

# **Alucon Public Company Limited**

Financial statements for the year ended  
31 December 2019

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 2019, 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 2019 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 15 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.

(Sumate Jangsamsee)  
Certified Public Accountant  
Registration No. 9362

KPMG Phoomchai Audit Ltd.  
Bangkok  
25 February 2020

**Alucon Public Company Limited**  
**Statement of financial position**

Assets	Note	31 December	
		2019	2018
		<i>(in Baht)</i>	
<b><i>Current assets</i></b>			
Cash and cash equivalents	5	883,872,643	248,869,588
Trade accounts receivable	4, 6	891,933,742	1,079,093,568
Inventories	7	1,352,105,316	1,809,132,459
Refundable value added tax		29,914,391	33,283,300
Other current assets		18,427,271	12,369,549
<b>Total current assets</b>		<b>3,176,253,363</b>	<b>3,182,748,464</b>
<b><i>Non-current assets</i></b>			
Property, plant and equipment	8	3,382,399,723	3,548,477,285
Intangible assets	9	8,772,261	10,167,760
Deferred tax assets	10	42,886,411	38,784,052
Other non-current assets		311,676	311,676
<b>Total non-current assets</b>		<b>3,434,370,071</b>	<b>3,597,740,773</b>
<b>Total assets</b>		<b>6,610,623,434</b>	<b>6,780,489,237</b>

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

**Alucon Public Company Limited**  
**Statement of financial position**

<b>Liabilities and equity</b>	<i>Note</i>	31 December	
		2019	2018
		<i>(in Baht)</i>	
<b><i>Current liabilities</i></b>			
Bank overdrafts	11	112,745	161,288
Trade accounts payable	4, 12	227,962,781	246,223,182
Contract liabilities	17	7,123,960	15,157,577
Other payables to and short-term borrowings			
from related parties	4	8,931,412	211,990,222
Other payables	13	117,118,186	148,707,634
Deferred income	14	459,694	5,785,810
Current tax payable		56,559,299	101,550,267
Current provisions for employee benefits	15	20,095,344	24,956,399
Other current liabilities		13,124,923	14,315,563
<b>Total current liabilities</b>		<b>451,488,344</b>	<b>768,847,942</b>
<b><i>Non-current liabilities</i></b>			
Deferred income	14	-	459,694
Non-current provisions for employee benefits	15	554,076,850	468,124,103
<b>Total non-current liabilities</b>		<b>554,076,850</b>	<b>468,583,797</b>
<b>Total liabilities</b>		<b>1,005,565,194</b>	<b>1,237,431,739</b>
<b><i>Equity</i></b>			
Share capital			
Authorised share capital		432,000,000	432,000,000
<i>(43,200,000 ordinary shares, par value at Baht 10 per share)</i>			
Issued and paid-up share capital		431,999,860	431,999,860
<i>(43,199,986 ordinary shares, par value at Baht 10 per share)</i>			
Share premium			
Share premium on ordinary shares		254,000,000	254,000,000
Retained earnings			
Appropriated			
Legal reserve	16	43,200,000	43,200,000
Unappropriated		4,875,858,380	4,813,857,638
<b>Total equity</b>		<b>5,605,058,240</b>	<b>5,543,057,498</b>
<b>Total liabilities and equity</b>		<b>6,610,623,434</b>	<b>6,780,489,237</b>

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

**Alucon Public Company Limited**  
**Statement of comprehensive income**

		Year ended 31 December	
	<i>Note</i>	2019	2018
		<i>(in Baht)</i>	
<b>Revenue</b>			
Revenue from sale of goods	4, 17	5,496,619,244	6,304,455,655
Net foreign exchange gain		-	15,760,922
Other income	18	147,746,116	197,861,319
<b>Total revenue</b>		<b>5,644,365,360</b>	<b>6,518,077,896</b>
<b>Expenses</b>			
Cost of sale of goods	4, 7	4,658,586,369	5,305,278,165
Distribution costs	4, 19	146,473,427	158,806,057
Administrative expenses	20	150,601,974	160,146,628
Net foreign exchange loss		29,579,022	-
Finance costs	4, 23	1,241,840	2,145,899
<b>Total expenses</b>		<b>4,986,482,632</b>	<b>5,626,376,749</b>
<b>Profit before income tax</b>		<b>657,882,728</b>	<b>891,701,147</b>
Tax expense	24	125,766,536	172,035,446
<b>Profit for the year</b>		<b>532,116,192</b>	<b>719,665,701</b>
<b>Other comprehensive income</b>			
<b>Items that will not be reclassified to profit or loss</b>			
(Loss) gain on remeasurements of defined benefit plans	15	(47,645,738)	34,349,699
Income tax relating to items that will not be reclassified	24	9,529,148	(6,869,940)
<b>Other comprehensive income (expense) for the year, net of tax</b>		<b>(38,116,590)</b>	<b>27,479,759</b>
<b>Total comprehensive income for the year</b>		<b>493,999,602</b>	<b>747,145,460</b>
<b>Basic earnings per share (in Baht)</b>	25	<b>12.32</b>	<b>16.66</b>

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



# Alucon Public Company Limited

## Statement of changes in equity

		Issued and paid-up share capital	Share premium	Retained earnings		Total equity
	Note			Legal reserve (in Baht)	Unappropriated	
<b>Year ended 31 December 2018</b>						
<b>Balance at 1 January 2018</b>		<b>431,999,860</b>	<b>254,000,000</b>	<b>43,200,000</b>	<b>4,541,912,024</b>	<b>5,271,111,884</b>
<b>Transactions with owners, recorded directly in equity</b>						
<i>Distribution to owners of the Company</i>						
Dividends	26	-	-	-	(475,199,846)	(475,199,846)
<i>Total distribution to owners of the Company</i>		-	-	-	(475,199,846)	(475,199,846)
<b>Total transactions with owners, recorded directly in equity</b>		-	-	-	(475,199,846)	(475,199,846)
<b>Comprehensive income for the year</b>						
Profit for the year		-	-	-	719,665,701	719,665,701
Other comprehensive income		-	-	-	27,479,759	27,479,759
<b>Total comprehensive income for the year</b>		-	-	-	747,145,460	747,145,460
<b>Balance at 31 December 2018</b>		<b>431,999,860</b>	<b>254,000,000</b>	<b>43,200,000</b>	<b>4,813,857,638</b>	<b>5,543,057,498</b>

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

# Alucon Public Company Limited

## Statement of changes in equity

		Issued and paid-up share capital	Share premium	Retained earnings		Total equity
	Note			Legal reserve (in Baht)	Unappropriated	
<b>Year ended 31 December 2019</b>						
<b>Balance at 1 January 2019</b>		<b>431,999,860</b>	<b>254,000,000</b>	<b>43,200,000</b>	<b>4,813,857,638</b>	<b>5,543,057,498</b>
<b>Transactions with owners, recorded directly in equity</b>						
<i>Distribution to owners of the Company</i>						
Dividends	26	-	-	-	(431,998,860)	(431,998,860)
<i>Total distribution to owners of the Company</i>		-	-	-	(431,998,860)	(431,998,860)
<b>Total transactions with owners, recorded directly in equity</b>		-	-	-	(431,998,860)	(431,998,860)
<b>Comprehensive income for the year</b>						
Profit for the year		-	-	-	532,116,192	532,116,192
Other comprehensive income		-	-	-	(38,116,590)	(38,116,590)
<b>Total comprehensive income for the year</b>		-	-	-	<b>493,999,602</b>	<b>493,999,602</b>
<b>Balance at 31 December 2019</b>		<b>431,999,860</b>	<b>254,000,000</b>	<b>43,200,000</b>	<b>4,875,858,380</b>	<b>5,605,058,240</b>

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

# Alucon Public Company Limited

## Statement of cash flows

		Year ended 31 December	
	Note	2019	2018
		(in Baht)	
<b>Cash flows from operating activities</b>			
Profit for the year		532,116,192	719,665,701
<i>Adjustments to reconcile profit to cash receipts (payments)</i>			
Tax expense	24	125,766,536	172,035,446
Finance costs	23	1,241,840	2,145,899
Depreciation	8	446,416,707	531,820,590
Amortisation	9	1,606,340	2,123,353
Employee benefit expense relating to defined benefit plan	15	86,176,722	55,648,976
Recognised deferred income	14	(5,785,810)	(5,785,810)
Unrealised loss on exchange		1,545,956	6,519,356
(Reversal of) losses on inventories devaluation	7	(1,543,031)	708,904
Gain on disposal of plant and equipment		(706,466)	(8,009,561)
Interest income		(2,477,803)	(348,834)
		1,184,357,183	1,476,524,020
<i>Changes in operating assets and liabilities</i>			
Trade accounts receivable		185,468,813	(52,969,067)
Inventories		458,570,174	(566,053,069)
Refundable value added tax		3,368,909	(596,296)
Other current assets		(6,033,684)	(647,204)
Other non-current assets		-	49,411
Trade accounts payable		(18,128,345)	(20,014,702)
Contract liabilities		(8,033,617)	4,515,197
Other payable to related parties		(2,635,961)	1,695,731
Other payable		(16,716,927)	8,960,735
Other current liabilities		(1,190,640)	(175,023)
Repayment of employee benefits relating to defined benefit plans		(52,730,768)	(34,087,761)
<b>Net cash generated from operating</b>		<b>1,726,295,137</b>	<b>817,201,972</b>
Taxes paid		(165,330,715)	(147,523,811)
<b>Net cash from operating activities</b>		<b>1,560,964,422</b>	<b>669,678,161</b>

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

# Alucon Public Company Limited

## Statement of cash flows

		Year ended 31 December	
	Note	2019	2018
		(in Baht)	
<b>Cash flows from investing activities</b>			
Proceeds from sale of property, plant and equipment		3,685,252	9,821,537
Payment for acquisition of property, plant and equipment		(298,008,451)	(296,293,302)
Payment for acquisition of intangible assets		(379,841)	(694,279)
Interest received		2,453,765	355,171
<b>Net cash used in investing activities</b>		<b>(292,249,275)</b>	<b>(286,810,873)</b>
<b>Cash flows from financing activities</b>			
Decrease in bank overdrafts		(48,543)	(2,515,854)
Proceeds from short-term borrowings from related party	4	-	250,000,000
Repayment of short-term borrowings from related party	4	(200,000,000)	(106,000,000)
Dividends paid to owners of the Company	26	(431,998,860)	(475,199,846)
Interest paid		(1,664,689)	(2,188,664)
<b>Net cash used in financing activities</b>		<b>(633,712,092)</b>	<b>(335,904,364)</b>
<b>Net increase in cash and cash equivalents</b>		<b>635,003,055</b>	<b>46,962,924</b>
Cash and cash equivalents at 1 January		248,869,588	201,906,664
<b>Cash and cash equivalents at 31 December</b>	5	<b>883,872,643</b>	<b>248,869,588</b>
<b>Supplemental disclosures of cash flows information:</b>			
Cash paid for purchase of plant and equipment during the year are detailed as follows:			
Total addition of plant and equipment during the year	8	283,317,931	314,908,400
Add: settlement of payables for plant and equipment previously purchased		39,027,504	20,412,406
Less: payables on purchase of plant and equipment		(24,336,984)	(39,027,504)
<b>Net purchases of plant and equipment paid by cash</b>		<b>298,008,451</b>	<b>296,293,302</b>

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

**Alucon Public Company Limited**  
**Notes to the financial statements**  
**For the year ended 31 December 2019**

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**Alucon Public Company Limited**  
**Notes to the financial statements**  
**For the year ended 31 December 2019**

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 2020.

**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 2019. The initial application of these new and revised TFRS has resulted in changes in certain of the Company’s accounting policies.

There is no material impact on the Company’s financial statements. The Company has initial applied TFRS 15 *Revenue from Contracts with Customers* (“TFRS 15”) which replaces TAS 18 *Revenue* (“TAS 18”), TAS 11 *Construction Contracts* (“TAS 11”) and related interpretations. The details of accounting policies are disclosed in note 3.

The Company has assessed the impact of initial adoption of TFRS 15 using the cumulative effect method, taking into account the effect of initially applying this standard only to contracts that were not completed before 1 January 2019. The impact on retained earnings as at 1 January 2019 was not material. Therefore, the Company has not adjusted the retained earnings as at 1 January 2019 and not restated the information presented for 2018, as previously reported under TAS 18 and related interpretations. The disclosure requirements of TFRS 15 have not generally been applied to comparative information.

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. Those new and revised TFRS that are relevant to the Company’s operations are disclosed in note 30.

**Alucon Public Company Limited**  
**Notes to the financial statements**  
**For the year ended 31 December 2019**

**(b) Functional and presentation currency**

The financial statements are prepared and 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 judgements, 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 2019 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 10	Current and deferred taxation
Note 15	Measurement of defined benefit obligations

**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) Cash and cash equivalents**

Cash and cash equivalents in the statements of cash flows 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.

**Alucon Public Company Limited**  
**Notes to the financial statements**  
**For the year ended 31 December 2019**

**(c) Trade and other accounts receivable**

Trade and other accounts receivable are stated at their invoice value less allowance for doubtful accounts (if any).

The allowance for doubtful accounts is assessed primarily on analysis of payment histories and future expectations of customer payments. Bad debts are written off when incurred.

**(d) 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.

**(e) 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, and capitalised borrowing costs. 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.



**Alucon Public Company Limited**  
**Notes to the financial statements**  
**For the year ended 31 December 2019**

*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:

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

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

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

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

**(g) Impairment**

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.

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*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.

**(h) Interest-bearing liabilities**

Interest-bearing liabilities are recognised initially at fair value less attributable transaction charges. Subsequent to initial recognition, interest-bearing liabilities are stated at amortised cost with any difference between cost and redemption value being recognised in profit or loss over the period of the borrowings on an effective interest basis.

**(i) Trade and other accounts payable**

Trade and other accounts payable are stated at cost.

**(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 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.

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.

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Remeasurements of the net defined benefit liability, actuarial gain or loss are recognized 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 recognized 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 recognized in profit or loss in the period in which they arise.

*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.

**(l) 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.

**(m) Measurement of fair values**

The Company has an established control framework with respect to the measurement of fair values. This includes a valuation team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and reports directly to the chief financial officer.

The valuation team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the valuation team assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of TFRS, including the level in the fair value hierarchy in which the valuations should be classified.

Significant valuation issues are reported to the Company's Audit Committee.

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. 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 (unadjusted) in active markets for identical assets or liabilities.

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- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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.

**(n) Revenue**

*Accounting policies for revenue recognition in 2019*

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 other sales taxes 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.

*Accounting policies for revenue recognition in 2018*

Revenue excludes value added taxes and other sales taxes and is arrived at after deduction of trade discounts and volume rebates.

*Sale of goods*

Revenue is recognised in profit or loss when the significant risks and rewards of ownership have been transferred to the buyer. No revenue is recognised if there is continuing management involvement with the goods or there are significant uncertainties regarding recovery of the consideration due, associated costs or the probable return of goods.

*Interest and other income*

Interest and other income are recognised in profit or loss as they accrue.

**(o) Finance costs**

Interest expenses and similar costs are charged to profit or loss for the period in which they are incurred, except to the extent that they are capitalised as being directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial year of time to be prepared for its intended use or sale.

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**(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.

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 judgements about future events. New information may become available that causes the Company to change its judgement 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.

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**(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.

**4 Related parties**

Relationships with related parties were as follows:

<b>Name of entities</b>	<b>Country of incorporation</b>	<b>Nature of relationships</b>
Takeuchi Press Industries Company Limited	Japan	Parent, 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:

<b>Transactions</b>	<b>Pricing policies</b>
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
Interest expense	1.30 - 1.79% per annum in 2019 and 1.25 - 1.79% per annum in 2018
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

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

	2019	2018
	<i>(in thousand Baht)</i>	
<b>Parent</b>		
Revenue from sale of goods	1,284,062	1,345,290
Purchase of raw materials and spare parts	12,159	14,007
Purchase of machinery and equipment	564	33
Interest expense	1,238	2,132
License fee	20,427	19,860
Commission expenses	2,636	2,610
Other expenses	105	458
<b>Key management personnel</b>		
Key management personnel compensation		
Short-term employee benefit	49,520	57,294
Retirement benefits	3,119	1,240
<b>Total</b>	<b>52,639</b>	<b>58,534</b>

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

***Trade account receivable from related party***

	2019	2018
	<i>(in thousand Baht)</i>	
<b>Parent</b>		
Takeuchi Press Industries Company Limited	55,283	79,609

***Trade account payable to related party***

	2019	2018
	<i>(in thousand Baht)</i>	
<b>Parent</b>		
Takeuchi Press Industries Company Limited	1,579	33

***Other payable to and short-term loans from related party***

	Interest rate		
	2019	2018	
	<i>(% per annum)</i>		
	2019	2018	
	<i>(in thousand Baht)</i>		
<b>Short-term loans</b>			
<b>Parent</b>			
Takeuchi Press Industries			
Company Limited	-	1.30 - 1.79	-
			200,000
<b>Accrued license fee</b>			
<b>Parent</b>			
Takeuchi Press Industries			
Company Limited	3,714		6,059
<b>Accrued commission payable</b>			
<b>Parent</b>			
Takeuchi Press Industries			
Company Limited	543		755

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	2019	2018
	<i>(in thousand Baht)</i>	
<b>Accrued interest expense</b>		
<b>Parent</b>		
Takeuchi Press Industries Company Limited	-	423
<b>Accrued management's remuneration and other benefits</b>		
Key management personnel	4,674	4,754
<b>Total</b>	<b>8,931</b>	<b>211,991</b>

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

	2019	2018
	<i>(in thousand Baht)</i>	
<b>Short-term loans</b>		
<b>Parent</b>		
At 1 January	200,000	56,000
Increase	-	250,000
Decrease	(200,000)	(106,000)
<b>At 31 December</b>	<b>-</b>	<b>200,000</b>

**Commitments for purchase of raw materials and spare parts**

	2019	2018
	<i>(in thousand Baht)</i>	
<b>Parent</b>		
Takeuchi Press Industries Company Limited	320	2,254

**Significant memorandum of understanding**

On 11 February 2019, the Company entered into a memorandum of understanding with Takeuchi Press Industries Company Limited to supply aluminium slugs in quantity of about 7,000 MT for the production of aluminum monobloc aerosol cans and collapsible tubes for a period from April 2019 to March 2020.

**5 Cash and cash equivalents**

	2019	2018
	<i>(in thousand Baht)</i>	
Cash on hand	159	194
Cash at banks - current accounts	30,349	33,677
Cash at banks - saving accounts	853,365	214,999
<b>Total</b>	<b>883,873</b>	<b>248,870</b>



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**6 Trade accounts receivable**

	<i>Note</i>	2019 <i>(in thousand Baht)</i>	2018
<b>Related party</b>			
Within credit terms	4	55,283	79,609
		<b>55,283</b>	<b>79,609</b>
<b>Other parties</b>			
Within credit terms		652,154	816,810
Overdue:			
Less than 3 months		184,497	182,328
3-6 months		-	347
		<b>836,651</b>	<b>999,485</b>
<b>Total</b>		<b>891,934</b>	<b>1,079,094</b>

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

**7 Inventories**

	2019 <i>(in thousand Baht)</i>	2018
Finished goods	150,779	278,060
Work in progress	135,755	157,797
Raw materials	636,572	927,806
Spare parts	213,954	228,863
Goods in transit	217,375	220,479
Total	1,354,435	1,813,005
Less allowance for decline in value	(2,330)	(3,873)
<b>Net total</b>	<b>1,352,105</b>	<b>1,809,132</b>
Inventories recognised as an expense in “cost of sales of goods”:		
- Cost	4,660,129	5,304,569
- (Reversal of) write-down to net realisable value	(1,543)	709
<b>Total</b>	<b>4,658,586</b>	<b>5,305,278</b>

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**8 Property, plant and equipment**

	Land and land improvement	Buildings and building improvement	Machinery and equipment	Office equipment (in thousand Baht)	Vehicles	Spare parts	Asstes under construction	Total
<b><i>Cost</i></b>								
At 1 January 2018	272,028	1,682,668	6,829,451	20,587	34,800	88,846	168,578	9,096,958
Additions	1,418	6,424	43,115	2,107	2,102	47,750	211,992	314,908
Transfers	-	17,484	290,073	-	-	(41,027)	(266,530)	-
Disposals	-	-	(40,480)	(3,446)	(5,712)	-	-	(49,638)
<b>At 31 December 2018 and 1 January 2019</b>	<b>273,446</b>	<b>1,706,576</b>	<b>7,122,159</b>	<b>19,248</b>	<b>31,190</b>	<b>95,569</b>	<b>114,040</b>	<b>9,362,228</b>
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)
<b>At 31 December 2019</b>	<b>292,550</b>	<b>1,757,090</b>	<b>7,353,562</b>	<b>19,501</b>	<b>31,677</b>	<b>98,623</b>	<b>62,472</b>	<b>9,615,475</b>
<b><i>Depreciation</i></b>								
At 1 January 2018	24,247	781,419	4,485,452	17,031	21,607	-	-	5,329,756
Depreciation charge for the year	5,776	55,984	463,209	1,743	5,109	-	-	531,821
Disposals	-	-	(38,668)	(3,446)	(5,712)	-	-	(47,826)
<b>At 31 December 2018 and 1 January 2019</b>	<b>30,023</b>	<b>837,403</b>	<b>4,909,993</b>	<b>15,328</b>	<b>21,004</b>	<b>-</b>	<b>-</b>	<b>5,813,751</b>
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)
<b>At 31 December 2019</b>	<b>37,064</b>	<b>897,362</b>	<b>5,259,018</b>	<b>16,526</b>	<b>23,105</b>	<b>-</b>	<b>-</b>	<b>6,233,075</b>
<b><i>Net book value</i></b>								
At 1 January 2018	247,781	901,249	2,343,999	3,556	13,193	88,846	168,578	3,767,202
At 31 December 2018 and 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	255,486	859,728	2,094,544	2,975	8,572	98,623	62,472	3,382,400

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The gross amount of the Company's fully depreciated plant and equipment that was still in use as at 31 December 2019 amounted to Baht 2,462 million (2018: Baht 2,338 million).

**9 Intangible assets**

	Software licence (in thousand Baht)
<b>Cost</b>	
At 1 January 2018	29,473
Additions	863
<b>At 31 December 2018 and 1 January 2019</b>	<b>30,336</b>
Additions	211
<b>At 31 December 2019</b>	<b>30,547</b>
<b>Amortisation</b>	
At 1 January 2018	18,045
Amortisation charge for the year	2,123
<b>At 31 December 2018 and 1 January 2019</b>	<b>20,168</b>
Amortisation charge for the year	1,607
<b>At 31 December 2019</b>	<b>21,775</b>
<b>Net book value</b>	
<b>At 1 January 2018</b>	<b>11,428</b>
<b>At 31 December 2018 and 1 January 2019</b>	<b>10,168</b>
<b>At 31 December 2019</b>	<b>8,772</b>

**10 Deferred tax**

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

	2019	2018
	(in thousand Baht)	
Deferred tax assets	109,872	94,519
Deferred tax liability	(66,986)	(55,735)
<b>Net</b>	<b>42,886</b>	<b>38,784</b>

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

	At 1 January 2019	(Charged) / Credited to :		At 31 December 2019
		Profit or loss (Note 24) (in thousand Baht)	Other comprehensive income	
<b>Deferred tax assets</b>				
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
<b>Total</b>	<b>94,519</b>	<b>5,824</b>	<b>9,529</b>	<b>109,872</b>
<b>Deferred tax liability</b>				
Property, plant and equipment ( <i>depreciation gap</i> )	(55,735)	(11,251)	-	(66,986)
<b>Total</b>	<b>(55,735)</b>	<b>(11,251)</b>	<b>-</b>	<b>(66,986)</b>
<b>Net</b>	<b>38,784</b>	<b>(5,427)</b>	<b>9,529</b>	<b>42,886</b>
	At 1 January 2018	(Charged) / Credited to :		At 31 December 2018
		Profit or loss (Note 24) (in thousand Baht)	Other comprehensive income	
<b>Deferred tax assets</b>				
Inventories ( <i>allowance for decline in value</i> )	632	143	-	775
Employee benefit obligations	95,019	4,346	(6,870)	92,495
Deferred income	2,407	(1,158)	-	1,249
<b>Total</b>	<b>98,058</b>	<b>3,331</b>	<b>(6,870)</b>	<b>94,519</b>
<b>Deferred tax liability</b>				
Property, plant and equipment ( <i>depreciation gap</i> )	(55,482)	(253)	-	(55,735)
<b>Total</b>	<b>(55,482)</b>	<b>(253)</b>	<b>-</b>	<b>(55,735)</b>
<b>Net</b>	<b>42,576</b>	<b>3,078</b>	<b>(6,870)</b>	<b>38,784</b>

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**11 Interest-bearing liabilities**

	<i>Note</i>	2019 (in thousand Baht)	2018
<b>Current</b>			
Bank overdrafts - unsecured		113	161
<b>Bank overdrafts</b>		<b>113</b>	<b>161</b>
Short-term loans from related party - unsecured	4	-	200,000
<b>Total current interest-bearing liabilities</b>		<b>113</b>	<b>200,161</b>

The periods to maturity of interest-bearing liabilities as at 31 December were as follows:

	2019 (in thousand Baht)	2018
Within one year	-	200,000
<b>Total</b>	<b>-</b>	<b>200,000</b>

As at 31 December 2019, the Company had unutilised credit facilities from financial institutions of approximately Baht 1,996 million (2018: Baht 2,048 million).

**12 Trade accounts payable**

	<i>Note</i>	2019 (in thousand Baht)	2018
Related party	4	1,579	33
Other parties		226,384	246,190
<b>Total</b>		<b>227,963</b>	<b>246,223</b>
Current		227,963	246,223
<b>Total</b>		<b>227,963</b>	<b>246,223</b>

**13 Other payable**

	2019 (in thousand Baht)	2018
Accrued operating expenses	34,575	41,029
Factory supplies and spare parts payables	30,587	44,355
Construction and machinery payables	21,373	31,285
Others	30,583	32,039
<b>Total</b>	<b>117,118</b>	<b>148,708</b>

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**14 Deferred income**

Deferred income represents a contribution of approximately Baht 57.8 million received by the Company from a major customer as an unconditional subsidy in respect of the cost of a new production line that the Company is required to undertake in order to facilitate the management of incoming purchase orders from this customer and to meet the customer's specific production requirements. This contribution is presented as "deferred income" under non-current liabilities in the statement of financial position and will be recognised as income in profit or loss on the straight-line method over the asset's estimated useful life of 10 years from the date that the line is ready for use since 1 February 2010. As at 31 December 2019, such deferred income had outstanding balance of Baht 0.5 million (2018: Baht 6.2 million) and during the year ended 31 December 2019, the Company recognised income in profit or loss of Baht 5.8 million (2018: Baht 5.8 million).

**15 Provision for employee benefits**

	2019	2018
	<i>(in thousand Baht)</i>	
<b>Statement of financial position</b>		
<b>Non-current provisions for :</b>		
Post-employment benefits	452,283	374,434
Other long-term employee benefits	40,474	34,630
	<b>492,757</b>	<b>409,064</b>
Provident fund	81,415	84,017
<b>Total</b>	<b>574,172</b>	<b>493,081</b>
<b>Statement of comprehensive income:</b>		
<b>Recognised in profit or loss:</b>		
Post-employment benefits	67,920	39,984
Other long-term employee benefits	10,402	7,048
Provident fund	7,855	8,617
	<b>86,177</b>	<b>55,649</b>
<b>Recognised in other comprehensive income:</b>		
Actuarial loss (gain) recognised in the year	47,646	(34,350)

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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.

<i><b>Present value of the defined benefit obligations</b></i>	2019	2018
	<i>(in thousand Baht)</i>	
At 1 January	409,064	426,729
<b>Include in profit or loss:</b>		
Current service cost	59,884	39,173
Interest on obligation	10,816	8,914
Gain on settlement	7,622	(1,054)
<b>Included in other comprehensive income</b>		
Actuarial loss (gain)		
- Demographic assumptions	11,251	(1,395)
- Financial assumptions	27,593	(30,548)
- Experience adjustment	8,802	(2,407)
	<u>47,646</u>	<u>(34,350)</u>
Benefit paid	<u>(42,275)</u>	<u>(30,348)</u>
	<u><b>5,371</b></u>	<u><b>(64,698)</b></u>
<b>At 31 December</b>	<u><b>492,757</b></u>	<u><b>409,064</b></u>

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

<i><b>Principal actuarial assumptions</b></i>	2019	2018
	%	
Discount rate	1.59	2.60
Future salary growth	3.00 - 5.20	3.50 - 5.40

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

At 31 December 2019, the weighted-average duration of the defined benefit obligation was 8.99 years (2018: 8.32 years).

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*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.

<i>Effect to the defined benefit obligation At 31 December</i>	1 year/1% increase in assumption 2019	2018	1 year/1% decrease in assumption 2019	2018
		<i>(in thousand Baht)</i>		
Discount rate	(31,752)	(25,273)	35,699	28,276
Future salary growth	32,660	25,914	(29,648)	(23,619)
Employee turnover	(14,375)	(10,390)	10,744	7,883
Life expectancy (year)	512	364	(510)	(362)

**16 Reserves**

*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.

**17 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 and services, and 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 following summary describes the operations in each of the Company’s reportable segments.

<i>Segment 1</i>	Can and tube
<i>Segment 2</i>	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.



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***Information about reportable segments***

	<b>Segment 1</b>		<b>Segment 2</b>		<b>Total</b>	
	2019	2018	2019	2018	2019	2018
	<i>(in thousand Baht)</i>					
Revenue from sale of goods	3,341,759	3,524,231	2,154,860	2,780,225	5,496,619	6,304,456
<b>Segment result</b>	<b>684,049</b>	<b>716,653</b>	<b>153,984</b>	<b>282,525</b>	<b>838,033</b>	<b>999,178</b>
Unallocated revenues					147,746	213,622
Unallocated expenses					(326,654)	(318,953)
Finance costs					(1,242)	(2,146)
<b>Profit before income tax</b>					<b>657,883</b>	<b>891,701</b>
<b>Segment assets</b>						
Trade accounts receivable	585,313	664,909	306,621	414,185	891,934	1,079,094
Inventories	321,775	377,260	1,030,330	1,431,872	1,352,105	1,809,132
Property, plant and equipment	2,648,583	2,736,892	733,817	811,585	3,382,400	3,548,477
Unallocated assets					984,184	343,786
<b>Total Assets</b>					<b>6,610,623</b>	<b>6,780,489</b>
<b>Segment liabilities</b>						
Trade accounts payable	99,070	115,532	128,893	130,691	227,963	246,223
Unallocated liabilities					775,633	991,209
<b>Total Liabilities</b>					<b>1,003,596</b>	<b>1,237,432</b>
<b>Other material items</b>						
Depreciation and amortisation	324,056	381,119	123,967	152,825	448,023	533,944
Capital expenditure	236,798	255,899	46,731	59,873	283,529	315,772

***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.

	<b>Revenues</b>		<b>Non-current assets</b>	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
Asia pacific	3,186,204	3,880,162	-	-
Thailand	1,657,565	1,629,057	3,434,370	3,597,741
United states of America	394,663	449,596	-	-
Others	258,187	345,641	-	-
<b>Total</b>	<b>5,496,619</b>	<b>6,304,456</b>	<b>3,434,370</b>	<b>3,597,741</b>

***Major customer***

Revenues from a customer of the Company's segments 1 and 2 are approximately Baht 541 million (2018: Baht 470 million) of the Company's total revenues.

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*Contract Balances*

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

	<i>Note</i>	31 December 2019 <i>(in thousand Baht)</i>	31 December 2018
Trade accounts receivable	6	891,934	1,079,094
Contract liabilities			
- Current		7,124	15,158

The contract liabilities primarily relate to the advance consideration received from customers for sales of goods. The Company recognises such contract liabilities as revenue when transferring control of the goods to the customers.

**18 Other income**

	2019 <i>(in thousand Baht)</i>	2018
Sale of scrap	128,765	169,339
Others	18,981	28,522
<b>Total</b>	<b>147,746</b>	<b>197,861</b>

**19 Distribution costs**

	2019 <i>(in thousand Baht)</i>	2018
Freight expenses	75,774	83,731
Employee benefit expenses	34,206	37,545
Others	36,493	37,530
<b>Total</b>	<b>146,473</b>	<b>158,806</b>

**20 Administrative expenses**

	2019 <i>(in thousand Baht)</i>	2018
Employee benefit expenses	120,721	128,090
Depreciation and amortisation	7,095	7,741
Repair and maintenance	4,628	4,315
Transportation expenses	2,593	2,955
Others	15,565	17,046
<b>Total</b>	<b>150,602</b>	<b>160,147</b>

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**21 Employee benefit expenses**

	2019	2018
	<i>(in thousand Baht)</i>	
Wages and salaries	669,617	672,106
Defined benefit plans	78,322	47,032
Defined contribution plans	7,855	8,617
Director's remuneration	5,653	5,696
Others	38,853	42,746
<b>Total</b>	<b>800,300</b>	<b>776,197</b>

*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.

**22 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:

	2019	2018
	<i>(in thousand Baht)</i>	
<b><i>Included in cost of sale of goods:</i></b>		
Changes in inventories of finished goods and work in progress	149,323	(60,497)
Raw materials and consumables used	2,710,574	3,474,492
Employee benefit expenses	645,373	610,562
Depreciation and amortisation	440,022	524,691
Utilities expenses	337,472	359,891
<b><i>Included in distribution costs:</i></b>		
Freight expenses	75,774	83,731
Employee benefit expenses	34,206	37,545
Depreciation and amortisation	907	1,512
<b><i>Included in administrative expenses:</i></b>		
Employee benefit expenses	120,721	128,090
Depreciation and amortisation	7,095	7,741

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**23 Finance costs**

	<i>Note</i>	2019 (in thousand Baht)	2018
<b><i>Interest expense:</i></b>			
Related party	4	1,238	2,132
Financial institutions		4	14
<b>Total</b>		<b>1,242</b>	<b>2,146</b>

**24 Income tax expense**

***Income tax recognised in profit or loss***

	<i>Note</i>	2019 (in thousand Baht)	2018
<b><i>Current tax expense</i></b>			
Current year		120,340	175,113
<b><i>Deferred tax expense</i></b>	10		
Movements in temporary differences		5,427	(3,078)
<b>Total</b>		<b>125,767</b>	<b>172,035</b>

***Income tax recognised in other comprehensive income***

	Before tax	2019 Tax (expense) benefit	Net of tax (in thousand Baht)	Before tax	2018 Tax (expense) benefit	Net of tax
Defined benefit plan actuarial gain (losses)	(47,646)	9,529	(38,117)	34,350	(6,870)	27,480
<b>Total</b>	<b>(47,646)</b>	<b>9,529</b>	<b>(38,117)</b>	<b>34,350</b>	<b>(6,870)</b>	<b>27,480</b>

***Reconciliation of effective tax rate***

	<i>Rate (%)</i>	2019 (in thousand Baht)	<i>Rate (%)</i>	2018 (in thousand Baht)
Profit before income tax expense		<b>657,883</b>		<b>891,701</b>
Income tax using the Thai corporation tax rate	20	131,577	20	178,340
Income not subject to tax		(6,258)		(6,670)
Expenses not deductible for tax purposes		(839)		307
Others		1,287		58
<b>Total</b>	<b>20</b>	<b>125,767</b>	<b>20</b>	<b>172,035</b>

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**25 Earnings per share**

The calculations of basic earnings per share for the years ended 31 December 2019 and 2018 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:

	2019 <i>(in thousand Baht / thousand shares)</i>	2018 <i>(in thousand Baht / thousand shares)</i>
<i>Profit attributable to ordinary shareholders for the year ended 31 December</i>		
<b>Profit attributable to ordinary shareholders of the Company</b>	<b>532,116</b>	<b>719,666</b>
<b>Number of ordinary shares outstanding</b>	<b>43,200</b>	<b>43,200</b>
<b>Basic earnings per share <i>(in Baht)</i></b>	<b>12.32</b>	<b>16.66</b>

**26 Dividends**

The shareholders of the Company have approved dividends as follows:

	Approval date	Payment schedule	Dividend rate per share <i>(Baht)</i>	Amount <i>(in million Baht)</i>
<i>2019</i>				
Annual dividend	18 April 2019	May 2019	10	432
<i>2018</i>				
Annual dividend	24 April 2018	May 2018	11	475

**27 Financial instruments**

***Financial risk management policies***

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. The Company does not hold or issue derivatives financial instruments for speculative or trading purposes.

***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.

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***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.

With total debt to equity ratio of 0.18:1 in 2019 and 0.22:1 in 2018, the Company has low borrowings and therefore minimal and immaterial exposure to changes of interest rates. To be flexible and able to obtain favorable interest rates, the Company mostly takes short term and on call loans from different financial institutions and a related company who offer the best interest rates.

The effective interest rates of interest-bearing financial liabilities as at 31 December and the periods in which those liabilities mature or re-price were as follows:

	Note	Effective interest rates (% per annum)	Within 1 year (in thousand Baht)	Total
<b>2018</b>				
<b>Current</b>				
Loans from related party	4	1.30 - 1.79	200,000	200,000
<b>Total</b>			<b>200,000</b>	<b>200,000</b>

***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:

	2019 (in thousand Baht)	2018 (in thousand Baht)
<b><i>United States Dollars (USD)</i></b>		
Cash and cash equivalents	303,324	81,426
Trade accounts receivable	414,765	511,094
Trade accounts payable	(114,426)	(114,262)
	<u>603,663</u>	<u>478,258</u>
<b><i>Japanese Yen (YEN)</i></b>		
Cash and cash equivalents	390,652	162
Trade accounts receivable	55,283	79,609
Trade accounts payable	(8,781)	(5,008)
	<u>437,154</u>	<u>74,763</u>
<b><i>Australian Dollar (AUD)</i></b>		
Trade accounts receivable	8,575	53,229
	<u>8,575</u>	<u>53,229</u>

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	2019	2018
	<i>(in thousand Baht)</i>	
<b><i>Others (HKD, EUR, CHF and GBP)</i></b>		
Trade accounts receivable	611	1,971
Trade accounts payable	(3,667)	(8,451)
	<u>(3,056)</u>	<u>(6,480)</u>
<b>Gross statement of financial position exposure</b>	<b><u>1,046,336</u></b>	<b><u>599,770</u></b>

***Credit risk***

Credit risk is the potential financial loss resulting from the failure of a customer or counterparty to settle its financial and contractual obligations to the Company as and when they fall due.

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers requiring credit over a certain amount. At the reporting date there were no significant concentrations of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position.

***Liquidity risk***

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.

***Fair values of financial assets and liabilities***

Mostly, the Company's financial assets and liabilities are short-term loans and loans with market's interest rate. The Management believes that fair values of such financial assets and liabilities as at 31 December are not materially different from the carrying amounts.

**28 Commitments with non-related parties**

	2019	2018
	<i>(in thousand Baht)</i>	
<b><i>Capital commitments</i></b>		
Contracted but not provided for:		
Factory, machinery and equipment	<u>28,664</u>	<u>99,650</u>
<b><i>Other commitments</i></b>		
Purchase orders accepted by suppliers		
Within one year	1,506,440	1,919,634
After one year but within five years	-	1,096,933
	<u>1,506,440</u>	<u>3,016,567</u>
Bank guarantees	25,582	31,799
<b>Total</b>	<b><u>1,532,022</u></b>	<b><u>3,048,366</u></b>

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*Bank guarantee*

As at 31 December 2019, the Company had commitment with a local bank for letters of guarantee issued in favour of the Company to the Metropolitan Electricity Authority and the Provincial Electricity Authority totaling Baht 26 million (31 December 2018: Baht 32 million).

*Purchase orders accepted by suppliers*

As at 31 December 2019, the Company had purchase orders accepted by suppliers for purchase of aluminium ingot in total quantity of 27,600 MT (2018: 49,500 MT), at the price as determined in purchase orders (31 December 2018: at the price as determined in purchase orders) that will be delivered during 2020 (2018: 2019 to 2020).

**29 Events after the reporting period**

At the Board of Directors' meeting of the Company held on 25 February 2020, the Company's Board of Directors approved to purpose to the annual general meeting of shareholders of the Company for approval to appropriation of cash dividends of Baht 7.50 per share, amounting to Baht 324 million. The appropriation of dividend must be approved by shareholders's meeting of the Company.

**30 Thai Financial Reporting Standards (TFRS) not yet adopted**

New and revised TFRS, which are relevant to the Company's operations, expected to have material impact on the Company's financial statements when initially adopted, and will become effective for the financial statements in annual reporting periods beginning on or after 1 January 2020, are as follows:

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

\* TFRS - Financial instruments standards

**(a) TFRS - Financial instruments standards**

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

**(b) TFRS 16 Leases**

TFRS 16 introduces a single lessee accounting model for lessees. A lessee recognises a right-of-use asset and a lease liability, with recognition exemptions for short-term leases and leases of low-value items. When this TFRS is effective, some accounting standards and interpretations which are currently effective will be cancelled.

Management is currently considering the potential impact from these TFRS on the financial statements in the initial period adopted.