 |
| Depreciation charge for the year | 7,041 | 59,959 | 373,399 | 1,554 | 4,464 | - | - | 446,417 |
| Disposals | - | - | (24,374) | (356) | (2,363) | - | - | (27,093) |
| At 31 December 2019 and | | | | | | | | |
| 1 January 2020 | 37,064 | 897,362 | 5,259,018 | 16,526 | 23,105 | - | - | 6,233,075 |
| Depreciation charge for the year | 7,430 | 60,133 | 364,117 | 1,476 | 3,830 | - | - | 436,986 |
| Disposals | - | - | (61,993) | (1,083) | - | - | - | (63,076) |
| At 31 December 2020 | 44,494 | 957,495 | 5,561,142 | 16,919 | 26,935 | - | - | 6,606,985 |
| Net book value | | | | | | | | |
| At 1 January 2019 | 243,423 | 869,173 | 2,212,166 | 3,920 | 10,186 | 95,569 | 114,040 | 3,548,477 |
| At 31 December 2019 and | | | | | | | | |
| 1 January 2020 | 255,486 | 859,728 | 2,094,544 | 2,975 | 8,572 | 98,623 | 62,472 | 3,382,400 |
| At 31 December 2020 | 249,266 | 824,645 | 1,885,827 | 2,707 | 6,658 | 96,111 | 65,605 | 3,130,819 |

Notes to the financial statements

The gross amount of the Company's fully depreciated plant and equipment that was still in use as at 31 December 2020 amounted to Baht 2,548 million (2019: Baht 2,462 million).

8 Intangible assets

| | Software licence <i>(in thousand Baht)</i> |
|---|--|
| <i>Cost</i> | |
| At 1 January 2019 | 30,336 |
| Additions | 211 |
| At 31 December 2019 and 1 January 2020 | 30,547 |
| Additions | 286 |
| Disposals | (60) |
| At 31 December 2020 | 30,773 |
| <i>Amortisation</i> | |
| At 1 January 2019 | 20,168 |
| Amortisation charge for the year | 1,607 |
| At 31 December 2019 and 1 January 2020 | 21,775 |
| Amortisation charge for the year | 1,580 |
| Disposals | (56) |
| At 31 December 2020 | 23,299 |
| <i>Net book value</i> | |
| At 1 January 2019 | 10,168 |
| At 31 December 2019 and 1 January 2020 | 8,772 |
| At 31 December 2020 | 7,474 |

Notes to the financial statements

9 Deferred tax

Deferred tax assets and liability as at 31 December were as follows:

| | 2020 | 2019 |
|------------------------|---------------------------|---------------|
| | <i>(in thousand Baht)</i> | |
| Deferred tax assets | 97,210 | 109,872 |
| Deferred tax liability | (68,728) | (66,986) |
| Net | 28,482 | 42,886 |

Movements in total deferred tax assets and liability during the year were as follows:

| | At 1 January 2020 | <u>(Charged) / Credited to :</u> | | At 31 December 2020 |
|--|-------------------------|----------------------------------|----------------------------------|---------------------------|
| | | Profit or loss | Other comprehensive income | |
| | | <i>(Note 20)</i> | | |
| | | <i>(in thousand Baht)</i> | | |
| Deferred tax assets | | | | |
| Inventories <i>(allowance for decline in value)</i> | 466 | (126) | - | 340 |
| Employee benefit obligations | 109,314 | (9,401) | (3,043) | 96,870 |
| Deferred income | 92 | (92) | - | - |
| Total | 109,872 | (9,619) | (3,043) | 97,210 |
| Deferred tax liability | | | | |
| Property, plant and equipment <i>(depreciation gap)</i> | (66,986) | (1,526) | - | (68,512) |
| Financial assets measured at FVTPL | - | (216) | - | (216) |
| Total | (66,986) | (1,742) | - | (68,728) |
| Net | 42,886 | (11,361) | (3,043) | 28,482 |

Notes to the financial statements

| | At 1 January 2019 | (Charged) / Credited to : | | At 31 December 2019 |
|--|-------------------------|---------------------------|----------------------------------|---------------------------|
| | | Profit or loss | Other comprehensive income | |
| | | (Note 20) | | |
| | | (in thousand Baht) | | |
| Deferred tax assets | | | | |
| Inventories (<i>allowance for decline in value</i>) | 775 | (309) | - | 466 |
| Employee benefit obligations | 92,495 | 7,290 | 9,529 | 109,314 |
| Deferred income | 1,249 | (1,157) | - | 92 |
| Total | 94,519 | 5,824 | 9,529 | 109,872 |
| Deferred tax liability | | | | |
| Property, plant and equipment (<i>depreciation gap</i>) | (55,735) | (11,251) | - | (66,986) |
| Total | (55,735) | (11,251) | - | (66,986) |
| Net | 38,784 | (5,427) | 9,529 | 42,886 |

10 Trade accounts payable

| | Note | 2020 | 2019 |
|----------------------|------|--------------------|----------------|
| | | (in thousand Baht) | |
| Related party | 4 | 1,675 | 1,579 |
| Other parties | | 106,140 | 226,384 |
| Total | | 107,815 | 227,963 |

Notes to the financial statements

11 Other payables to other parties

| | 2020 | 2019 |
|---|---------------------------|----------------|
| | <i>(in thousand Baht)</i> | |
| Accrued operating expenses | 38,248 | 34,575 |
| Construction and machinery payables | 25,897 | 21,373 |
| Factory supplies and spare parts payables | 11,440 | 30,587 |
| Others | 40,778 | 30,583 |
| Total | 116,363 | 117,118 |

12 Provisions for employee benefits

| | 2020 | 2019 |
|-----------------------------------|--------------------|----------------|
| | (in thousand Baht) | |
| Statement of financial position | | |
| Provisions for : | | |
| Post-employment benefits | 393,903 | 452,283 |
| Other long-term employee benefits | 44,244 | 40,474 |
| | <u>438,147</u> | <u>492,757</u> |
| Provident fund | 68,118 | 81,415 |
| Total | <u>506,265</u> | <u>574,172</u> |

Statement of comprehensive income:**Recognised in profit or loss:**

| | | |
|-----------------------------------|---------------|---------------|
| Post-employment benefits | 54,035 | 67,920 |
| Other long-term employee benefits | 11,115 | 10,402 |
| Provident fund | 6,494 | 7,855 |
| | 71,644 | 86,177 |

Recognised in other comprehensive income:

| | | |
|--|-----------------|---------------|
| Actuarial loss (gain) recognised in the year | (15,214) | 47,646 |
|--|-----------------|---------------|

Notes to the financial statements

Defined benefit plans

The Company operate a defined benefit plan based on the requirement of Thai Labour Protection Act B.E. 2541 (1998) to provide retirement benefits to employees based on pensionable remuneration and length of service. The defined benefit plans expose the Company to actuarial risks, such as longevity risk, interest rate risk and market (investment) risk.

Defined contribution plans

The Company has established a contributory provident fund for its employees. Membership to the fund is on a voluntary basis. The Company contributes 50% of the amount paid in by each employee who has been a member of the provident fund scheme for five years and an additional 10% of the balance on the employee's provident fund in each subsequent year. The Company is the fund management.

| <i>Present value of the defined benefit obligations</i> | 2020 | 2019 |
|---|---------------------------|-----------------------|
| | <i>(in thousand Baht)</i> | |
| At 1 January | 492,757 | 409,064 |
| Include in profit or loss: | | |
| Current service cost | 42,192 | 59,884 |
| Past service cost | 10,752 | 3,404 |
| Interest on obligation | 7,639 | 10,816 |
| Gain on settlement | 4,567 | 4,218 |
| | <u>65,150</u> | <u>78,322</u> |
| Included in other comprehensive income | | |
| Actuarial (gain) loss | | |
| - Demographic assumptions | - | 11,251 |
| - Financial assumptions | (10,261) | 27,593 |
| - Experience adjustment | (4,953) | 8,802 |
| | <u>(15,214)</u> | <u>47,646</u> |
| Benefit paid | <u>(104,546)</u> | <u>(42,275)</u> |
| At 31 December | <u>438,147</u> | <u>492,757</u> |

Principal actuarial assumptions

| | 2020 | 2019 |
|----------------------|-------------|-------------|
| | % | |
| Discount rate | 1.22 | 1.59 |
| Future salary growth | 2.10 - 4.50 | 3.00 - 5.20 |

Notes to the financial statements

Assumptions regarding future mortality have been based on published statistics and mortality tables.

At 31 December 2020, the weighted-average duration of the defined benefit obligation was 8.97 years (2019: 8.99 years).

Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

Effect to the defined benefit obligation 1 year/1% increase in assumption 1 year/1% decrease in assumption

| <i>At 31 December</i> | 2020 | 2019 | 2020 | 2019 |
|------------------------|----------|----------|---------------------------|----------|
| | | | <i>(in thousand Baht)</i> | |
| Discount rate | (28,070) | (31,752) | 31,649 | 35,699 |
| Future salary growth | 28,245 | 32,660 | (25,588) | (29,648) |
| Employee turnover | (12,775) | (14,375) | 9,973 | 10,744 |
| Life expectancy (year) | 451 | 512 | (449) | (510) |

13 Share premium and reserves

Share premium

Section 51 of the Public Companies Act B.E. 2535 requires companies to set aside share subscription monies received in excess of the par value of the shares issued to a reserve account ("share premium"). Share premium is not available for dividend distribution.

Legal reserve

Section 116 of the Public Companies Act B.E. 2535 requires that a company shall allocate not less than 5% of its annual net profit, less any accumulated losses brought forward, to a reserve account ("legal reserve"), until this account reaches an amount not less than 10% of the registered authorised capital. The legal reserve is not available for dividend distribution.

Notes to the financial statements

14 Segment information and disaggregation of revenue

The Company has two reportable segments, as described below, which are the Company's strategic divisions. The strategic divisions offer different products are managed separately because they require different technology and marketing strategies. For each of the strategic divisions, the chief operating decision maker (CODM) reviews internal management reports on at least a quarterly basis. The Company's main revenue is derived from contracts with customers and recognised at a point of time. The following summary describes the operations in each of the Company's reportable segments.

Segment 1 Can and tube

Segment 2 Slug

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit before tax, as included in the internal management reports that are reviewed by the Company's CODM. Segment profit before tax is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

Information about reportable segments

| | Segment 1 | | Segment 2 | | Total | |
|---------------------------------|---------------------------|-----------------------|-----------------------|-----------------------|-------------------------|-------------------------|
| | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 |
| | <i>(in thousand Baht)</i> | | | | | |
| Revenue from sale of goods | <u>2,842,588</u> | <u>3,341,759</u> | <u>2,085,457</u> | <u>2,154,860</u> | <u>4,928,045</u> | <u>5,496,619</u> |
| Segment result | <u>645,293</u> | <u>684,049</u> | <u>323,148</u> | <u>153,984</u> | <u>968,441</u> | <u>838,033</u> |
| Unallocated revenues | | | | | 144,333 | 147,746 |
| Unallocated expenses | | | | | (284,365) | (326,654) |
| Finance costs | | | | | - | (1,242) |
| Profit before income tax | | | | | <u>828,409</u> | <u>657,883</u> |
| Segment assets | | | | | | |
| Trade accounts receivable | 457,813 | 585,313 | 301,890 | 306,621 | 759,703 | 891,934 |
| Inventories | 325,119 | 321,775 | 689,750 | 1,030,330 | 1,014,869 | 1,352,105 |
| Property, plant and equipment | 2,470,599 | 2,648,583 | 660,220 | 733,817 | 3,130,819 | 3,382,400 |
| Unallocated assets | | | | | <u>1,893,668</u> | <u>984,184</u> |
| Total Assets | | | | | <u>6,799,059</u> | <u>6,610,623</u> |

Notes to the financial statements

| | Segment 1 | | Segment 2 | | Total | |
|----------------------------|---------------------------|--------|-----------|---------|-----------------------|-------------------------|
| | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 |
| | <i>(in thousand Baht)</i> | | | | | |
| Segment liabilities | | | | | | |
| Trade accounts payable | 89,370 | 99,070 | 18,445 | 128,893 | 107,815 | 227,963 |
| Unallocated liabilities | | | | | <u>729,011</u> | <u>777,602</u> |
| Total Liabilities | | | | | <u>836,826</u> | <u>1,005,565</u> |

Other material items

| | | | | | | |
|-------------------------------|---------|---------|---------|---------|---------|---------|
| Depreciation and amortization | 326,565 | 324,056 | 112,001 | 123,967 | 438,566 | 448,023 |
| Capital expenditure | 147,143 | 236,798 | 38,648 | 46,731 | 185,791 | 283,529 |

Geographical information

In presenting geographical information, revenue is based on the geographical location of customers. Assets are based on the geographical location of the assets.

| | Revenues | | Non-current assets | |
|--------------------------|---------------------------|-------------------------|-------------------------|-------------------------|
| | 2020 | 2019 | 2020 | 2019 |
| | <i>(in thousand Baht)</i> | | | |
| Asia pacific | 2,863,709 | 3,186,204 | - | - |
| Thailand | 1,377,227 | 1,657,565 | 3,868,155 | 3,434,370 |
| United states of America | 469,508 | 394,663 | - | - |
| Others | 217,601 | 258,187 | - | - |
| Total | <u>4,928,045</u> | <u>5,496,619</u> | <u>3,868,155</u> | <u>3,434,370</u> |

Major customer

Revenues from a customer of the Company's segments 1 and 2 are approximately Baht 455 million (2019: Baht 541 million) of the Company's total revenues.

Contract Balances

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

Notes to the financial statements

| | 31 December | |
|---------------------------|---------------------------|---------|
| | 2020 | 2019 |
| | <i>(in thousand Baht)</i> | |
| Trade accounts receivable | 759,703 | 891,934 |
| Contract liabilities | | |
| - Current | 15,013 | 7,124 |

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.

15 Other income

| | 2020 | 2019 |
|---------------|---------------------------|----------------|
| | <i>(in thousand Baht)</i> | |
| Sale of scrap | 100,263 | 128,765 |
| Others | 13,572 | 18,981 |
| Total | 113,835 | 147,746 |

16 Distribution costs

| | 2020 | 2019 |
|---------------------------|---------------------------|----------------|
| | <i>(in thousand Baht)</i> | |
| Freight expenses | 77,744 | 75,774 |
| Employee benefit expenses | 33,590 | 34,206 |
| Others | 30,391 | 36,493 |
| Total | 141,725 | 146,473 |

Notes to the financial statements

17 Administrative expenses

| | 2020 | 2019 |
|-------------------------------|---------------------------|----------------|
| | <i>(in thousand Baht)</i> | |
| Employee benefit expenses | 116,950 | 120,721 |
| Depreciation and amortisation | 7,442 | 7,095 |
| Repair and maintenance | 1,953 | 4,628 |
| Transportation expenses | 5,311 | 2,593 |
| Others | 10,985 | 15,565 |
| Total | 142,641 | 150,602 |

18 Employee benefit expenses

| | Note | 2020 | 2019 |
|----------------------------|------|---------------------------|----------------|
| | | <i>(in thousand Baht)</i> | |
| Wages and salaries | | 644,684 | 669,617 |
| Defined benefit plans | 12 | 65,150 | 78,322 |
| Defined contribution plans | 12 | 6,494 | 7,855 |
| Director's remuneration | | 5,616 | 5,653 |
| Others | | 36,091 | 38,853 |
| Total | | 758,035 | 800,300 |

19 Expenses by nature

The statements of income include an analysis of expenses by function. Expenses by nature disclosed in accordance with the requirements of various TFRS were as follows:

| | 2020 | 2019 |
|---|--------------------|-----------|
| | (in thousand Baht) | |
| <i>Included in cost of sale of goods:</i> | | |
| Changes in inventories of finished goods and work in progress | (91,465) | 149,323 |
| Raw materials and consumables used | 2,380,108 | 2,710,574 |
| Employee benefit expenses | 607,495 | 645,373 |
| Depreciation and amortisation | 430,053 | 440,022 |
| Utilities expenses | 281,551 | 337,472 |

Notes to the financial statements

2020 2019

(in thousand Baht)

Included in distribution costs:

| | | |
|-------------------------------|--------|--------|
| Freight expenses | 77,744 | 75,774 |
| Employee benefit expenses | 33,590 | 34,206 |
| Depreciation and amortisation | 1,071 | 907 |

Included in administrative expenses:

| | | |
|-------------------------------|---------|---------|
| Employee benefit expenses | 116,950 | 120,721 |
| Depreciation and amortisation | 7,442 | 7,095 |

20 Income tax expense

Income tax recognised in profit or loss

Note 2020 2019

(in thousand Baht)

Current tax expense

| | | |
|--------------|---------|---------|
| Current year | 148,044 | 120,340 |
|--------------|---------|---------|

Deferred tax expense

9

| | | |
|------------------------------------|----------------|----------------|
| Movements in temporary differences | 11,361 | 5,427 |
| Total | 159,405 | 125,767 |

Income tax recognised in other comprehensive income

| | 2020 | | | 2019 | | |
|-------------------------|---------------|-----------------------|---------------|-----------------|-----------------------|-----------------|
| | Before tax | Tax (expense) benefit | Net of tax | Before tax | Tax (expense) benefit | Net of tax |
| (in thousand Baht) | | | | | | |
| Defined benefit plan | | | | | | |
| actuarial gain (losses) | 15,214 | (3,043) | 12,171 | (47,646) | 9,529 | (38,117) |
| Total | 15,214 | (3,043) | 12,171 | (47,646) | 9,529 | (38,117) |

Notes to the financial statements

Reconciliation of effective tax rate

| | 2020 | | 2019 | |
|--|-----------|--------------------|-----------|--------------------|
| | | (in thousand Baht) | | (in thousand Baht) |
| | Rate (%) | | Rate (%) | |
| Profit before income tax expense | | 828,409 | | 657,883 |
| Income tax using the Thai corporation tax rate | 20 | 165,682 | 20 | 131,577 |
| Income not subject to tax | | (6,551) | | (6,258) |
| Expenses not deductible for tax purposes | | (77) | | (839) |
| Others | | 351 | | 1,287 |
| Total | 19 | 159,405 | 19 | 125,767 |

21 Earnings per share

The calculations of basic earnings per share for the years ended 31 December 2020 and 2019 were based on the profit for the years attributable to shareholders of the Company and the number of ordinary shares outstanding during the years as follows:

| | 2020 | 2019 |
|--|--------------------------------------|---------|
| | (in thousand Baht / thousand shares) | |
| <i>Profit attributable to ordinary shareholders for the year ended 31 December</i> | | |
| Profit attributable to ordinary shareholders of the Company | 669,003 | 532,116 |
| Number of ordinary shares outstanding | 43,200 | 43,200 |
| Basic earnings per share (in Baht) | 15.49 | 12.32 |

Notes to the financial statements

22 Dividends

The shareholders of the Company have approved dividends as follows:

| | Approval date | Payment schedule | Dividend rate per share (Baht) | Amount (in million Baht) |
|-----------------|---------------|------------------|--------------------------------------|-----------------------------|
| 2020 | | | | |
| Annual dividend | 7 April 2020 | May 2020 | <u>7.50</u> | <u>324</u> |
| 2019 | | | | |
| Annual dividend | 18 April 2019 | May 2019 | <u>10</u> | <u>432</u> |

23 Financial instruments

(a) 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 | Fair value | | | |
|-------------------------------|---|------------|---------|---------|---------|
| | Financial instruments measured at | Level 1 | Level 2 | Level 3 | Total |
| | FVTPL | | | | |
| <i>(in thousand Baht)</i> | | | | | |
| At 31 December 2020 | | | | | |
| Financial asset | | | | | |
| Unit trust - debt instruments | 701,076 | - | 701,076 | - | 701,076 |
| At 31 December 2019 | | | | | |
| Financial asset | | | | | |
| Unit trust - debt instruments | - | - | - | - | - |

Notes to the financial statements

Financial instruments measured at fair value - level 2

| Type | Valuation technique |
|--|---|
| Investments in marketable unit trusts classified as financial assets measured at FVTPL | The net asset value as of the reporting date. |

(b) Movement of marketable debt securities

| Marketable equity and debt securities | At 1 January | Purchase | Disposal | Fair value adjustment | At 31 December |
|---------------------------------------|---------------------------|----------|----------|--------------------------|-------------------|
| | <i>(in thousand Baht)</i> | | | | |

2020*Non-current financial assets*

Unit trust - debt instruments

measured at FVTPL

| | | | | | |
|--------------|----------|----------------|----------|--------------|----------------|
| | - | 700,000 | - | 1,076 | 701,076 |
| Total | - | 700,000 | - | 1,076 | 701,076 |

During the year 2020, the Board of Directors of the Company approve the Company to invest in the financial fund account with a certain asset management company amounted to Baht 700 million. The Company intend to hold the securities for the higher return than general cash deposit at the Bank purposes. The Company has designated them as measured at FVTPL. The gain (loss) on measurement of these investments will be reclassified to profit or loss at the end of the accounting period. The Company recognised gain on fair value adjustment on such investment amounted to Baht 1.1 million in the profit or loss for the year ended 31 December 2020.

*(c) Financial risk management policies**Risk management framework*

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors has established the risk management committee, which is responsible for developing and monitoring the Company's risk management policies. The committee reports regularly to the board of directors on its activities.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

Notes to the financial statements

The Company audit committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Company audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

(c.1) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investments in debt securities.

(c.1.1) Trade accounts receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which customers operate. Detail of concentration of revenue are included in note 14.

The risk management committee has established a credit policy under which each new customer is analysed individually for creditworthiness before the Company's standard payment and delivery terms and conditions are offered. The Company's review includes external ratings, if they are available, financial statements, credit agency information, industry information and in some cases bank references. Sale limits are established for each customer and reviewed regularly. Any sales exceeding those limits require approval from the risk management committee.

The Company limits its exposure to credit risk from trade accounts receivables by establishing a maximum payment period of 90 days.

The following table provides information about the exposure to credit risk and ECLs for trade accounts receivables.

Notes to the financial statements

| | | Trade accounts receivable - carrying amount | Allowance for impairment losses |
|----------------------------|-------------|---|---------------------------------------|
| <i>At 31 December 2020</i> | <i>Note</i> | <i>(in thousand Baht)</i> | |
| Related party | | | |
| Within credit terms | 4 | 60,503 | - |
| | | <u>60,503</u> | <u>-</u> |
| Other parties | | | |
| Within credit terms | | 571,210 | - |
| Overdue: | | | |
| Less than 3 months | | 127,990 | - |
| | | <u>699,200</u> | <u>-</u> |
| Total | | <u><u>759,703</u></u> | <u><u>-</u></u> |
| <i>At 31 December 2019</i> | <i>Note</i> | <i>2019 (in thousand Baht)</i> | |
| Related party | | | |
| Within credit terms | 4 | 55,283 | |
| | | <u>55,283</u> | |
| Other parties | | | |
| Within credit terms | | | 652,154 |
| Overdue: | | | |
| Less than 3 months | | | 184,497 |
| | | | <u>836,651</u> |
| Total | | | <u><u>891,934</u></u> |

(c.1.2) Investment in debt securities

The Company limits its exposure to credit risk by investing only in liquid debt securities and only with counterparties that have a credit rating of at least "A+" from Tris rating and Fitch ratings.

The Company monitors changes in credit risk by tracking published external credit ratings. To determine whether published ratings remain up to date and to assess whether there has been a significant increase in credit risk at the reporting date that has not been reflected in published ratings, the Company supplements this by reviewing changes in bond yields and, where available, credit default swap (CDS) prices together with available press and regulatory information about debtors.

Impairment on cash and cash equivalents was measured on a 12-month ECLs. The Company considers that cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties.

The Company monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Company's operations and to mitigate the effects of fluctuations in cash flows.

| | | Contractual cash flows | | | |
|---|----------------|------------------------|---------------------------|-----------|----------------|
| | | | More than | | |
| | Carrying | Within | 1 year but | More than | |
| <i>At 31 December 2020</i> | amount | 1 year | less than | 5 years | Total |
| | | or less | 5 years | | |
| | | | <i>(in thousand Baht)</i> | | |
| <i>Non-derivative financial liabilities</i> | | | | | |
| Bank overdrafts | 1 | 1 | - | - | 1 |
| Trade accounts payables | 107,815 | 107,815 | - | - | 107,815 |
| Other payables to related parties | 10,433 | 10,433 | - | - | 10,433 |
| Other payables to other parties | 116,363 | 116,363 | - | - | 116,363 |
| Total | 234,612 | 234,612 | - | - | 234,612 |

| | Effective interest rates (% <i>per annum</i>) | Within 1 year (in thousand Baht) | Total |
|---|--|-------------------------------------|------------|
| At 31 December 2019 | | | |
| Interest bearing financial liability | | | |
| - Current | | | |
| Bank overdrafts | 7.13 - 9.88 | 113 | 113 |
| Total | | 113 | 113 |

Notes to the financial statements

As at 31 December 2020, the Company had unutilised credit facilities from financial institutions of approximately Baht 2,007 million (2019: Baht 1,996 million).

(c.3) Market risk

The Company is exposed to normal business risks from changes in market interest rates and currency exchange rates and from non-performance of contractual obligations by counterparties.

(c.3.1) Foreign currency risk

The Company is exposed to foreign currency risk relating to purchases and sales which are denominated in foreign currencies. Most receipts in foreign currencies are credited into foreign currency accounts such as US Dollar, Japanese YEN, etc. with banks in Thailand. The Company foregoes interest earnings on such foreign currency accounts. Foreign currencies obtained from exports are used for payment of raw material purchased, spare parts and machinery and equipment imported, thus the Company saves foreign currency conversion charges.

At 31 December, the Company was exposed to foreign currency risk in respect of financial assets and liabilities denominated in the following currencies:

| | 2020 | 2019 |
|---|---------------------------|----------------|
| | <i>(in thousand Baht)</i> | |
| <i>United States Dollars (USD)</i> | | |
| Cash and cash equivalents | 408,444 | 303,324 |
| Trade accounts receivable | 351,918 | 414,765 |
| Trade accounts payable | (4,391) | (114,426) |
| | <u>755,971</u> | <u>603,663</u> |
| <i>Japanese Yen (YEN)</i> | | |
| Cash and cash equivalents | 27,363 | 390,652 |
| Trade accounts receivable | 60,503 | 55,283 |
| Trade accounts payable | (4,855) | (8,781) |
| | <u>83,011</u> | <u>437,154</u> |
| <i>Australian Dollar (AUD)</i> | | |
| Trade accounts receivable | 8,722 | 8,575 |
| | <u>8,722</u> | <u>8,575</u> |

Notes to the financial statements

| | 2020 | 2019 |
|---|---------------------------|-------------------------|
| | <i>(in thousand Baht)</i> | |
| <i>Others (HKD, EUR, CHF and GBP)</i> | | |
| Trade accounts receivable | 529 | 611 |
| Trade accounts payable | (2,810) | (3,667) |
| | <u>(2,281)</u> | <u>(3,056)</u> |
| Gross statement of financial position exposure | <u>845,423</u> | <u>1,046,336</u> |

Sensitivity analysis

A reasonably possible strengthening (weakening) of the USD against all other currencies at 31 December 2020 would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

| <i>At 31 December 2020</i> | Movement (%) | Profit or loss | |
|----------------------------|-----------------|---------------------------|-----------|
| | | Strengthening | Weakening |
| | | <i>(in thousand Baht)</i> | |
| USD | 1 | 7,474 | (7,474) |

(c.3.2) Interest rate risk

Interest rate risk is the risk that future movements in market interest rates will affect the results of the Company's operations and its cash flows.

Exposure to interest rate risk

| <i>at 31 December</i> | 2020 | 2019 |
|-----------------------|---------------------------|------|
| | <i>(in thousand Baht)</i> | |

Financial instruments with fixed interest rates

| | | |
|-----------------------|------------------|----------|
| Financial assets | 1,125,836 | - |
| Financial liabilities | (1) | - |
| | <u>1,125,835</u> | <u>-</u> |

Notes to the financial statements

24 Capital management

The Board of Directors' policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board monitors the return on capital, which the Company defines as result from operating activities divided by total shareholders' equity and also monitors the level of dividends to ordinary shareholders.

25 Commitments with non-related parties

2020 2019

*(in thousand Baht)**Capital commitments*

Contracted but not provided for:

Factory, machinery and equipment

| | |
|--------|--------|
| 41,628 | 28,664 |
|--------|--------|

Other commitments

Purchase orders accepted by suppliers

- Within one year

| | |
|-----------|-----------|
| 1,941,844 | 1,506,440 |
|-----------|-----------|

Bank guarantees

| | |
|--------|--------|
| 24,082 | 25,582 |
|--------|--------|

Total

| | |
|------------------|------------------|
| 1,965,926 | 1,532,022 |
|------------------|------------------|

Bank guarantee

As at 31 December 2020, 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 24 million (2019: Baht 26 million).

Purchase orders accepted by suppliers

As at 31 December 2020, the Company had purchase orders accepted by suppliers for purchase of aluminium ingot in total quantity of 32,500 MT (2019: 27,600 MT), at the price as determined in purchase orders (2019: at the price as determined in purchase orders) that will be delivered during 2020 to 2021 (2019: within 2020).

26 Events after the reporting period

At the Board of Directors' meeting of the Company held on 25 February 2021, the Company's Board of Directors approved to propose to the annual general meeting of shareholders of the Company for approval to appropriation of cash dividends of Baht 10 per share, amounting to Baht 432 million. The appropriation of dividend must be approved by shareholders's meeting of the Company.

บริษัท อลูคอน จำกัด (มหาชน)
แบบยืนยันความถูกต้องครบถ้วนของค่าตอบแทนที่จ่ายให้แก่ผู้สอบบัญชี
รอบปีบัญชีสิ้นสุดวันที่ 31 ธันวาคม 2563

ค่าตอบแทนจากการสอบบัญชี (audit fee)

| รายการที่ | ชื่อบริษัทผู้จ่าย | ชื่อผู้สอบบัญชี | ค่าสอบบัญชี (บาท) |
|----------------------------|-----------------------------|---|----------------------|
| 1 | บริษัท อลูคอน จำกัด (มหาชน) | บริษัท เคพีเอ็มจี ภูมิไชย สอบบัญชี จำกัด (โดยนางปิยธิดา ตั้งเด่นชัย) | 1,190,000 |
| รวมค่าตอบแทนจากการสอบบัญชี | | | 1,190,000 |

ค่าบริการอื่น (non-audit fee)

| รายการที่ | ชื่อบริษัทผู้จ่าย | ประเภทของงาน บริการอื่น (non-audit service) | ชื่อผู้สอบบัญชี | ค่าตอบแทนของงานบริการอื่น | |
|---|-----------------------------|---|--|-----------------------------------|------------------------------|
| | | | | ส่วนที่จ่ายไปใน ระหว่างปีบัญชี | ส่วนที่จะต้อง จ่ายในอนาคต |
| 1 | บริษัท อลูคอน จำกัด (มหาชน) | การให้คำปรึกษาเรื่อง การจัดเตรียมเอกสาร ราคาโอน | บริษัท สำนักภาษี เคพีเอ็มจี ภูมิไชย จำกัด (โดยนายบุญรินทร์ เอ็นธนกรณ์) | 320,000 | - |
| รวมค่าตอบแทนสำหรับงานบริการอื่น (non-audit fee) | | | | 320,000 | - |

ข้อมูลข้างต้น

☒ ถูกต้องครบถ้วนแล้ว ทั้งนี้ ข้าพเจ้าขอยืนยันว่าไม่มีข้อมูลการให้บริการอื่นที่บริษัทฯ และบริษัทย่อยจ่ายให้ข้าพเจ้า
สำนักงานสอบบัญชีที่ข้าพเจ้าสังกัด และบุคคลหรือกิจการที่เกี่ยวข้องกับข้าพเจ้าและสำนักงานสอบบัญชีที่ข้าพเจ้า
สังกัดที่ข้าพเจ้าทราบและไม่มีการเปิดเผยไว้ข้างต้น

☐ ไม่ถูกต้อง ไม่ครบถ้วน กล่าวคือ

เมื่อปรับปรุงข้อมูลข้างต้น (ถ้ามี) แล้ว ข้าพเจ้าขอยืนยันว่า ข้อมูลทั้งหมดในแบบฟอร์มนี้แสดงค่าตอบแทนสอบ
บัญชีและค่าบริการอื่นที่บริษัทฯ และบริษัทย่อยจ่ายให้ข้าพเจ้า สำนักงานสอบบัญชีที่ข้าพเจ้าสังกัดและบุคคลหรือ
กิจการที่เกี่ยวข้องกับข้าพเจ้าและสำนักงานสอบบัญชีดังกล่าวที่ถูกต้องครบถ้วน

ลงชื่อ

(นางปิยธิดา ตั้งเด่นชัย)

สังกัด บริษัท เคพีเอ็มจี ภูมิไชย สอบบัญชี จำกัด

ผู้สอบบัญชีของบริษัท บริษัท อลูคอน จำกัด (มหาชน)

Production, Deliveries and Sales

| | 2020 | 2019 | 2018 | 2017 | 2016 |
|--|------|------|------|------|------|
|--|------|------|------|------|------|

Production

Tubes, Cans & Other containers

| Volume (piece-million) | | | | | |
|------------------------|--------|--------|--------|--------|--------|
| Total Production | 640.04 | 740.76 | 766.15 | 766.99 | 795.96 |
| Total Deliveries | 632.76 | 746.92 | 767.63 | 763.32 | 786.03 |
| Domestic | 249.69 | 291.94 | 294.76 | 315.02 | 319.29 |
| Exports | 383.07 | 454.98 | 472.87 | 448.30 | 466.74 |

Aluminium Slugs

| Volume (Metric-ton) | | | | | |
|----------------------|-----------|-----------|-----------|-----------|-----------|
| Total Production | 35,549.80 | 34,473.60 | 41,036.80 | 38,877.40 | 37,669.00 |
| Volume Million Baht) | | | | | |
| Sales Revenue | 4,928.04 | 5,496.62 | 6,304.46 | 6,098.58 | 6,051.75 |
| Domestic | 1,285.17 | 1,527.16 | 1,530.06 | 1,167.12 | 1,680.17 |
| Exports | 3,642.87 | 3,969.46 | 4,774.40 | 4,431.46 | 4,371.58 |



Review of Operating Results and Financial Status for 5 years

Y2016 – 2020

(MB)

| | 2020 | 2019 | 2018 | 2017 | 2016 |
|-----------------------------------|----------|----------|----------|----------|----------|
| Operating | | | | | |
| Gross Revenues | 5,072.38 | 5,644.37 | 6,518.08 | 6,280.94 | 6,220.59 |
| Sales | 4,928.04 | 5,496.62 | 6,304.46 | 6,098.58 | 6,051.75 |
| Other Income | 113.84 | 147.75 | 197.86 | 182.37 | 162.48 |
| Cost of Sales | 3,959.60 | 4,658.59 | 5,305.28 | 4,958.24 | 4,564.01 |
| Gross Profit | 968.44 | 838.03 | 999.18 | 1,140.33 | 1,487.74 |
| Sales and Administration Expenses | 284.37 | 297.07 | 318.95 | 312.55 | 311.75 |
| Financial Cost | 0.00 | 1.24 | 2.15 | 3.30 | 11.66 |
| Profit before taxation | 828.41 | 657.88 | 891.70 | 974.02 | 1,333.17 |
| Corporate Income Tax | 159.41 | 125.77 | 172.04 | 190.29 | 263.36 |
| Net Profit / (Loss) | 669.00 | 532.12 | 719.67 | 783.74 | 1,069.81 |
| Earnings per share (Baht) | 15.49 | 12.32 | 16.66 | 18.14 | 24.76 |
| Profit / (Loss) to Revenue | 13.19% | 9.43% | 11.04% | 12.48% | 17.20% |
| Dividend | 64.57% | 60.89% | 60.03% | 60.63% | 60.57% |

Financial Status

| | | | | | |
|-------------------------|----------|----------|----------|----------|----------|
| Total Assets | 6,799.06 | 6,610.62 | 6,780.49 | 6,344.91 | 6,478.76 |
| Total Liabilities | 836.83 | 1,005.57 | 1,237.43 | 1,073.79 | 1,350.77 |
| Working Capital | 2,577.03 | 2,724.77 | 2,413.90 | 1,934.18 | 1,595.63 |
| Current ratio | 8.28:1 | 7.04:1 | 4.14:1 | 4.28:1 | 2.84:1 |
| Debt/ Equity ratio | 0.14:1 | 0.18:1 | 0.22:1 | 0.20:1 | 0.26:1 |
| Return on Equity | 11.22% | 9.50% | 12.98% | 14.87% | 20.86% |
| Return on Assets | 9.8% | 8.0% | 10.6% | 12.4% | 16.5% |
| Shareholders' Equity | 5,962.23 | 5,605.06 | 5,543.06 | 5,271.11 | 5,127.99 |
| Book Value/share (Baht) | 138.01 | 129.75 | 128.31 | 122.02 | 118.70 |

Report on Corporate Social Responsibility (“CSR”)

ALCON always concerns on CSR being subject to good corporate governance in administrating on entity, improving employees' quality, of which they are good for their safety including participation in developing of surrounding communities and society as well as to protect the environment as follows:

1. Alucon assumes that the responsibility to society is responsible for the conduct of all employees.
2. Alucon shall promote and support the implementation of CSR on environmental protection, in order to improve the quality of employees' life and local community can be lived with each other happily
3. Alucon shall continue on promoting and supporting the employees' activities engaged with the local community including awareness.
4. All levels of management must act as a good role model in encouraging the good responsibilities to society on environmental protection and participation on local community development. This is to motivate employees to follow.
5. Employees must be conscious of the company's responsibility to society in terms of environmental protection and participation in local community development.

On preparation of this report, Alucon has complied with all policies by focusing on CSR, to be in line with our CSR policy. Alucon has not yet prepared the sustainability report separately from this Annual Report. Thus, the details summary of CSR in Process throughout year 2020 can be detailed as follows:

1. Environmental conservation

Alucon with a focus on the environment as much as in 2020, Alucon has implemented measures to monitor the environmental impacts by focusing on the followings:

1. soil quality
2. water quality
3. air quality
4. noise quality
5. Occupation health and safety standard
6. Community relationship
7. Distinguish of industry waste from production

Besides, Alucon always focuses on environmental matter by arranging the orientation to all new employees regarding the environmental topic to know and recognize about (i) the nature of impact of environmental pollution (ii) how to distinguish waste garbage (iii) determination of the conduct of employee to distinguish the waste garbage properly (iv) control and reduce environmental impact, conservation and reduced consumption of resources.

For the whole detail of environmental reports, they all are in the Annual Registration Statement or known as “Form 56-1” that can be downloaded from Alucon's website

2. Quality Control

Alucon has set the policy to remain the leading producer of aluminium packaging containers in the Asia Pacific region with concentration on:

- producing the aluminium packaging containers at the highest quality standard; operating its factories with continuous improvement; ensuring on time deliver and conforming with product safety requirement under mutual agreement with customers.
- ensuring training to all employees to understand on quality policy and encouraging the work performance.
- developing good communication and creating good co-operation amongst the colleagues both internal and external

Alucon got the standard ISO9002 in 2000, which become ISO9001:2008 and Y2017 it is ISO9001:2015 which is the standard about quality control management (last version) emphasizing on customer satisfaction systematically. On Y2017, the Company also obtains ISO22000:2005 and ISO/TS 22002-4 which is certification being certified on safety standard in supporting the manufacturing for our customer's products.

Beyond the standards as stated in above, Alucon has also received certificates, reference letter, honors and awards plaque to mark guarantee the quality of goods being recognized in the group of companies with more than 300 customers worldwide.

3. Occupational health and safety standards in the work environment.

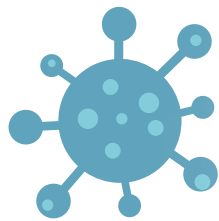
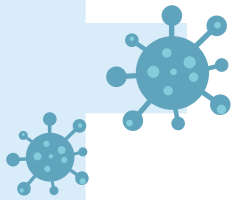
Alucon has set the occupational health and safety standards in the work environment policy as follows:

1. it is assumed that responsibility for safety in the workplace is first priority in the performance of all employee
2. Alucon shall continue to promote and encourage the improvement of working conditions and environment in a safe condition.
3. Alucon shall continue to promote and encourage safety activities that can stimulate employee awareness of safety and environmental organizations working in such good public relations such as training, public announcement, exhibitions and any kind of games.
4. All levels of management must act as a good role model in arranging the safety workplace and environment in order to motivate employees to follow.
5. Employees must be conscious of the safety in workplace either of themselves and their colleagues, as well as assets of the Company throughout the performance.
6. Taking care of cleanliness and tidiness in the working area is the duty of every employee.
7. Employees must be in cooperation with Alucon to ensure safety in workplace and good surrounding environment.
8. Employees are eligible to propose their idea or plan to improve the safety condition to save enough on working.

In matters of safety, Alucon always remind the employees to recognize the effect from non-safety in working. Alucon has set up 2 safety committees: Samrong and Sriracha to manage, administrate, check and monitor, suggest on any action to lead the safety for employee. These committees last in their position for 2 years.

For 2020, there were 14 accidents occurred against 14 employees and stop working for 6 days.





ALUCON

Public Company Limited

ร่วมกับ

สมาคมผู้ผลิต ผลิตภัณฑ์สเปรย์ไทย

ในการผลิตกระป๋องสเปรย์แอลกอฮอล์เพื่อแจกจ่ายให้กับหน่วยงานของรัฐ

ป้องกันการแพร่ระบาด COVID-19



"ALUCON joined with Thai Aerosol Association
to produce alcohol spray and distributed to various governmental agencies
for protection COVID-19."



► CSR After Process

2020

On year 2020, Alucon has arranged CSR activities under the campaign named **"Fencing Our Community Surrounding with Happiness with Alucon"** about 6 activities, of which there are 4,050 people to be participated with this activities, under the budget in amount of 135,059 Baht as detailed below.

Public Health Activities:



- To manufacture and distribute Alcohol Spray Can, jointly with Thai Aerosol Association, to Ministry of Labour, Ministry of Industry and Department of Excise, in amount of 300,000 cans including to Department of Labour Protection and Welfare of Samutprakarn Province, Police Station of Samrong Nue, Montessori School, Al Itihad Mosque, Bann Kao Hin School, Suankularb Chonburi School, Bann Bo Win School, Bor Win Sub-district Administrative Organization, Police Station of Bor Win District, Health Promoting Hospital of Bor Win Sub-district, Kaimook Village, Nakorn Chaopraya Surasak Municipality and Sriracha District Office.
- To support the budget to prevent and reduce the spread of COVID-19 virus into the communities.
- Blood donation by Alucon's employees

Education Activities:



- To organize children's day activities and to support children's day gifts to Royal Thai Naval Academy, Bann Khao Hin School, Bann Bor Win School, Phan Sadej Nai School, Nakorn Chaopraya Surasak Municipality
- To give masks to students of Bann Bor Win School.
- To give scholarship to students of Bor Win Likitratbamroong School

Community Activities:



- Providing free internal space for selling the local products (disable person) 20 times
- To support activities to prevent dengue fever and destroy mosquito breeding ground with Bann Bor Win Sub-district Health Promoting Hospital
- To give gifts to the elderly and people with diabetes at Health Promoting Hospital of Bor Win Sub-district.

Environment Activities



- To join volunteer activities to develop the environment and clean the temple, church floor and bathrooms of Huay Prab Temple.

ALUCON

Public Company Limited

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