

Alucon Public Company Limited

Interim financial statements
for the three-month and six-month periods ended
30 June 2013

and

Independent Auditor's Report
on Review of Interim Financial Information

Independent Auditor's Report on Review of Interim Financial Information

To the Board of Directors of Alucon Public Company Limited

I have reviewed the accompanying statement of financial position of Alucon Public Company Limited as at 30 June 2013; the statements of comprehensive income for the three-month and six-month periods ended 30 June 2013; the statements of changes in equity and cash flows for the six-month period ended 30 June 2013; and condensed notes ("interim financial information"). Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standards 34, "Interim Financial Reporting". My responsibility is to express a conclusion on this interim financial information based on my review.

Scope of Review

I conducted my review in accordance with Thai Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Thai Standards on Auditing and consequently does not enable me to obtain assurance that I would become aware of all significant matters that might be identified in an audit. Accordingly, I do not express an audit opinion.

Conclusion

Based on my review, nothing has come to my attention that causes me to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with Thai Accounting Standard 34, "Interim Financial Reporting".

(Orawan Chunhakitpaisan)
Certified Public Accountant
Registration No. 6105

KPMG Phoomchai Audit Ltd.
Bangkok
8 August 2013

Alucon Public Company Limited
Statement of financial position

Assets	<i>Note</i>	30 June 2013 (Unaudited)	31 December 2012
		<i>(in thousand Baht)</i>	
<i>Current assets</i>			
Cash and cash equivalents		212,713	241,970
Trade accounts receivable	4, 5	921,576	821,826
Inventories		873,337	792,516
Refundable value added tax		20,403	11,599
Other current assets		17,849	7,228
Total current assets		<u>2,045,878</u>	<u>1,875,139</u>
<i>Non-current assets</i>			
Property, plant and equipment	4, 6	3,615,859	3,331,060
Intangible assets		10,389	11,066
Deferred tax assets		77,749	76,487
Other non-current assets		209	209
Total non-current assets		<u>3,704,206</u>	<u>3,418,822</u>
Total assets		<u><u>5,750,084</u></u>	<u><u>5,293,961</u></u>

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

Alucon Public Company Limited
Statement of financial position

Liabilities and equity	<i>Note</i>	30 June 2013 (Unaudited)	31 December 2012
<i>(in thousand Baht)</i>			
<i>Current liabilities</i>			
Bank overdrafts and short-term loans			
from financial institutions		151,185	154,426
Trade accounts payable	4, 7	259,070	156,393
Other payable to and short-term loans from related parties	4	1,051,892	894,304
Current portion of long-term loans from and accrued			
interest payable to related party	4	-	10,524
Other payables		257,279	121,145
Income tax payable		82,220	92,771
Other current liabilities		23,209	21,145
Total current liabilities		1,824,855	1,450,708
<i>Non-current liabilities</i>			
Deferred income		38,107	40,976
Employee benefit obligations		439,013	416,026
Total non-current liabilities		477,120	457,002
Total liabilities		2,301,975	1,907,710
<i>Equity</i>			
Share capital:			
Authorised share capital		432,000	432,000
Issued and paid-up share capital		432,000	432,000
Additional paid-in capital			
Premium on ordinary shares		254,000	254,000
Retained earnings			
Appropriated			
Legal reserve		43,200	43,200
Unappropriated		2,718,909	2,657,051
Total equity		3,448,109	3,386,251
Total liabilities and equity		5,750,084	5,293,961

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

Alucon Public Company Limited
Statement of comprehensive income (Unaudited)

	Note	Three-month period ended		Six-month period ended	
		30 June		30 June	
		2013	2012	2013	2012
		<i>(in thousand Baht)</i>		<i>(in thousand Baht)</i>	
Income					
Revenue from sale of goods	4	1,281,362	1,265,294	2,611,965	2,359,486
Net foreign exchange gain		15,865	8,864	8,382	6,990
Other income		30,242	27,125	68,063	46,889
Total income		1,327,469	1,301,283	2,688,410	2,413,365
Expenses					
Cost of sale of goods	4	1,032,692	995,886	2,079,030	1,893,713
Selling expenses	4	38,614	32,977	73,021	64,407
Administrative expenses		21,840	22,266	45,671	48,853
Key management personnel compensation	4	16,054	15,621	31,833	33,664
Finance costs	4	7,109	6,835	13,628	13,928
Total expenses		1,116,309	1,073,585	2,243,183	2,054,565
Profit before income tax expense		211,160	227,698	445,227	358,800
Income tax expense	9	38,718	52,044	80,969	83,648
Profit and total comprehensive income for the period		172,442	175,654	364,258	275,152
Basic earnings per share (in Baht)	10	3.99	4.07	8.43	6.37

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

Alucon Public Company Limited
Statement of changes in equity (Unaudited)

	Issued and paid-up share capital	Additional paid-in capital Premium on ordinary shares	<u>Retained earnings</u>		Total equity
<i>Note</i>			Legal reserve	Unappropriated	
	<i>(in thousand Baht)</i>				
Six-month period ended					
30 June 2012					
Balance at 1 January 2012	432,000	254,000	43,200	2,315,899	3,045,099
Profit and total comprehensive income for the period	-	-	-	275,152	275,152
Dividends	-	-	-	(259,200)	(259,200)
	<i>11</i>				
Balance at 30 June 2012	432,000	254,000	43,200	2,331,851	3,061,051
Six-month period ended					
30 June 2013					
Balance at 1 January 2013	432,000	254,000	43,200	2,657,051	3,386,251
Profit and total comprehensive income for the period	-	-	-	364,258	364,258
Dividends	-	-	-	(302,400)	(302,400)
	<i>11</i>				
Balance at 30 June 2013	432,000	254,000	43,200	2,718,909	3,448,109

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

Alucon Public Company Limited
Statement of cash flows (Unaudited)

	Six-month period ended	
	30 June	
	2013	2012
	<i>(in thousand Baht)</i>	
<i>Cash flows from operating activities</i>		
Profit for the period	364,258	275,152
<i>Adjustments for</i>		
Depreciation	215,234	213,291
Amortisation of intangible assets	888	855
Recognised deferred income	(2,869)	(2,885)
Interest income	(266)	(136)
Finance costs	13,628	13,928
Unrealised gain on exchange	(21,746)	(8,210)
Provision for (reversal of) loss from devaluation of inventories	162	(1,015)
Loss on disposal of equipment	173	268
Income tax expense	80,969	83,648
	<u>650,431</u>	<u>574,896</u>
<i>Changes in operating assets and liabilities</i>		
Trade accounts receivable	(89,610)	(108,193)
Inventories	(80,983)	(80,781)
Refundable value added tax	(8,804)	662
Other current assets	(10,628)	(1,033)
Other non-current assets	-	38
Trade accounts payable	103,041	(95,261)
Other payables to related parties	(480)	(768)
Other payables	78,437	32,617
Other current liabilities	2,064	(1,134)
Employee benefit obligations	22,987	52,896
	<u>666,455</u>	<u>373,939</u>
Cash generated from operating activities		
Income tax paid	(92,782)	(110,100)
	<u>573,673</u>	<u>263,839</u>
Net cash from operating activities		

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

Alucon Public Company Limited
Statement of cash flows (Unaudited)

	Six-month period ended	
	30 June	
	2013	2012
	<i>(in thousand Baht)</i>	
<i>Cash flows from investing activities</i>		
Interest received	273	135
Purchase of plant and equipment	(441,786)	(353,800)
Interest paid for plant and equipment	(103)	(2,095)
Sale of equipment	40	31
Purchase of intangible assets	-	(560)
Net cash used in investing activities	<u>(441,576)</u>	<u>(356,289)</u>
<i>Cash flows from financing activities</i>		
Finance costs paid	(16,926)	(13,127)
Dividends paid	(302,400)	(259,200)
Increase in bank overdrafts and short-term loans from financial institutions	7,972	2,871
Proceeds from short-term loans from related party	150,000	360,000
Net cash (used in) from financing activities	<u>(161,354)</u>	<u>90,544</u>
Net decrease in cash and cash equivalents	(29,257)	(1,906)
Cash and cash equivalents at 1 January	241,970	184,527
Cash and cash equivalents at 30 June	<u>212,713</u>	<u>182,621</u>

Non-cash transactions

During the period ended 30 June 2013, the Company acquired plant and equipment totalling Baht 500 million (2012: Baht 331 million), cash payments of Baht 442 million (2012: Baht 356 million) were made to purchase plant and equipment including related interest.

During the period ended 30 June 2013, the Company agreed to reschedule the long-term promissory note due for repayment with the parent company to short-term promissory note in amount of Baht 10 million (2012: Baht 30 million).

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

Alucon Public Company Limited
Notes to the interim financial statements
For the three-month and six-month periods ended 30 June 2013 (Unaudited)

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Alucon Public Company Limited
Notes to the interim financial statements
For the three-month and six-month periods ended 30 June 2013 (Unaudited)

These notes form an integral part of the financial statements.

The interim financial statements issued for Thai 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 8 August 2013.

1 General information

Alucon Public Company Limited, “the Company”, is incorporated in Thailand and has its registered head 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 Company was listed on the Stock Exchange of Thailand in November 1989 and converted to a public company in May 1994.

The parent company during the financial period was Takeuchi Press Industries Company Limited, incorporated in Japan, who held 66.38% 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 interim financial statements

(a) Statement of compliance

The interim financial statements are prepared on a condensed basis in accordance with Thai Accounting Standard (TAS) No. 34 (revised 2009) *Interim Financial Reporting*; guidelines promulgated by the Federation of Accounting Professions (FAP); and applicable rules and regulations of the Thai Securities and Exchange Commission.

The interim financial statements are prepared to provide an update on the financial statements for the year ended 31 December 2012. They do not include all of the financial information required for full annual financial statements but focus on new activities, events and circumstances to avoid repetition of information previously reported. Accordingly, these interim financial statements should be read in conjunction with the financial statements of the Company for the year ended 31 December 2012.

The FAP has issued the following new and revised TFRS relevant to the Company’s operations and effective for accounting periods beginning on or after 1 January 2013:

TFRS	Topic
TAS 21 (revised 2009)	The Effects of Changes in Foreign Exchange Rates
TFRS 8	Operating Segments

The adoption of these new and revised TFRS has resulted in changes in the Company’s accounting policies. The effects of these changes are disclosed in note 3.

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In addition to the above new and revised TFRS, as at 30 June 2013 the FAP had issued a number of new interpretations which are effective for financial statements beginning on or after 1 January 2014 and have not been adopted in the preparation of these interim financial statements. Those new interpretations that are relevant to the Company's operations are disclosed in note 13.

Except for the changes in accounting policies discussed in note 3, the accounting policies and methods of computation applied in these interim financial statements are consistent with those applied in the financial statements for the year ended 31 December 2012.

(b) Functional and presentation currency

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

(c) Use of estimates and judgements

The preparation of interim financial statements in conformity with TFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

In preparing these interim financial statements, the significant judgements made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements for the year ended 31 December 2012.

3 Changes in accounting policies

(a) Overview

From 1 January 2013, consequent to the adoption of new and revised TFRS and as set out in note 2, the Company has changed its accounting policies in the following areas:

- Accounting for the effects of changes in foreign exchange rates
- Presentation of information on operating segments

Details of the new accounting policies adopted by the Company are included in notes 3(b) to 3(c) below. Other new and revised TFRS did not have any impact on the accounting policies, financial position or performance of the Company.

(b) Accounting for the effects of changes in foreign exchange rates

From 1 January 2013, the Company has adopted TAS 21 Accounting for the effects of changes in foreign exchange rates.

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The principal change introduced by TAS 21 is the introduction of the concept of functional currency, which is defined as the currency of the primary economic environment in which the entity operates. TAS 21 requires the entity to determine its functional currency and translate foreign currency items into its functional currency, reporting the effects of such translation in accordance with the provisions of TAS 21. Foreign currencies are defined by TAS 21 as all currencies other than the entity's functional currency.

Management has determined that the functional currency of the Company is Thai Baht and that the adoption of TAS 21 from 1 January 2013 has not had a significant impact on the Company's reported assets, liabilities or retained earnings.

(c) Presentation of information on operating segments

From 1 January 2013, the Company has adopted TFRS 8 Operating Segments. The new policy for presentation of information on operating segments, together with information on the previous policy, is given below. The new policy has been applied retrospectively and segment information included in the 2012 financial statements, which are included in the Company's 2013 interim financial statements for comparative purposes, has been re-presented accordingly. The change in policy only impacts presentational aspects and has no impact on the Company's reported assets, liabilities, results or earnings per share.

TFRS 8 introduces the "management approach" to segment reporting. It requires a change in the presentation and disclosure of segment information based on the internal reports regularly reviewed by the Company's Chief Operating Decision Maker in order to assess each segment's performance and to allocate resources to those segments. Previously the Company presented segment information in respect of its business and geographical segments in accordance with TAS 14 Segment Reporting.

The change in basis of presentation and disclosure of segment information has had no significant effect on the segment information reported in the Company's financial statements.

4 Related parties

For the purposes of these financial statements, parties are considered to be related to the Company if the Company has the ability, directly or indirectly, to control or joint control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Company and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

Relationships with related parties were as follows;

Name of entities	Country of incorporation	Nature of relationships
Takeuchi Press Industries Company Limited Key management personnel	Japan	Parent, 66.38% shareholding Person having authority and responsibility for planning, direction and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of the Company.

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The pricing policies for particular types of transactions 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 / the invoice price
Interest expense	2.25-3.00% per annum in 2013 and 1.75-3.25% per annum in 2012
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

Significant transactions for the three-month and six-month periods ended 30 June 2013 and 2012 with related parties were as follows:

	Three-month period ended 30 June		Six-month period ended 30 June	
	2013	2012	2013	2012
	<i>(in thousand Baht)</i>			
Parent				
Revenue from sale of goods	227,472	264,846	442,798	506,653
Purchase of raw materials and spare parts	3,536	3,912	6,409	7,243
Purchase of machinery and equipment	1,758	118	2,452	118
Interest expense (including amount capitalised as the cost of assets)	5,987	5,839	11,513	11,762
License fee	3,121	3,358	8,078	5,281
Commission expenses	501	359	1,053	399
Other expenses	32	281	46	281
Key management personnel				
Key management personnel compensation				
Short-term employee benefit	15,067	14,533	29,859	30,199
Post-employment benefits	987	1,088	1,974	3,465
Total	16,054	15,621	31,833	33,664

Balances as at 30 June 2013 and 31 December 2012 with related parties were as follows:

Trade account receivable from related party

	30 June 2013	31 December 2012
	<i>(in thousand Baht)</i>	
Parent		
Takeuchi Press Industries Company Limited	<u>58,519</u>	<u>74,450</u>

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Trade account payable to related party

	30 June 2013	31 December 2012
	<i>(in thousand Baht)</i>	
Parent		
Takeuchi Press Industries Company Limited	<u>292</u>	<u>1,701</u>

Other payable to and short-term loans from related parties

	Interest rate		30 June 2013	31 December 2012
	2013	2012	<i>(in thousand Baht)</i>	
	<i>(% per annum)</i>			
Short-term loans				
Parent				
Takeuchi Press Industries Company Limited	2.25 - 2.50	2.50 - 3.00	1,038,000	878,000
Other payables				
Parent				
Takeuchi Press Industries Company Limited			1,465	905
Accrued commission payable				
Parent				
Takeuchi Press Industries Company Limited			501	366
Accrued license fee				
Parent				
Takeuchi Press Industries Company Limited			3,121	2,555
Accrued interest expense				
Parent				
Takeuchi Press Industries Company Limited			6,655	8,990
Accrued management's remuneration and other benefits				
Key management personnel			<u>2,150</u>	<u>3,488</u>
Total			<u>1,051,892</u>	<u>894,304</u>

Movements during the six-month periods ended 30 June 2013 and 2012 of short-term loans from related party were as follows:

	2013	2012
	<i>(in thousand Baht)</i>	
Six-month period ended 30 June		
Short-term loans		
Parent		
At 1 January	878,000	767,295
Increase	160,000	390,000
At 30 June	<u>1,038,000</u>	<u>1,157,295</u>

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Long-term loans from and accrued interest payable to related party

	Interest rate		30 June	31 December
	2013	2012	2013	2012
	(% per annum)		(in thousand Baht)	
Long-term loans				
Parent				
Takeuchi Press Industries Company Limited	-	2.25	-	10,000
Accrued interest expense				
Parent				
Takeuchi Press Industries Company Limited			-	524
Total			-	10,524
Less current portion			-	(10,524)
Net			-	-

Movements during the six-month periods ended 30 June 2013 and 2012 of long-term loans from related party were as follows:

<i>Six-month period ended 30 June</i>	2013	2012
	(in thousand Baht)	
Long-term loans		
Parent		
At 1 January	10,000	70,000
Decrease	(10,000)	(30,000)
At 30 June	-	40,000

On 1 September 2010, the Company has issued promissory notes to related party totalling Baht 70 million which bears interest at rates ranging from 1.75% - 2.25% per annum. These long-term loans were repayable together with interest expenses on various dates from March 2012 to March 2013.

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 right to sell the products. The Company is committed to pay a license and commission fee as indicated in an 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.

Commitments for purchase of raw materials and spare parts

	30 June	31 December
	2013	2012
	(in thousand Baht)	
Parent		
Takeuchi Press Industries Company Limited	9,833	2,360

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Significant memorandum of understanding

On 14 February 2012, the Company entered into a memorandum of understanding with Takeuchi Press Industries Company Limited to supply aluminium slugs in quantity of about 6,000 MT for the production of aluminum monobloc aerosol cans and collapsible tubes for a period from April 2012 to March 2013.

Subsequently, on 6 February 2013, the Company entered into a new memorandum of understanding to supply aluminium slugs in quantity about of 6,000 MT for a period from April 2013 to March 2014.

5 Trade accounts receivable

	<i>Note</i>	30 June 2013	31 December 2012
<i>(in thousand Baht)</i>			
Related party	4	58,519	74,450
Other parties		863,057	747,376
Total		921,576	821,826

Aging analyses for trade accounts receivable were as follows:

	30 June 2013	31 December 2012
<i>(in thousand Baht)</i>		
Related party		
Within credit terms	58,519	74,450
	58,519	74,450
Other parties		
Within credit terms	662,834	576,868
Overdue:		
Less than 3 months	200,128	169,279
3 - 6 months	95	1,229
	863,057	747,376
Total	921,576	821,826

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

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6 Property, plant and equipment

Acquisitions, disposals and transfers of property, plant and equipment during the six-month periods ended 30 June 2013 and 2012 were as follows:

<i>Six-month period ended 30 June</i>	2013		2012	
	Acquisitions and transfers - at cost	Disposals - net book value <i>(in thousand Baht)</i>	Acquisitions and transfers - at cost	Disposals - net book value
Land improvement	25,544	-	6,147	-
Buildings and building improvement	137,163	-	1,993	-
Machinery and equipment	453,877	(213)	409,652	(571)
Office equipment	692	-	123	-
Vehicles	-	-	1,204	-
Spare parts	(2,696)	-	5,568	-
Construction in progress	(114,334)	-	(94,073)	-
Total	500,246	(213)	330,614	(571)

7 Trade accounts payable

	<i>Note</i>	30 June 2013	31 December 2012
<i>(in thousand Baht)</i>			
Related party	4	292	1,701
Other parties		258,778	154,692
Total		259,070	156,393

8 Segment information

Management considers that the Company operates in a single line of business, namely aluminium containers, and has, therefore, only one major business segment.

9 Income tax expense

Income tax expense is recognised based on management's best estimate of the weighted average annual income tax rate expected for the full financial year applied to the pre-tax income of the interim period. The Company's effective tax rate in respect of continuing operations for the six-month ended 30 June 2013 was 18.19% (30 June 2012: 23.31%). This change in effective tax rate was caused mainly by the reduction in the corporate income tax rate from 23% for 2012 to 20% for 2013 pursuant to the Cabinet announcement on 11 October 2011 and the Company's profit was derived from promoted activities which are not subject to tax.

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10 Basic earnings per share

The calculations of basic earnings per share for the three-month and six-month periods ended 30 June 2013 and 2012 were based on the profit for the periods attributable to ordinary shareholders of the Company and the number of ordinary shares outstanding during the periods as follows:

	Three-month period ended 30 June		Six-month period ended 30 June	
	2013	2012	2013	2012
	<i>(in thousand Baht / thousand shares)</i>			
Profit attributable to equity holders of the Company	<u>172,442</u>	<u>175,654</u>	<u>364,258</u>	<u>275,152</u>
Number of ordinary shares outstanding	<u>43,200</u>	<u>43,200</u>	<u>43,200</u>	<u>43,200</u>
Basic earnings per share (in Baht)	<u>3.99</u>	<u>4.07</u>	<u>8.43</u>	<u>6.37</u>

11 Dividends

At the annual general meeting of the shareholders of the Company held on 23 April 2013, the shareholders approved the appropriation of cash dividend of Baht 7 per share, amounting to Baht 302.4 million. The dividend was paid to shareholders in May 2013.

At the annual general meeting of the shareholders of the Company held on 26 April 2012, the shareholders approved the appropriation of cash dividend of Baht 6 per share, amounting to Baht 259.2 million. The dividend was paid to shareholders in May 2012.

12 Commitments with non-related parties

	30 June 2013	31 December 2012
	<i>(in thousand Baht)</i>	
Capital commitments		
Contracted but not provided for:		
Factory, machinery and equipment	<u>545,475</u>	<u>408,092</u>
Other commitments		
Unused letters of credits	102,324	76,742
Purchase orders accepted by suppliers		
Within one year	1,447,431	1,677,164
After one year but within five years	<u>967,085</u>	<u>1,439,807</u>
	<u>2,414,516</u>	<u>3,116,971</u>
Commodity price swap agreement	44,857	60,567
Bank guarantees	<u>24,718</u>	<u>24,718</u>
Total	<u>2,586,415</u>	<u>3,278,998</u>

Alucon Public Company Limited
Notes to the interim financial statements
For the three-month and six-month periods ended 30 June 2013 (Unaudited)

Purchase orders accepted by suppliers

As at 30 June 2013, the Company had purchase orders accepted by suppliers for purchase of aluminium ingot for a total quantity of 48,006 MT (31 December 2012: 53,800 MT), at the prices in the range of YEN 123,000 - 134,100 per MT and at the price as determined in purchase orders (31 December 2012: at the prices in the range of YEN 123,000 - 134,100 per MT and at the price as determined in purchase orders) that will be delivered during 2013 to 2016 (31 December 2012: 2013 to 2016).

Commodity Price Swap agreement

As at 30 June 2013, the Company had a Commodity Price Swap agreement to hedge the risk of aluminium price fluctuation with a foreign financial institution for a quantity of 25 MT per month, maximum totaling 1,800 MT, at a price of YEN 188,000 per MT. This agreement is for 6 years from 1 January 2010 to 31 December 2015.

13 Thai Financial Reporting Standards (TFRS) not yet adopted

The Company has not adopted the new interpretations that have been issued as of the reporting date but are not yet effective. Those new interpretations that are applicable to the Company, which become effective for annual financial periods beginning on or after 1 January in the year indicated in the following table, are as follows:

TFRS	Topic	Year effective
TFRIC 10	Interim Financial Reporting and Impairment	2014
TFRIC 13	Customer Loyalty Programmes	2014

Management expects to adopt and apply these new interpretations in accordance with the FAP's announcement and has made a preliminary assessment of the potential initial impact on the Company's financial statements of these new interpretations and expects that there will be no material impact on the financial statements in the period of initial application.

TFRIC 13 – Customer Loyalty Programmes

TFRIC 13 addresses the accounting for an entity's obligation to provide free or discounted goods or services ('awards') in the future under a customer loyalty programme. TFRIC 13 requires that award credits are accounted for as a separately identified component of the sales transactions in which they are granted (the 'initial sale'). The fair value of the consideration received or receivable in respect of the initial sale is allocated between the award credits and the other components of the sale. The revenue and costs ascribed to the awards are only recognised when the award credits are redeemed or the entity otherwise fulfils its obligations in respect of the awards.