

Alucon Public Company Limited

Financial statements for the year ended
31 December 2015

and

Independent Auditor's Report

Independent Auditor's Report

To the Shareholders of Alucon Public Company Limited

I have audited the accompanying financial statements of Alucon Public Company Limited (the "Company"), which comprise the statement of financial position as at 31 December 2015, 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.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Thai Financial Reporting Standards, 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.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Thai Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2015, its financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

(Banthit Tangpakorn)
Certified Public Accountant
Registration No. 8509

KPMG Phoomchai Audit Ltd.
Bangkok
19 February 2016

Alucon Public Company Limited
Statement of financial position

Assets	<i>Note</i>	31 December	
		2015	2014
		<i>(in Baht)</i>	
<i>Current assets</i>			
Cash and cash equivalents	6	200,025,289	50,620,684
Trade accounts receivable	5, 7	1,025,028,787	912,842,300
Inventories	8	1,094,081,524	1,371,214,258
Refundable value added tax		16,889,759	64,902,721
Other current assets		10,968,296	9,641,012
Total current assets		<u>2,346,993,655</u>	<u>2,409,220,975</u>
<i>Non-current assets</i>			
Property, plant and equipment	9	4,183,516,285	4,366,964,452
Intangible assets	10	9,194,473	8,345,779
Deferred tax assets	11	44,545,622	64,364,501
Other non-current assets		303,909	303,909
Total non-current assets		<u>4,237,560,289</u>	<u>4,439,978,641</u>
Total assets		<u><u>6,584,553,944</u></u>	<u><u>6,849,199,616</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>	31 December	
		2015	2014
		<i>(in Baht)</i>	
<i>Current liabilities</i>			
Bank overdrafts and short-term loans			
from financial institutions	12	91,084,600	134,833,537
Trade accounts payable	5, 13	237,547,514	369,436,083
Other accounts payable to			
and short-term loans from related parties	5, 12	1,027,693,740	1,383,678,293
Other accounts payable	14	121,497,309	196,693,445
Income tax payable		94,043,472	62,166,545
Other current liabilities	15	21,429,093	21,466,903
Total current liabilities		<u>1,593,295,728</u>	<u>2,168,274,806</u>
<i>Non-current liabilities</i>			
Deferred income	16	23,618,784	29,404,594
Employee benefit obligations	17	464,759,083	483,296,510
Total non-current liabilities		<u>488,377,867</u>	<u>512,701,104</u>
Total liabilities		<u>2,081,673,595</u>	<u>2,680,975,910</u>
<i>Equity</i>			
Share capital	18		
Authorised share capital		432,000,000	432,000,000
Issued and paid-up share capital		431,999,860	431,999,860
Additional paid-in capital			
Premium on ordinary shares	18	254,000,000	254,000,000
Retained earnings			
Appropriated			
Legal reserve	19	43,200,000	43,200,000
Unappropriated		3,773,680,489	3,439,023,846
Total equity		<u>4,502,880,349</u>	<u>4,168,223,706</u>
Total liabilities and equity		<u>6,584,553,944</u>	<u>6,849,199,616</u>

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

Alucon Public Company Limited
Statement of comprehensive income

		For the year ended 31 December	
	<i>Note</i>	2015	2014
		<i>(in Baht)</i>	
<i>Income</i>			
Revenue from sale of goods	5, 20, 28	5,769,871,462	5,625,472,548
Net foreign exchange gain		55,693,269	5,276,891
Other income	21	182,370,986	189,274,760
Total income		6,007,935,717	5,820,024,199
<i>Expenses</i>			
Cost of sale of goods	5, 8	4,711,239,817	4,566,779,201
Selling expenses	5, 22	147,538,274	153,383,985
Administrative expenses	23	155,398,084	157,757,581
Finance costs	5, 26	25,496,336	26,270,063
Total expenses		5,039,672,511	4,904,190,830
Profit before income tax expense		968,263,206	915,833,369
Income tax expense	27	193,195,834	165,105,249
Profit for the year		775,067,372	750,728,120
Other comprehensive income (loss)			
<i>Items that will never be reclassified to profit or loss</i>			
Defined benefit plan actuarial losses	17	(10,513,584)	-
Income tax on other comprehensive income	27	2,102,715	-
Other comprehensive loss for the year, net of income tax		(8,410,869)	-
Total comprehensive income for the year		766,656,503	750,728,120
Basic earnings per share	29	17.94	17.38

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

Alucon Public Company Limited

Statement of changes in equity

	Note	Issued and paid-up share capital	Additional paid-in capital Premium on ordinary shares	<u>Retained earnings</u>		Total equity
				Legal reserve <i>(in Baht)</i>	Unappropriated	
Year ended 31 December 2014						
Balance at 1 January 2014		431,999,860	254,000,000	43,200,000	3,033,895,614	3,763,095,474
Transactions with owners, recorded directly in equity						
<i>Distribution to owners of the Company</i>						
Dividends to owners of the Company	30	-	-	-	(345,599,888)	(345,599,888)
<i>Total distribution to owners of the Company</i>		-	-	-	(345,599,888)	(345,599,888)
Total transactions with owners, recorded directly in equity		-	-	-	(345,599,888)	(345,599,888)
Comprehensive income for the year						
Profit for the year		-	-	-	750,728,120	750,728,120
Other comprehensive income		-	-	-	-	-
Total comprehensive income for the year		-	-	-	750,728,120	750,728,120
Balance at 31 December 2014		431,999,860	254,000,000	43,200,000	3,439,023,846	4,168,223,706

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

Alucon Public Company Limited

Statement of changes in equity

	Note	Issued and paid-up share capital	Additional paid-in capital Premium on ordinary shares	<u>Retained earnings</u>		Total equity
				Legal reserve <i>(in Baht)</i>	Unappropriated	
Year ended 31 December 2015						
Balance at 1 January 2015		431,999,860	254,000,000	43,200,000	3,439,023,846	4,168,223,706
Transactions with owners, recorded directly in equity						
<i>Distribution to owners of the Company</i>						
Dividends to owners of the Company	30	-	-	-	(431,999,860)	(431,999,860)
<i>Total distribution to owners of the Company</i>		-	-	-	(431,999,860)	(431,999,860)
Total transactions with owners, recorded directly in equity		-	-	-	(431,999,860)	(431,999,860)
Comprehensive income for the year						
Profit for the year		-	-	-	775,067,372	775,067,372
Other comprehensive loss		-	-	-	(8,410,869)	(8,410,869)
Total comprehensive income for the year		-	-	-	766,656,503	766,656,503
Balance at 31 December 2015		431,999,860	254,000,000	43,200,000	3,773,680,489	4,502,880,349

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

Alucon Public Company Limited

Statement of cash flows

		For the year ended 31 December	
	Note	2015	2014
		<i>(in Baht)</i>	
<i>Cash flows from operating activities</i>			
Profit for the year		775,067,372	750,728,120
<i>Adjustments for</i>			
Depreciation	9	504,007,901	433,401,184
Amortisation of intangible assets	10	2,051,004	1,799,455
Recognised deferred income	16	(5,785,809)	(5,785,809)
Interest income		(175,943)	(243,761)
Finance costs	26	25,496,336	26,270,063
Unrealised loss (gain) on exchange		3,724,439	(11,252,518)
(Reversal of) loss from devaluation of inventories	8	(7,012,138)	5,972,243
Gain on disposal of plant and equipment		(1,691,619)	(405,760)
Provision for employee benefit obligations	17	52,393,091	60,702,030
Income tax expense	27	193,195,834	165,105,249
		<u>1,541,270,468</u>	<u>1,426,290,496</u>
<i>Changes in operating assets and liabilities</i>			
Trade accounts receivable		(107,797,563)	(34,048,377)
Inventories		284,144,871	(377,562,717)
Refundable value added tax		48,012,962	281,896
Other current assets		(1,327,472)	(2,192,622)
Other non-current assets		-	(94,999)
Trade accounts payable		(132,080,165)	131,679,142
Other accounts payable to related parties		1,014,947	(9,091,014)
Other accounts payable		(13,587,808)	23,597,102
Other current liabilities		(37,811)	(755,310)
		<u>1,619,612,429</u>	<u>1,158,103,597</u>
Cash generated from operating activities		1,619,612,429	1,158,103,597
Income tax paid		(139,397,312)	(162,510,318)
Employee benefit obligations paid		(81,444,104)	(33,063,191)
		<u>1,398,771,013</u>	<u>962,530,088</u>
Net cash from operating activities		1,398,771,013	962,530,088

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

Alucon Public Company Limited

Statement of cash flows

		For the year ended 31 December	
	Note	2015	2014
		<i>(in Baht)</i>	
<i>Cash flows from investing activities</i>			
Interest received		176,132	241,172
Purchase of plant and equipment		(382,607,958)	(890,098,092)
Sale of plant and equipment		2,148,060	897,036
Purchase of intangible assets		<u>(3,034,198)</u>	<u>(336,700)</u>
Net cash used in investing activities		<u>(383,317,964)</u>	<u>(889,296,584)</u>
<i>Cash flows from financing activities</i>			
Finance costs paid		(27,426,147)	(27,807,312)
Dividends paid	30	(431,999,860)	(345,599,888)
(Decrease) increase in bank overdrafts		(1,952,637)	1,742,161
Proceeds from short-term loans from related party		240,000,000	280,000,000
Repayment of short-term loans from related party		(595,000,000)	-
Proceeds from short-term loans from financial institutions		55,603,600	-
Repayment of short-term loans from financial institutions		<u>(105,273,400)</u>	<u>-</u>
Net cash used in financing activities		<u>(866,048,444)</u>	<u>(91,665,039)</u>
Net increase (decrease) in cash and cash equivalents		149,404,605	(18,431,535)
Cash and cash equivalents at 1 January		<u>50,620,684</u>	<u>69,052,219</u>
Cash and cash equivalents at 31 December	6	<u>200,025,289</u>	<u>50,620,684</u>

Non-cash transaction

During the year ended 31 December 2015, the Company acquired plant and equipment and intangible assets totalling Baht 321 million (2014: Baht 801 million), and cash payments of Baht 386 million (2014: Baht 890 million) were made to purchase plant and equipment.

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

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Notes to the financial statements

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Notes to the financial statements

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 19 February 2016.

1 General information

Alucon Public Company Limited, the “Company”, is incorporated in Thailand and has its 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 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 year was Takeuchi Press Industries Company Limited, incorporated in Japan, which held 66.91% 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 (“FAP”); and applicable rules and regulations of the Thai Securities and Exchange Commission.

The FAP has issued new and revised TFRS effective for annual accounting periods beginning on or after 1 January 2015. The initial application of these new and revised TFRS has resulted in changes in certain of the Company’s accounting policies. The effects of these changes are disclose in note 3 to the financial statements.

In addition to the above new and revised TFRS, the FAP has issued a number of other new and revised TFRS which are effective for annual financial periods beginning on or after 1 January 2016 and have not been adopted in the preparation of these financial statements. Those new and revised TFRS that are relevant to the Company’s operations are disclosed in note 33 to the financial statements.

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis except for the following item, which is measured on an alternative basis on each reporting date.

Items

Net defined benefit liability

Measurement bases

Present value of the defined benefit obligation, limited as explained in Note 4 (k)

Alucon Public Company Limited

Notes to the financial statements

(c) *Functional and presentation currency*

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

(d) *Use of estimates and judgements*

The preparation of financial statements in conformity with TFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. 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 significant areas of estimation uncertainties and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:

Note 4 (o) and 11	Current and deferred taxation
Note 17	Measurement of defined benefit obligations
Note 31	Valuation of financial instruments

Measurement of fair values

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

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 CFO

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 such valuations meet the requirements of TFRS, including the level in the fair value hierarchy in which such valuations should be classified.

Significant valuation issues are reported to the Company Audit Committee.

When measuring the fair value of an asset or a liability, the Company uses market observable 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.
- 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).

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Notes to the financial statements

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.

Further information about the assumptions made in measuring fair values is included in the following notes:

- Note 31 – financial instruments.

3 Changes in accounting policies

(a) Overview

From 1 January 2015, consequent to the adoption of new and revised TFRS as set out in note 2, the Company has adopted the following new and revised TFRS having an effect on the Company's financial statements:

- TFRS 13 Fair Value Measurement
- TAS 19 (revised 2014) Employee Benefits

A description of the nature and effect of the changes in accounting policy consequent to the adoption of this revised TFRS is included in notes 3(b) to 3(c) below:

(b) Fair value measurement

TFRS 13 establishes a single framework for measuring fair value and making disclosures about fair value measurements, when such measurements are required or permitted by other TFRSs. In particular, it unifies the definition of fair value as the price at which an orderly transaction to sell an asset or to transfer a liability would take place between market participants at the measurements date. It also replaces and expands the disclosure requirements about fair value measurements in other TFRSs.

In accordance with the transitional provisions of TFRS 13, the Company has applied the new fair value measurement guidance prospectively, and has not provided any comparative information for new disclosures.

(c) Defined benefit plans

As a result of TAS 19 (revised 2014), the Company has changed its accounting policy with respect to the basis for determining the income or expense related to defined benefit and actuarial gains and losses recognition.

TAS 19 (revised 2014) requires actuarial gains and losses to be recognised in other comprehensive income, and no longer permits recognition in profit or loss. This change of accounting policy has impact on the statement of comprehensive income for the year ended 31 December 2014 to increase of profit for the year and decrease of other comprehensive income of Baht 8 million and increase of basic earnings per share of Baht 0.19 per share. Management considered these effects are not material to the overall of financial statements. Accordingly, the Company has not retrospectively adjusted of the financial statements for the year ended 31 December 2014 for this change.

Alucon Public Company Limited

Notes to the financial statements

4 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements except as explained in note 3, which addresses changes in accounting policies.

(a) Foreign currencies 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) Derivative financial instruments

Derivative financial instruments are used to manage exposure to foreign exchange and commodity price risks arising from operational, financing and investment activities. Derivative financial instruments are not used for trading purposes. Gains and losses from commodity price swap agreement used to hedge anticipated future commodity purchases are recognised when the forecasted transaction occurs.

(c) 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.

(d) 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.

(e) Inventories

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

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

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

Alucon Public Company Limited

Notes to the financial statements

(f) *Property, plant and equipment*

Recognition and measurement

Owned assets

Property, plant and equipment are stated 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.

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 net within profit or loss.

Subsequent costs

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

Depreciation

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

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

Land improvement	5 - 23	years
Buildings and building improvement	5 - 40	years
Machinery and equipment	2 - 20	years
Office equipment	3 - 5	years
Vehicles	5	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.

Alucon Public Company Limited

Notes to the financial statements

(g) Intangible assets

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

Subsequent expenditure

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

Amortisation

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

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

Software license	10 years
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Amortisation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

(h) 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.

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.

(i) 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.

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Notes to the financial statements

(j) Trade and other accounts payable

Trade and other accounts payable are stated at cost.

(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 net 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.

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 net 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.

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(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) Revenue

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.

(n) Finance costs

Finance costs comprise interest expense on borrowings and losses on hedging instruments that are recognised in profit or loss.

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

(o) 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.

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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. 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.

(p) 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.

(q) 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.

5 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	Japan	Parent, 66.91% 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.

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

Transactions	Pricing policies
Revenue from sale of goods	The market price or the price based on the memorandum of understanding. The selling price structure with the parent company is based on the actual cost incurred plus gross margin rate including the consideration of size, sale volume, country and transportation
Purchase of raw materials and spare parts	The market price
Purchase of machinery and equipment	The market price
Interest expense	1.20 – 1.90% per annum in 2015 and 1.75 – 2.50% per annum in 2014
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 years ended 31 December with related parties were as follows:

	2015	2014
	<i>(in thousand Baht)</i>	
Parent		
Revenue from sale of goods	948,657	973,144
Purchase of raw materials and spare parts	11,397	12,320
Purchase of machinery and equipment	5,192	845
Interest expense	21,370	22,110
License fee	21,802	21,641
Commission expenses	2,557	2,866
Other expenses	154	61
Key management personnel		
Key management personnel compensation		
Short-term employee benefit	61,351	60,684
Retirement benefits	1,411	4,248
Total	<u>62,762</u>	<u>64,932</u>

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

Trade account receivable from related party

	2015	2014
	<i>(in thousand Baht)</i>	
Parent		
Takeuchi Press Industries Company Limited	<u>64,561</u>	<u>55,472</u>

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Trade account payable to related party

	2015 <i>(in thousand Baht)</i>	2014 <i>(in thousand Baht)</i>
Parent		
Takeuchi Press Industries Company Limited	10	1,872

Other accounts payable to and short-term loans from related parties

	Interest rate		2015	2014
	2015	2014	(in thousand Baht)	
	(% per annum)			
Short-term loans				
Parent				
Takeuchi Press Industries Company Limited	1.25 - 1.55	1.75 - 1.90	1,013,000	1,368,000
Other accounts payable				
Parent				
Takeuchi Press Industries Company Limited			44	116
Accrued license fee				
Parent				
Takeuchi Press Industries Company Limited			5,728	4,677
Accrued commission payable				
Parent				
Takeuchi Press Industries Company Limited			666	701
Accrued interest expense				
Parent				
Takeuchi Press Industries Company Limited			4,230	6,159
Accrued management's remuneration and other benefits				
Key management personnel			4,025	4,025
Total			1,027,693	1,383,678

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

	2015	2014
	<i>(in thousand Baht)</i>	
Short-term loans		
Parent		
At 1 January	1,368,000	1,088,000
Increase	240,000	280,000
Decrease	(595,000)	-
At 31 December	<u>1,013,000</u>	<u>1,368,000</u>

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 to 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

	2015	2014
	<i>(in thousand Baht)</i>	
Parent		
Takeuchi Press Industries Company Limited	<u>4,338</u>	<u>5,578</u>

Significant memorandum of understanding

On 9 February 2015, 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 aluminium monobloc aerosol cans and collapsible tubes for a period from April 2015 to March 2016. As at 31 December 2015, the Company has supplied aluminium slugs in quantity of 5,723 MT to the parent company.

Alucon Public Company Limited
Notes to the financial statements

6 Cash and cash equivalents

	2015	2014
	<i>(in thousand Baht)</i>	
Cash on hand	93	73
Cash at banks - current accounts	3,838	5,013
Cash at banks - saving accounts	196,094	45,535
Total	<u>200,025</u>	<u>50,621</u>

The currency denomination of cash and cash equivalents as at 31 December was as follows:

	2015	2014
	<i>(in thousand Baht)</i>	
Thai Baht (THB)	62,018	34,206
United States Dollars (USD)	129,088	15,542
Japanese Yen (YEN)	8,919	873
Total	<u>200,025</u>	<u>50,621</u>

7 Trade accounts receivable

	<i>Note</i>	2015	2014
		<i>(in thousand Baht)</i>	
Related party	5	64,561	55,472
Other parties		960,468	857,370
Total		<u>1,025,029</u>	<u>912,842</u>

Aging analyses for trade accounts receivable were as follows:

	2015	2014
	<i>(in thousand Baht)</i>	
Related party		
Within credit terms	<u>64,561</u>	<u>55,472</u>
	64,561	55,472
Other parties		
Within credit terms	774,710	692,318
Overdue:		
Less than 3 months	185,758	163,718
3 - 6 months	-	1,031
6 - 12 months	-	303
	<u>960,468</u>	<u>857,370</u>
Total	<u>1,025,029</u>	<u>912,842</u>

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

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The currency denomination of trade accounts receivable as at 31 December was as follows:

	2015	2014
	<i>(in thousand Baht)</i>	
Thai Baht (THB)	480,198	427,425
United States Dollars (USD)	431,995	352,468
Japanese Yen (YEN)	64,561	55,472
Australian Dollars (AUD)	34,874	60,548
Others (GBP, HKD and EUR)	13,401	16,929
Total	<u>1,025,029</u>	<u>912,842</u>

8 Inventories

	2015	2014
	<i>(in thousand Baht)</i>	
Finished goods	159,492	159,452
Work in progress	153,783	205,776
Raw materials	459,977	483,435
Packing materials	5,556	3,113
Spare parts	159,160	141,312
Goods in transit	157,641	386,665
	<u>1,095,609</u>	<u>1,379,753</u>
<i>Less allowance for decline in value</i>	<i>(1,527)</i>	<i>(8,539)</i>
Net	<u>1,094,082</u>	<u>1,371,214</u>
Inventories recognised as an expense in “cost of sales of goods”:		
- Cost	4,718,252	4,560,807
- (Reversal of) write-down to net realisable value	(7,012)	5,972
Total	<u>4,711,240</u>	<u>4,566,779</u>

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9 Property, plant and equipment

	Land and land improvement	Buildings and building improvement	Machinery and equipment	Office equipment <i>(in thousand Baht)</i>	Vehicles	Spare parts	Asstes under construction	Total
Cost								
At 1 January 2014	233,695	1,387,910	5,118,540	18,490	32,361	38,935	620,740	7,450,671
Additions	6,021	11,912	80,248	957	2,669	45,661	652,911	800,379
Transfers	16,289	171,924	920,017	97	-	(25,949)	(1,082,378)	-
Disposals	-	(315)	(2,500)	(1,272)	(6,391)	-	-	(10,478)
At 31 December 2014 and 1 January 2015	256,005	1,571,431	6,116,305	18,272	28,639	58,647	191,273	8,240,572
Additions	3,756	8,398	64,460	3,691	12,452	41,037	187,223	321,017
Transfers	10,728	37,089	285,008	-	-	(31,405)	(301,420)	-
Disposals	-	-	(40,829)	(869)	(7,892)	-	-	(49,590)
At 31 December 2015	270,489	1,616,918	6,424,944	21,094	33,199	68,279	77,076	8,511,999
Depreciation								
At 1 January 2014	3,878	575,501	2,830,337	15,885	24,592	-	-	3,450,193
Depreciation charge for the year	3,745	45,799	379,975	1,082	2,800	-	-	433,401
Disposals	-	(72)	(2,251)	(1,272)	(6,391)	-	-	(9,986)
At 31 December 2014 and 1 January 2015	7,623	621,228	3,208,061	15,695	21,001	-	-	3,873,608
Depreciation charge for the year	5,088	51,732	441,563	1,613	4,012	-	-	504,008
Disposals	-	-	(40,372)	(869)	(7,892)	-	-	(49,133)
At 31 December 2015	12,711	672,960	3,609,252	16,439	17,121	-	-	4,328,483
Net book value								
At 1 January 2014	229,817	812,409	2,288,203	2,605	7,769	38,935	620,740	4,000,478
At 31 December 2014 and 1 January 2015	248,382	950,203	2,908,244	2,577	7,638	58,647	191,273	4,366,964
At 31 December 2015	257,778	943,958	2,815,692	4,655	16,078	68,279	77,076	4,183,516

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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 2015 amounted to Baht 1,535 million (2014: Baht 1,512 million).

10 Intangible assets

	Software licence <i>(in thousand Baht)</i>
Cost	
At 1 January 2014	19,262
Additions	506
At 31 December 2014 and 1 January 2015	19,768
Additions	2,899
At 31 December 2015	22,667
Amortisation	
At 1 January 2014	9,623
Amortisation charge for the year	1,799
At 31 December 2014 and 1 January 2015	11,422
Amortisation charge for the year	2,051
At 31 December 2015	13,473
Net book value	
At 1 January 2014	9,639
At 31 December 2014 and 1 January 2015	8,346
At 31 December 2015	9,194

11 Deferred tax

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

	2015	2014
	<i>(in thousand Baht)</i>	
Deferred tax assets	92,393	98,858
Deferred tax liability	(47,847)	(34,493)
Net	44,546	64,365

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Notes to the financial statements

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

	At 1 January 2015	(Charged) / Credited to :		At 31 December 2015
		Profit or loss (Note 27) (in thousand Baht)	Other comprehensive income	
Deferred tax assets				
Inventories (allowance for decline in value)	1,708	(1,403)	-	305
Employee benefit obligations	91,269	(6,008)	2,103	87,364
Deferred income	5,881	(1,157)	-	4,724
Total	98,858	(8,568)	2,103	92,393
Deferred tax liability				
Property, plant and equipment (depreciation gap)	(34,493)	(13,354)	-	(47,847)
Total	(34,493)	(13,354)	-	(47,847)
Net	64,365	(21,922)	2,103	44,546
	At 1 January 2014	(Charged) / Credited to :		At 31 December 2014
		Profit or loss (Note 27) (in thousand Baht)	Other comprehensive income	
Deferred tax assets				
Inventories (allowance for decline in value)	513	1,195	-	1,708
Employee benefit obligations	85,959	5,310	-	91,269
Deferred income	7,038	(1,157)	-	5,881
Total	93,510	5,348	-	98,858
Deferred tax liability				
Property, plant and equipment (depreciation gap)	(16,590)	(17,903)	-	(34,493)
Total	(16,590)	(17,903)	-	(34,493)
Net	76,920	(12,555)	-	64,365

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12 Interest-bearing liabilities

	<i>Note</i>	2015	2014
		<i>(in thousand Baht)</i>	
Current			
Bank overdrafts - unsecured		258	2,211
Short-term loans from financial institutions - unsecured		<u>90,827</u>	<u>132,623</u>
Bank overdrafts and short-term loans from financial institutions		91,085	134,834
Short-term loans from related party - unsecured	5	<u>1,013,000</u>	<u>1,368,000</u>
Total current interest-bearing liabilities		<u>1,104,085</u>	<u>1,502,834</u>

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

	2015	2014
	<i>(in thousand Baht)</i>	
Within one year	<u>1,104,085</u>	<u>1,502,834</u>
Total	<u>1,104,085</u>	<u>1,502,834</u>

As at 31 December 2015, the Company had unutilised credit facilities from financial institutions of approximately Baht 2,541 million (2014: Baht 2,376 million).

The currency denomination of interest-bearing liabilities as at 31 December was as follows:

	2015	2014
	<i>(in thousand Baht)</i>	
Thai Baht (THB)	1,013,258	1,370,211
United States Dollars (USD)	-	49,670
Japanese Yen (YEN)	<u>90,827</u>	<u>82,953</u>
Total	<u>1,104,085</u>	<u>1,502,834</u>

13 Trade accounts payable

	<i>Note</i>	2015	2014
		<i>(in thousand Baht)</i>	
Related party	5	10	1,872
Other parties		<u>237,538</u>	<u>367,564</u>
Total		<u>237,548</u>	<u>369,436</u>

The currency denomination of trade accounts payable as at 31 December was as follows:

	2015	2014
	<i>(in thousand Baht)</i>	
Thai Baht (THB)	142,340	123,192
United States Dollars (USD)	69,167	217,242
Japanese Yen (YEN)	12,018	24,933
Others (CHF, AUD, EUR and GBP)	<u>14,023</u>	<u>4,069</u>
Total	<u>237,548</u>	<u>369,436</u>

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Notes to the financial statements

14 Other accounts payable

	2015	2014
	<i>(in thousand Baht)</i>	
Construction and machinery payables	27,413	90,779
Accrued operating expenses	33,448	41,752
Factory supplies and spare parts payables	30,040	39,750
Others	30,596	24,412
Total	121,497	196,693

15 Other current liabilities

	2015	2014
	<i>(in thousand Baht)</i>	
Withholding tax payable	12,824	13,037
Advances received from customers	6,482	6,357
Accrued social fund	2,123	2,073
Total	21,429	21,467

16 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 2015, such deferred income had outstanding balance of Baht 23.6 million (2014: Baht 29.4 million) and during the year ended 31 December 2015, the Company recognised income in profit or loss of Baht 5.8 million (2014: Baht 5.8 million).

17 Employee benefit obligations

	2015	2014
	<i>(in thousand Baht)</i>	
Statement of financial position obligations for:		
Post-employment benefits	366,566	390,821
Other long-term employee benefits	31,345	29,934
	397,911	420,755
Provident fund	66,848	62,542
Total	464,759	483,297

Year ended 31 December

	2015	2014
	<i>(in thousand Baht)</i>	
Statement of comprehensive income:		
Recognised in profit or loss:		
Post-employment benefits	39,594	49,477
Other long-term employee benefits	5,697	4,673
Provident fund	7,102	6,552
Total	52,393	60,702

Recognised in other comprehensive income:

Actuarial losses recognised in the year	10,514	-
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Alucon Public Company Limited

Notes to the financial statements

The Company operate a defined benefit pension 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, currency risk, interest rate risk and market (investment) risk.

The statement of financial position obligation was determined as follow:

	2015 <i>(in thousand Baht)</i>	2014
Present value of unfunded obligation	<u>397,911</u>	<u>420,755</u>
Movement in the present value of the defined benefit obligation		
	2015 <i>(in thousand Baht)</i>	2014
Defined benefit obligations at 1 January	420,755	397,793
Include in profit or loss:		
Current service cost	34,830	33,200
Interest on obligation	10,461	13,030
Actuarial loss	-	7,920
Included in other comprehensive income		
Actuarial loss	10,514	-
Other		
Benefit paid	<u>(78,649)</u>	<u>(31,188)</u>
Defined benefit obligations at 31 December	<u>397,911</u>	<u>420,755</u>

Actuarial losses recognised in other comprehensive income arising from:

	2015 <i>(in thousand Baht)</i>	2014
Demographic assumptions	199	-
Financial assumptions	5,469	-
Experience adjustment	4,846	-
Total	<u>10,514</u>	<u>-</u>

Actuarial assumptions

The following were the principal actuarial assumptions at the reporting date (expressed as weighted averages).

	2015	%	2014
Discount rate	2.91		3.44
Future average salary growth	4.50 - 5.80		4.99 - 6.05

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Notes to the financial statements

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.

Defined benefit obligation 31 December 2015	<i>(in thousand Baht)</i>	
	Increase	Decrease
Discount rate (1% movement)	(27,186)	31,039
Future salary growth (1% movement)	28,288	(25,230)
Future mortality (1% movement)	(749)	396

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown

18 Share capital

	Par value per share <i>(in Baht)</i>	2015		2014	
		Number <i>(thousand shares)</i>	Amount <i>(thousand Baht)</i>	Number <i>(thousand shares)</i>	Amount <i>(thousand Baht)</i>
<i>Authorised</i>					
At 1 January					
- ordinary shares	10	<u>43,200</u>	<u>432,000</u>	<u>43,200</u>	<u>432,000</u>
At 31 December					
- ordinary shares	10	<u>43,200</u>	<u>432,000</u>	<u>43,200</u>	<u>432,000</u>
<i>Issued and paid-up</i>					
At 1 January					
- ordinary shares	10	<u>43,200</u>	<u>432,000</u>	<u>43,200</u>	<u>432,000</u>
At 31 December					
- ordinary shares	10	<u>43,200</u>	<u>432,000</u>	<u>43,200</u>	<u>432,000</u>

Share premium

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

19 Reserves

Legal reserve

Section 116 of the Public Companies Act B.E. 2535 Section 116 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.

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Notes to the financial statements

20 Segment information

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.

Segment 1 Can and tube

Segment 2 Slug

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

Information about reportable segments

	Segment 1		Segment 2		Total	
	2015	2014	2015	2014	2015	2014
	<i>(in thousand Baht)</i>					
Revenue from sale of goods	3,625,425	3,542,911	2,144,446	2,082,562	5,769,871	5,625,473
Segment result	<u>862,757</u>	<u>841,018</u>	<u>195,874</u>	<u>217,675</u>	<u>1,058,631</u>	<u>1,058,693</u>
Unallocated revenues					238,064	194,552
Unallocated expenses					(302,936)	(311,142)
Finance costs					(25,496)	(26,270)
Profit before income tax					<u>968,263</u>	<u>915,833</u>
Segment assets						
Trade accounts receivable	748,274	644,607	276,755	268,235	1,025,029	912,842
Inventories	275,077	276,185	819,005	1,095,029	1,094,082	1,371,214
Property, plant and equipment	3,227,187	3,423,256	956,329	943,708	4,183,516	4,366,964
Unallocated assets					281,927	198,180
Total Assets					<u>6,584,554</u>	<u>6,849,200</u>
Segment liabilities						
Trade accounts payable	101,771	123,275	135,777	246,161	237,548	369,436
Unallocated liabilities					1,844,126	2,311,540
Total Liabililites					<u>2,081,674</u>	<u>2,680,976</u>
Other material items						
Depreciation and amortization	368,790	323,458	137,269	111,743	506,059	435,201
Capital expenditure	175,343	442,733	148,573	358,152	323,916	800,885

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Geographical information

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

	Revenues		Non-current assets	
	2015	2014	2015	2014
	<i>(in thousand Baht)</i>			
Asia pacific	2,777,741	2,758,516	-	-
Thailand	1,897,342	1,765,120	4,237,560	4,439,979
America	618,308	510,670	-	-
Others	476,480	591,167	-	-
Total	5,769,871	5,625,473	4,237,560	4,439,979

Major customer

Revenues from a customer of the Company's 1 and 2 segments are approximately Baht 657.1 million (2014: Baht 552.5 million) of the Company's total revenues.

21 Other income

	2015	2014
	<i>(in thousand Baht)</i>	
Sale of scrap	155,957	162,399
Others	26,414	26,876
Total	182,371	189,275

22 Selling expenses

	2015	2014
	<i>(in thousand Baht)</i>	
Freight expenses	81,586	86,435
Employee benefit expenses	32,610	31,674
Others	33,342	35,275
Total	147,538	153,384

23 Administrative expenses

	2015	2014
	<i>(in thousand Baht)</i>	
Employee benefit expenses	125,302	128,137
Depreciation and amortisation	6,515	4,813
Repair and maintenance	3,976	3,440
Transportation expenses	2,816	4,565
Others	16,789	16,803
Total	155,398	157,758

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24 Employee benefit expenses

	2015	2014
	<i>(in thousand Baht)</i>	
Wages and salaries	640,519	641,230
Pension costs - defined benefit plans	45,291	54,150
Contribution to defined contribution plans	7,102	6,552
Director's remuneration	4,796	4,796
Others	43,075	43,387
Total	740,783	750,115

Defined benefit plans

Details of the defined benefit plans are given in note 17.

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.

25 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:

	2015	2014
	<i>(in thousand Baht)</i>	
<i>Included in cost of sale of goods:</i>		
Changes in inventories of finished goods and work in progress	51,953	(72,484)
Raw materials and consumables used	2,906,474	2,854,795
Employee benefit expenses	582,871	590,304
Depreciation and amortisation	498,450	429,786
Utilities expenses	341,548	405,100
<i>Included in selling expenses:</i>		
Freight expenses	81,586	86,435
Employee benefit expenses	32,610	31,674
Depreciation and amortisation	1,094	602
<i>Included in administrative expenses:</i>		
Employee benefit expenses	125,302	128,137
Depreciation and amortisation	6,515	4,812

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26 Finance costs

	<i>Note</i>	2015 <i>(in thousand Baht)</i>	2014
<i>Interest expense:</i>			
Related party	5	21,370	22,110
Financial institutions		4,126	4,160
Total		<u>25,496</u>	<u>26,270</u>

27 Income tax expense

Income tax recognised in profit or loss

	<i>Note</i>	2015 <i>(in thousand Baht)</i>	2014
<i>Current tax expense</i>			
Current year		171,274	152,550
<i>Deferred tax expense</i>			
Movements in temporary differences	11	21,922	12,555
Total		<u>193,196</u>	<u>165,105</u>

Income tax recognised in other comprehensive income

	Before tax	2015 Tax (expense) benefit	Net of tax <i>(in thousand Baht)</i>	Before tax	2014 Tax (expense) benefit	Net of tax
Defined benefit plan actuarial losses	(10,514)	2,103	(8,411)	-	-	-
Total	<u>(10,514)</u>	<u>2,103</u>	<u>(8,411)</u>	<u>-</u>	<u>-</u>	<u>-</u>

Reconciliation of effective tax rate

	2015 <i>(in thousand Baht)</i>	2014 <i>(in thousand Baht)</i>
	<i>Rate (%)</i>	<i>Rate (%)</i>
Profit before income tax expense	<u>968,263</u>	<u>915,833</u>
Income tax using the Thai corporation tax rate	20	20
Income not subject to tax	-	(2)
Others	-	-
Total	<u>20</u>	<u>18</u>

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Income tax reduction

Royal Decree No. 577 B.E. 2557 dated 10 November 2014 grants the reduction to 20% of net taxable profit for the accounting period 2015 which begins on or after 1 January 2015.

On 22 January 2016, The National Legislative Assembly has approved a reduction of the corporate income tax rate from 30% to 20% of net taxable profit for the accounting period which begins on or after 1 January 2016.

The Company has applied the tax rate of 20% in measuring deferred tax assets and liabilities as at 31 December 2015 and 2014 in accordance with the clarification issued by the FAP in 2012.

28 Promotional privileges

By virtue of the provisions of the Industrial Investment Promotion Act B.E. 2520, the Company has been granted privileges by the Board of Investment relating to the production of aluminium containers. The privileges granted include:

- (a) own land in the amount the Board deems it appropriate;
- (b) exemption from payment of import duty on machinery and equipment approved by the Board;
- (c) exemption from payment of income tax for certain operations for a period of three years from the date on which the income is first derived from such operation (30 November 2011)

As a promoted company, the Company must comply with certain terms and conditions prescribed in the promotional certificate.

Summary of revenue from promoted and non-promoted businesses:

	2015			2014		
	Promoted businesses	Non- promoted businesses	Total	Promoted businesses	Non- promoted businesses	Total
	<i>(in thousand Baht)</i>					
Export sales	-	4,062,461	4,062,461	244,044	3,766,055	4,010,099
Local sales	-	1,707,410	1,707,410	360,924	1,254,450	1,615,374
Total Revenue	-	5,769,871	5,769,871	604,968	5,020,505	5,625,473

29 Basic earnings per share

The calculations of basic earnings per share for the years ended 31 December 2015 and 2014 were based on the profit for the years attributable to equity holders of the Company and the number of ordinary shares outstanding during the years as follows:

	2015	2014
	<i>(in thousand Baht / thousand shares)</i>	
Profit attributable to equity holders of the Company	775,067	750,728
Number of ordinary shares outstanding	43,200	43,200
Basic earnings per share (in Baht)	17.94	17.38

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30 Dividends

At the annual general meeting of the shareholders of the Company held on 27 April 2015, the shareholders approved the appropriation of cash dividends of Baht 10 per share, amounting to Baht 432 million. The dividend was paid to shareholders in May 2015.

At the annual general meeting of the shareholders of the Company held on 18 April 2014, the shareholders approved the appropriation of cash dividends of Baht 8 per share, amounting to Baht 345.6 million. The dividend was paid to shareholders in May 2014.

31 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 derivative 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.

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 0.46:1 in 2015 and 0.64:1 in 2014, 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
2015				
Current				
Loans from financial institutions		0.49	91,085	91,085
Loans from related party	5	1.25 - 1.55	1,013,000	1,013,000
Total			1,104,085	1,104,085
2014				
Current				
Loans from financial institutions		0.53 - 0.60	134,834	134,834
Loans from related party	5	1.75 - 1.90	1,368,000	1,368,000
Total			1,502,834	1,502,834

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Foreign currency risk

The Company is exposed to foreign currency risk relating to purchases and sales and short-term loans 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:

	<i>Note</i>	2015 <i>(in thousand Baht)</i>	2014
<i>United States Dollars (USD)</i>			
Cash and cash equivalents	<i>6</i>	129,088	15,542
Trade accounts receivable	<i>7</i>	431,995	352,468
Interest-bearing liabilities	<i>12</i>	-	(49,670)
Trade accounts payable	<i>13</i>	(69,167)	(217,242)
		<u>491,916</u>	<u>101,098</u>
<i>Japanese Yen (YEN)</i>			
Cash and cash equivalents	<i>6</i>	8,919	873
Trade accounts receivable	<i>7</i>	64,561	55,472
Interest-bearing liabilities	<i>12</i>	(90,827)	(82,953)
Trade accounts payable	<i>13</i>	(12,018)	(24,933)
		<u>(29,365)</u>	<u>(51,541)</u>
<i>Australian Dollar (AUD)</i>			
Trade accounts receivable	<i>7</i>	34,874	60,548
Trade accounts payable	<i>13</i>	-	(34)
		<u>34,874</u>	<u>60,514</u>
<i>Others (HKD, SGD, EUR, GBP and CHF)</i>			
Trade accounts receivable	<i>7</i>	13,401	16,929
Trade accounts payable	<i>13</i>	(14,023)	(4,035)
		<u>(622)</u>	<u>12,894</u>
Gross statement of financial position exposure		<u>496,803</u>	<u>122,965</u>

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.

The Company has a policy of selling to customers who are granted credit lines based on good financial status and debt service capacity. Therefore, the Company expects that losses from these receivables will not exceed the allowance for doubtful accounts.

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.

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Fair values of financial assets and liabilities

Fair values of financial assets and liabilities, together with the carrying values shown in the statement of financial position at 31 December were as follows:

	<i>Note</i>	2015		2014	
		Fair value	Carrying Value <i>(in thousand Baht)</i>	Fair value	Carrying value
<i>Current</i>					
Bank overdrafts and short – term loans from financial institutions	12	91,085	91,085	134,834	134,834
Short – term loans from related parties	5,12	1,013,000	1,013,000	1,368,000	1,368,000

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.

Financial instruments not measured at fair value

Fair values of outstanding Commodity Price Swap agreement, together with the carrying values, as of 31 December 2014 was as follow:

Type of agreement	Contract amount (Ton)	Contract value (YEN per ton)	Fair value Level 3 (YEN per ton)
Commodity Price Swap agreement	300	188,000	194,410

For disclosure purpose, the Company determines Level 3 fair value of Commodity Price Swap Agreement was calculated using the rates quoted by the Company’s bankers which were based on market conditions existing at the statement of financial position date.

32 Commitments with non-related parties

	2015	2014
	<i>(in thousand Baht)</i>	
<i>Capital commitments</i>		
Contracted but not provided for:		
Factory, machinery and equipment	127,863	51,048
<i>Other commitments</i>		
Unused letters of credits	-	10,632
Purchase orders accepted by suppliers		
Within one year	1,364,431	1,582,763
After one year but within five years	852,015	381,986
	2,216,446	1,964,749
Commodity Price Swap agreement	-	15,595
Bank guarantees	25,799	25,799
Total	2,242,245	2,016,775

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Purchase orders accepted by suppliers

As at 31 December 2015, the Company had purchase orders accepted by suppliers for purchase of aluminium ingot in total quantity of 42,100 MT (2014: 35,514 MT), at the prices in the range of YEN 123,000 - 123,700 per MT, and at the price as determined in purchase orders (2014: at the prices in the range of YEN 123,000 – 127,100 per MT and at the price as determined in purchase orders) that will be delivered during 2015 to 2016 (2014: 2015 to 2016).

Commodity Price Swap agreement

As at 31 December 2014, the Company had a Commodity Price Swap agreement to hedge the risk of aluminium price fluctuation with a foreign financial institution in 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.

33 Thai Financial Reporting Standards (TFRS) not yet adopted

A number of new and revised TFRS have been issued but are not yet effective and have not been applied in preparing these financial statements. Those new and revised TFRS that may be relevant to the Company's operations, which become effective for annual financial periods beginning on or after 1 January 2016, are set out below. The Company does not plan to adopt these TFRS early.

TFRS	Topic
TAS 1 (revised 2015)	Presentation of Financial Statements
TAS 2 (revised 2015)	Inventories
TAS 7 (revised 2015)	Statement of Cash Flows
TAS 8 (revised 2015)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10 (revised 2015)	Events After the Reporting Period
TAS 12 (revised 2015)	Income Taxes
TAS 16 (revised 2015)	Property, Plant and Equipment
TAS 18 (revised 2015)	Revenue
TAS 19 (revised 2015)	Employee Benefits
TAS 21 (revised 2015)	The Effects of Changes in Foreign Exchange Rates
TAS 23 (revised 2015)	Borrowing Costs
TAS 24 (revised 2015)	Related Party Disclosures
TAS 26 (revised 2015)	Accounting and Reporting by Retirement Benefit Plans
TAS 33 (revised 2015)	Earnings Per Share
TAS 34 (revised 2015)	Interim Financial Reporting
TAS 36 (revised 2015)	Impairment of Assets
TAS 37 (revised 2015)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38 (revised 2015)	Intangible Assets
TFRS 8 (revised 2015)	Operating Segments
TFRS 13 (revised 2015)	Fair Value Measurement
TFRIC 10 (revised 2015)	Interim Financial Reporting and Impairment

The Company has made a preliminary assessment of the potential initial impact on the financial statements of these new and revised TFRS and expects that there will be no material impact on the financial statements in the period of initial application.