

# **Alucon Public Company Limited**

## **Interim financial statements and Review Report of Certified Public Accountant**

**For the three-month and six-month periods ended  
30 June 2010**

## **Review Report of Certified Public Accountant**

### **To the Board of Directors of Alucon Public Company Limited**

I have reviewed the accompanying balance sheet of Alucon Public Company Limited as at 30 June 2010, and the related statements of income for the three-month and six-month periods ended 30 June 2010 and 2009, and the related statements of changes in equity and cash flows for the six-month periods ended 30 June 2010 and 2009 of Alucon Public Company Limited. The Company's management is responsible for the correctness and completeness of information presented in these financial statements. My responsibility is to issue a report on these financial statements based on my reviews. The Company's financial statements for the three-month and six-month periods ended 30 June 2009 have been restated for the effects of the adoption of two International Financial Reporting Standard (IAS 12 "Income taxes" and IAS 19 "Employee benefits") as described in note 13 to the interim financial statements. I have reviewed the adjustments made to the Company's financial statements. Based on my review, nothing has come to my attention to indicate that those adjustments are not appropriate and have not been properly applied.

I conducted my reviews in accordance with the auditing standard on review engagements. This Standard requires that I plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit in accordance with generally accepted auditing standards. I have not performed an audit and, accordingly, I do not express an audit opinion on the reviewed financial statements.

Based on my reviews, nothing has come to my attention that causes me to believe that the accompanying financial statements are not presented fairly, in all material respects, in accordance with generally accepted accounting principles.

I have previously audited the financial statements for the year ended 31 December 2009 of Alucon Public Company Limited in accordance with generally accepted auditing standards and expressed an unqualified opinion on those financial statements in my report dated 23 February 2010. I have not performed any auditing procedures since that date. The balance sheet as at 31 December 2009, which is included in the accompanying financial statements for comparative purposes, is a component of those financial statements.

(Siripen Sukcharoenyingyong)  
Certified Public Accountant  
Registration No. 3636

KPMG Phoomchai Audit Ltd.  
Bangkok  
6 August 2010

# Alucon Public Company Limited

## Balance sheets

As at 30 June 2010 and 31 December 2009

Assets	Note	30 June 2010 (Unaudited)	31 December 2009
<i>(in thousand Baht)</i>			
<b><i>Current assets</i></b>			
Cash and cash equivalents		246,942	292,850
Trade accounts receivable	3, 4	617,665	507,142
Inventories		539,571	469,600
Refundable value added tax		23,313	21,185
Other current assets		5,758	6,124
<b>Total current assets</b>		<b>1,433,249</b>	<b>1,296,901</b>
<b><i>Non-current assets</i></b>			
Property, plant and equipment	5	2,499,284	2,518,790
Intangible assets		12,020	12,666
Deferred tax assets		96,614	96,091
Other non-current assets		239	239
<b>Total non-current assets</b>		<b>2,608,157</b>	<b>2,627,786</b>
<b>Total assets</b>		<b>4,041,406</b>	<b>3,924,687</b>

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

# Alucon Public Company Limited

## Balance sheets

As at 30 June 2010 and 31 December 2009

Liabilities and equity	Note	30 June 2010 (Unaudited)	31 December 2009
<i>(in thousand Baht)</i>			
<b>Current liabilities</b>			
Bank overdrafts and short-term loans			
from financial institutions		161,361	160,019
Trade accounts payable	3, 6	82,968	73,528
Current portion of long-term loans from financial institutions		130,346	134,067
Other payable to and short-term loans from related parties	3	381,430	382,325
Other payables and accrued expenses		147,874	82,929
Income tax payable		107,319	127,723
Other current liabilities		19,581	24,124
<b>Total current liabilities</b>		<b>1,030,879</b>	<b>984,715</b>
<b>Non-current liabilities</b>			
Long-term loans from financial institutions		26,070	93,847
Deferred income		55,480	57,858
Provisions for employees' long-term benefits		302,697	300,043
<b>Total non-current liabilities</b>		<b>384,247</b>	<b>451,748</b>
<b>Total liabilities</b>		<b>1,415,126</b>	<b>1,436,463</b>
<b>Equity</b>			
Share capital	7		
Authorised share capital		432,000	288,000
Issued and paid-up share capital		432,000	288,000
Additional paid-in capital			
Premium on ordinary shares		254,000	254,000
Retained earnings			
Appropriated			
Legal reserve		28,800	28,800
Unappropriated		1,911,480	1,917,424
<b>Total equity</b>		<b>2,626,280</b>	<b>2,488,224</b>
<b>Total liabilities and equity</b>		<b>4,041,406</b>	<b>3,924,687</b>

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

# Alucon Public Company Limited

## Statements of income

For the three-month and six-month periods ended 30 June 2010 and 2009 (Unaudited)

		For the three-month period		For the six-month period	
	<i>Note</i>	2010	2009	2010	2009
			(Restated)		(Restated)
		<i>(in thousand Baht)</i>			
<b>Revenues</b>					
Revenue from sale of goods	3, 8	985,975	919,925	1,934,001	1,760,679
Net foreign exchange gain		690	6,578	4,373	11,830
Other income		24,886	14,463	50,997	34,739
<b>Total revenues</b>		<b>1,011,551</b>	<b>940,966</b>	<b>1,989,371</b>	<b>1,807,248</b>
<b>Expenses</b>					
Cost of sale of goods	3	775,524	715,782	1,456,929	1,337,805
Selling expenses	3	26,581	19,297	49,659	36,108
Administrative expenses		18,517	10,114	38,230	37,726
Management benefit expenses	3	15,847	14,888	31,940	31,004
<b>Total expenses</b>	9	<b>836,469</b>	<b>760,081</b>	<b>1,576,758</b>	<b>1,442,643</b>
<b>Profit before finance costs and income</b>					
<b>tax expense</b>		<b>175,082</b>	<b>180,885</b>	<b>412,613</b>	<b>364,605</b>
Finance costs	3	3,726	5,356	7,587	11,755
<b>Profit before income tax expense</b>		<b>171,356</b>	<b>175,529</b>	<b>405,026</b>	<b>352,850</b>
Income tax expense		47,952	47,700	106,842	96,739
<b>Profit for the period</b>		<b>123,404</b>	<b>127,829</b>	<b>298,184</b>	<b>256,111</b>
<b>Basic earnings per share (in Baht)</b>					
	10	<b>2.86</b>	<b>2.96</b>	<b>6.90</b>	<b>5.93</b>

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

# Alucon Public Company Limited

## Statements of changes in equity

For the six-month periods ended 30 June 2010 and 2009 (Unaudited)

		Issued and paid-up share capital	Additional paid-in capital Premium on ordinary shares	Retained earnings		Total equity
	Note			Legal reserve	Unappropriated	
(in thousand Baht)						
Balance at 1 January 2009		288,000	254,000	28,800	1,633,184	2,203,984
Effects of the adoption of IAS 12 and IAS 19		-	-	-	(26,802)	(26,802)
Restated balance		288,000	254,000	28,800	1,606,382	2,177,182
Profit for the period		-	-	-	256,111	256,111
Dividends	12	-	-	-	(259,200)	(259,200)
Balance at 30 June 2009		288,000	254,000	28,800	1,603,293	2,174,093
Balance at 1 January 2010		288,000	254,000	28,800	1,917,424	2,488,224
Profit for the period		-	-	-	298,184	298,184
Stock dividends	12	144,000	-	-	(144,000)	-
Dividends	12	-	-	-	(160,128)	(160,128)
Balance at 30 June 2010		432,000	254,000	28,800	1,911,480	2,626,280

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

# Alucon Public Company Limited

## Statements of cash flows

For the six-month periods ended 30 June 2010 and 2009 (Unaudited)

	2010	2009
		(Restated)
	<i>(in thousand Baht)</i>	
<i><b>Cash flows from operating activities</b></i>		
Profit for the period	298,184	256,111
<i>Adjustments for</i>		
Depreciation and amortisation	161,688	140,181
Recognised deferred income	(2,378)	-
Interest income	(636)	(601)
Finance costs	7,587	11,755
Unrealised gain on exchange	(6,937)	(14,914)
(Reversal of) loss from devaluation of inventories	3,277	(5,288)
Provision for employees' long-term benefits	16,234	37,180
Loss (gain) on disposal of equipment	189	(1,682)
Income tax expense	106,842	96,739
	<u>584,050</u>	<u>519,481</u>
<i><b>Changes in operating assets and liabilities</b></i>		
Trade accounts receivable	(108,913)	5,346
Inventories	(73,248)	107,283
Refundable value added tax	(2,128)	4,861
Other current assets	356	5,315
Other non-current assets	-	(5)
Trade accounts payable	9,460	13,730
Other payables to related parties	(2,141)	(2,760)
Other payables and accrued expenses	40,966	17,019
Other current liabilities	(4,543)	(5,076)
Provision paid	(13,580)	(21,841)
Income tax paid	(127,768)	(118,348)
<b>Net cash provided by operating activities</b>	<u><b>302,511</b></u>	<u><b>525,005</b></u>

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

# Alucon Public Company Limited

## Statements of cash flows

For the six-month periods ended 30 June 2010 and 2009 (Unaudited)

	2010	2009 (Restated)
	<i>(in thousand Baht)</i>	
<b><i>Cash flows from investing activities</i></b>		
Interest received	646	631
Purchase of plant and equipment	(115,230)	(138,818)
Interest paid for plant and equipment	-	(1,129)
Sale of equipment	185	1,928
Purchase of intangible assets	(60)	(61)
<b>Net cash used in investing activities</b>	<b>(114,459)</b>	<b>(137,449)</b>
<b><i>Cash flows from financing activities</i></b>		
Finance costs paid	(8,249)	(13,777)
Dividends paid	(160,128)	(259,200)
Increase in bank overdrafts and short-term loans from financial institutions	1,451	9,044
Repayment of long-term loans from financial institutions	(67,034)	(110,316)
Proceeds from short-term loans from related parties	-	50,000
<b>Net cash used in financing activities</b>	<b>(233,960)</b>	<b>(324,249)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(45,908)</b>	<b>63,307</b>
Cash and cash equivalents at beginning of period	292,850	277,094
<b>Cash and cash equivalents at end of period</b>	<b>246,942</b>	<b>340,401</b>

### ***Non-cash transaction***

During the period ended 30 June 2010, the Company acquired plant and equipment totalling Baht 142 million (2009: Baht 158 million), cash payments of Baht 115 million (2009: Baht 140 million) were made to purchase plant and equipment. Moreover, the Company paid the stock dividends of Baht 144 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 2010 (Unaudited)**

<b>Note</b>	<b>Contents</b>
1	General information
2	Basis of preparation of the financial statements
3	Related party transactions and balances
4	Trade accounts receivable
5	Property, plant and equipment
6	Trade accounts payable
7	Share capital
8	Segment information
9	Expenses by nature
10	Basic earnings per share
11	Promotional privileges
12	Dividends
13	Adoption of two International Financial Reporting Standard – IAS 12 and IAS 19
14	Commitments with non-related parties
15	Thai Accounting Standards (TAS) not yet adopted

**Alucon Public Company Limited**  
**Notes to the interim financial statements**  
**For the three-month and six-month periods ended 30 June 2010 (Unaudited)**

These notes form an integral part of the financial statements.

The interim financial statements were authorised for issue by the Board of Directors on 6 August 2010.

**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 66.41% of the paid-up share capital.

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

**2 Basis of preparation of the financial statements**

The interim financial statements issued for Thai reporting purposes are prepared in the Thai language. This English translation of the financial statements has been prepared for the convenience of readers not conversant with the Thai language.

The interim financial statements are prepared on a condensed basis in accordance with Thai Accounting Standard No. 34 *Interim Financial Reporting* including related interpretations and guidelines promulgated by the Federation of Accounting Professions (“FAP”), applicable rules and regulations of the Securities and Exchange Commission and with generally accepted accounting principles in Thailand.

The interim financial statements are prepared to provide an update on the financial statements for the year ended 31 December 2009. They 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 for the year ended 31 December 2009.

On 26 May 2010, the FAP announced (Announcement No. 17/2010) the issuing a number of revised Thai Accounting Standards (TAS) (revised 2009). The Company has adopted the revised Framework (revised 2009) for the Preparation and Presentation of Financial Statements. The adoption of the revised Framework does not have any material impact on the Company’s financial statements. Revised TAS which are not currently effective and have not been adopted in the preparation of these financial statements are disclosed in note 15.

The interim financial statements are presented in Thai Baht, rounded to the nearest thousand unless otherwise stated.

Accounting policies and methods of computation applied in the interim financial statements for the three-month and six-month periods ended 30 June 2010 are consistent with those applied in the financial statements for the year ended 31 December 2009.

**Alucon Public Company Limited**  
**Notes to the interim financial statements**  
**For the three-month and six-month periods ended 30 June 2010 (Unaudited)**

**3 Related party transactions and balances**

Related parties are those parties linked to the Company as shareholders or by common shareholders or directors. Transactions with related parties are conducted at prices based on market prices or, where no market price exists, at contractually agreed prices.

Relationships with related parties that control or jointly control the Company or are being controlled or jointly-controlled by the Company or have transactions with the Company were as follows:

<b>Name of entities</b>	<b>Country of incorporation/ nationality</b>	<b>Nature of relationships</b>
Takeuchi Press Industries Company Limited	Japan	Parent, 66.41% shareholding

The pricing policies for particular types of transactions are explained further below:

<b>Transactions</b>	<b>Pricing policies</b>
Revenue from sale of goods	The market price or the price based on the memorandum of understanding. The selling price structure with the parent company is based on the actual cost incurred plus gross margin rate including the consideration of size, sale volume, country and transportation.
Purchase of raw materials and spare part	The market price.
Purchase of machinery and equipment	The market price / the invoice price.
Interest expense	1.25% per annum in 2010 and 1.25-3.5% per annum in 2009
Commission expenses	Percentage of sales amount.
Management benefit expenses	Amount approved by the directors and / or the shareholders.

Significant transactions for the three-month and six-month periods ended 30 June 2010 and 2009 with related parties were as follows:

	Three-month periods ended 30 June		Six-month periods ended 30 June	
	2010	2009	2010	2009
	<i>(in thousand Baht)</i>			
<b>Parent</b>				
Revenue from sale of goods	232,192	214,214	441,689	425,929
Purchase of raw materials and spare parts	2,771	1,109	3,913	2,067
Purchase of machinery and equipment	2,054	-	2,800	2,584
Interest expense	1,176	1,906	2,339	4,807
Commission expenses	57	40	95	58
<b>Management</b>				
Management benefit expenses	15,847	14,888	31,940	31,004

**Alucon Public Company Limited**  
**Notes to the interim financial statements**  
**For the three-month and six-month periods ended 30 June 2010 (Unaudited)**

Balances as at 30 June 2010 and 31 December 2009 with related parties were as follows:

***Trade accounts receivable from related party***

	30 June 2010 (in thousand Baht)	31 December 2009
<b>Parent</b>		
Takeuchi Press Industries Company Limited	<u>66,058</u>	<u>46,986</u>

***Trade accounts payable to related party***

	30 June 2010 (in thousand Baht)	31 December 2009
<b>Parent</b>		
Takeuchi Press Industries Company Limited	<u>885</u>	<u>-</u>

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

	Interest rate 2010      2009 (% per annum)		30 June 2010 (in thousand Baht)	31 December 2009
<b><i>Short-term loans</i></b>				
<b>Parent</b>				
Takeuchi Press Industries Company Limited	1.25	1.25	377,295	377,295
<b><i>Other payables</i></b>				
<b>Parent</b>				
Takeuchi Press Industries Company Limited			1,282	489
<b><i>Accrued commission payable</i></b>				
<b>Parent</b>				
Takeuchi Press Industries Company Limited			57	31
<b><i>Accrued interest expense</i></b>				
<b>Parent</b>				
Takeuchi Press Industries Company Limited			918	991
<b><i>Accrued management's remuneration and other benefits</i></b>				
Management			<u>1,878</u>	<u>3,519</u>
<b>Total</b>			<u><b>381,430</b></u>	<u><b>382,325</b></u>

**Alucon Public Company Limited**  
**Notes to the interim financial statements**  
**For the three-month and six-month periods ended 30 June 2010 (Unaudited)**

Movements during the six-month periods ended 30 June 2010 and 2009 of short-term loans from related party were as follows:

	2010	2009
	<i>(in thousand Baht)</i>	
<b>Short-term loans</b>		
<b>Parent</b>		
At 1 January	377,295	377,295
Increase	-	50,000
<b>At 30 June</b>	<b>377,295</b>	<b>427,295</b>

**Commitments for purchase of machinery and equipment, raw materials and spare parts**

	30 June 2010	31 December 2009
	<i>(in thousand Baht)</i>	
<b>Parent</b>		
Takeuchi Press Industries Company Limited	35,300	5,433

**Significant memorandum of understanding**

On 4 February 2009, the Company entered into a memorandum of understanding with Takeuchi Press Industries Company Limited to supply aluminium slugs in quantity of about 5,200 MT for the production of aluminum monobloc aerosol cans and collapsible tubes for a period from April 2009 to March 2010.

Subsequently, on 2 February 2010, the Company entered into another memorandum of understanding to supply aluminium slugs in quantity about of 5,000 MT for a period from April 2010 to March 2011.

**4 Trade accounts receivable**

	Note	30 June 2010	31 December 2009
		<i>(in thousand Baht)</i>	
Related party	3	66,058	46,986
Other parties		557,552	466,101
		623,610	513,087
Less allowance for doubtful accounts		(5,945)	(5,945)
<b>Total</b>		<b>617,665</b>	<b>507,142</b>

**Alucon Public Company Limited**  
**Notes to the interim financial statements**  
**For the three-month and six-month periods ended 30 June 2010 (Unaudited)**

Aging analyses for trade accounts receivable were as follows:

	30 June 2010	31 December 2009
	<i>(in thousand Baht)</i>	
<b>Related party</b>		
Within credit terms	65,961	46,986
Overdue:		
Less than 3 months	97	-
	<b>66,058</b>	<b>46,986</b>
<b>Other parties</b>		
Within credit terms	463,982	358,413
Overdue:		
Less than 3 months	87,604	101,743
3 - 6 months	21	-
Over 12 months	5,945	5,945
Total	557,552	466,101
Less allowance for doubtful accounts	(5,945)	(5,945)
<b>Net</b>	<b>551,607</b>	<b>460,156</b>
<b>Total</b>	<b>617,665</b>	<b>507,142</b>

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

## **5 Property, plant and equipment**

Acquisitions, disposals and transfers of property, plant and equipment during the six-month periods ended 30 June 2010 and 2009 were as follows:

	2010		2009	
	Acquisitions and transfers - at cost	Disposals - net book value	Acquisitions and transfer - at cost	Disposals - net book value
	<i>(in thousand Baht)</i>			
Buildings and building improvement	25,358	-	5,617	(183)
Machineries and equipment	37,892	(374)	57,221	(59)
Office equipment	1,020	-	366	(3)
Vehicles	874	-	2,817	-
Construction in progress	76,689	-	91,593	-
<b>Total</b>	<b>141,833</b>	<b>(374)</b>	<b>157,614</b>	<b>(245)</b>

## **6 Trade accounts payable**

	Note	30 June 2010	31 December 2009
		<i>(in thousand Baht)</i>	
Related party	3	885	-
Other parties		82,083	73,528
<b>Total</b>		<b>82,968</b>	<b>73,528</b>

**Alucon Public Company Limited**  
**Notes to the interim financial statements**  
**For the three-month and six-month periods ended 30 June 2010 (Unaudited)**

**7 Share capital**

	Par value per share (in Baht)	Number	2010 Amount (thousand shares / thousand Baht)	2009 Number	Amount
<b><i>Authorised</i></b>					
At 1 January					
- ordinary shares	10	28,800	288,000	28,800	288,000
Increase of new shares	10	14,400	144,000	-	-
<b>At 30 June</b>					
- ordinary shares	10	<b>43,200</b>	<b>432,000</b>	<b>28,800</b>	<b>288,000</b>
<b><i>Issued and paid-up</i></b>					
At 1 January					
- ordinary shares	10	28,800	288,000	28,800	288,000
Increase of new shares	10	14,400	144,000	-	-
<b>At 30 June</b>					
- ordinary shares	10	<b>43,200</b>	<b>432,000</b>	<b>28,800</b>	<b>288,000</b>

At the annual general meeting of the shareholders of the Company held on 27 April 2010, the shareholders passed the resolution to approve an increase in the Company's authorised share capital from Baht 288 million (28,800,000 shares at Baht 10 par value) to Baht 432 million (43,200,000 shares at Baht 10 par value) by issuing new shares for the stock dividend. The increase in share capital and change in paid-up share capital were registered with the Ministry of Commerce on 27 May 2010.

**8 Segment information**

Segment information is presented in respect of the Company's business and geographic segments. The primary format, geographic segments, is based on the Company's management and internal reporting structure.

***Business segments***

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

***Geographic segments***

In presenting information on the basis of geographical segments, segment revenue is based on the geographic location of customers.

The following are the main geographical locations:

Segment 1	Domestic
Segment 2	Export

**Alucon Public Company Limited**  
**Notes to the interim financial statements**  
**For the three-month and six-month periods ended 30 June 2010 (Unaudited)**

Revenue and results, based on geographical segments, in the Company's financial statements for the three-month and six-month periods ended 30 June 2010 and 2009 were as follows:

	Three-month periods ended 30 June		Six-month periods ended 30 June	
	2010	2009 (Restated)	2010	2009 (Restated)
	<i>(in thousand Baht)</i>			
<b>Segment revenue</b>				
Domestic	234,578	295,753	492,300	511,237
Export	751,397	624,172	1,441,701	1,249,442
<b>Total</b>	<b>985,975</b>	<b>919,925</b>	<b>1,934,001</b>	<b>1,760,679</b>
<b>Segment results</b>				
Domestic	50,069	65,631	121,439	122,787
Export	160,382	138,512	355,633	300,087
<b>Total</b>	<b>210,451</b>	<b>204,143</b>	<b>477,072</b>	<b>422,874</b>

**9 Expenses by nature**

	Three-month periods ended 30 June		Six-month periods ended 30 June	
	2010	2009 (in thousand Baht)	2010	2009
Changes in inventories of finished goods and work in progress	(53,394)	28,660	(61,906)	95,576
Raw materials and consumables used	514,816	310,839	917,089	602,318
Employee benefit expenses	118,547	107,834	222,750	223,984
Depreciation and amortisation	82,865	72,090	161,688	140,181
Management benefit expenses	15,847	14,888	31,940	31,004
Others	157,788	225,770	305,197	349,580
<b>Total</b>	<b>836,469</b>	<b>760,081</b>	<b>1,576,758</b>	<b>1,442,643</b>

**10 Basic earnings per share**

The calculation of basic earnings per share for the three-month and six-month periods ended 30 June 2010 and 2009 were based on the profit for the period attributable to equity holders of the Company and the number of ordinary shares outstanding during the period as follows:

	Three-month periods ended 30 June		Six-month periods ended 30 June	
	2010	2009	2010	2009
	<i>(in thousand Baht / thousand shares)</i>			
<b>Profit attributable to equity holders of the Company</b>	<b>123,404</b>	<b>127,829</b>	<b>298,184</b>	<b>256,111</b>
Number of ordinary shares outstanding at beginning of period	28,800	28,800	28,800	28,800
Effect from issue for stock dividends	14,400	14,400	14,400	14,400
<b>Weighted average number of ordinary shares outstanding</b>	<b>43,200</b>	<b>43,200</b>	<b>43,200</b>	<b>43,200</b>
<b>Basic earnings per share (in Baht)</b>	<b>2.86</b>	<b>2.96</b>	<b>6.90</b>	<b>5.93</b>



**Alucon Public Company Limited**  
**Notes to the interim financial statements**  
**For the three-month and six-month periods ended 30 June 2010 (Unaudited)**

**11 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 aluminum containers. The privileges granted include:

- (a) exemption from payment of import duty on machinery and equipment approved by the Board;
- (b) 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

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

The Company's revenue from sale of goods for the three-month and six-month periods ended 30 June 2010 and 2009 are derived from non-promoted business.

**12 Dividends**

At the annual general meeting of the shareholders of the Company held on 27 April 2010, the shareholders approved the appropriation of cash dividends of Baht 5.56 per share and stock dividend of Baht 5 per share comprising new common shares of Baht 10 par value in the ratio of 1 new common share for every 2 common shares held (2:1). The total dividend is Baht 10.56 per share, amounting to Baht 304.1 million. The dividend was paid to shareholders during 2010.

At the annual general meeting of the shareholders of the Company held on 27 April 2009, the shareholders approved the appropriation of dividends of Baht 9.00 per share, amounting to Baht 259.2 million. The dividend was paid to shareholders during 2009.

**13 Adoption of two International Financial Reporting Standards – IAS 12 and IAS 19**

Accounting for income taxes and employee benefits are topics that are currently under consideration by the FAP who have issued Exposure Drafts for discussion and comment. However, as of 31 December 2009 no TAS on these topics is currently effective. The Company, therefore, has followed the guidance issued by the FAP that in instances where there is no applicable TAS, it is appropriate to look to the guidance set-down in the relevant International Financial Reporting Standard or US Accounting Standard. Consequently, the Company has voluntarily adopted the requirements of IAS 12 "*Income taxes*" and IAS 19 "*Employee benefits*".

**Alucon Public Company Limited**  
**Notes to the interim financial statements**  
**For the three-month and six-month periods ended 30 June 2010 (Unaudited)**

The adoption of International Financial Reporting Standard (IAS 12 and IAS 19) has been applied retrospectively and the financial statements for three-month and six-month periods ended 30 June 2009, which are included for comparative purposes, have been restated according as follows:

	Three-month period ended 30 June 2009 (in thousand Baht)	Six-month period ended 30 June 2009
<b>Profit for the period before the effects of the adoption of IAS 12 and IAS 19</b>	<b>132,421</b>	<b>268,044</b>
Increase in employees' long-term benefits	(5,725)	(15,225)
Increase in deferred tax assets	1,133	3,292
<b>Profit for the period after the effects of the adoption of IAS 12 and IAS 19</b>	<b>127,829</b>	<b>256,111</b>
Number of ordinary shares outstanding at beginning of period	28,800	28,800
Effect from issue for stock dividends	14,400	14,400
<b>Weighted average number of ordinary shares outstanding</b>	<b>43,200</b>	<b>43,200</b>
<b>Basic earnings per share decrease (in Baht)</b>	<b>(0.11)</b>	<b>(0.28)</b>

**14 Commitments with non-related parties**

	30 June 2010 (in thousand Baht)	31 December 2009
<b>Capital commitments</b>		
Contracted but not provided for:		
Machinery and equipment	<b>159,543</b>	<b>208,852</b>
<b>Other commitments</b>		
Unused letters of credits	22,934	29,148
Purchase orders accepted by suppliers		
Within one year	1,436,233	1,397,910
After one year but within five years	1,728,450	822,086
After five years but within ten years	279,687	333,435
	<b>3,444,370</b>	<b>2,553,431</b>
Commodity Price Swap agreement	114,742	123,722
Bank guarantees	20,414	24,634
<b>Total</b>	<b>3,602,460</b>	<b>2,730,935</b>

*Purchase orders accepted by suppliers*

As at 30 June 2010, the Company had purchase orders accepted by suppliers for purchase of aluminium ingot in total quantity of 59,171 MT (31 December 2009: 42,164 MT), at the ranging fixed price of YEN 123,000 – YEN 151,500 per MT and at the price as determined in purchase orders (31 December 2009: at the ranging fixed price of YEN 123,000 - YEN 151,500 per MT and USD 1,600 – USD 1,638 per MT and at the price as determined in purchase orders) that will be delivered during 2010 to 2016 (31 December 2009: 2009 to 2016).

**Alucon Public Company Limited**  
**Notes to the interim financial statements**  
**For the three-month and six-month periods ended 30 June 2010 (Unaudited)**

*Commodity Price Swap agreement*

As at 30 June 2010 and 31 December 2009, 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.

**15 Thai Accounting Standards (TAS) not yet adopted**

The Company has not adopted the following revised TAS that have been issued as of the reporting date but are not yet effective. The revised TAS are anticipated to become effective for annual financial periods beginning on or after 1 January 2011.

TAS	Topic
TAS 1 (revised 2009)	Presentation of Financial Statements
TAS 2 (revised 2009)	Inventories
TAS 7 (revised 2009)	Statement of Cash Flows
TAS 8 (revised 2009)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10 (revised 2009)	Events after the Reporting Period
TAS 17 (revised 2009)	Leases
TAS 23 (revised 2009)	Borrowing Costs
TAS 24 (revised 2009)	Related Party Disclosures
TAS 33 (revised 2009)	Earnings per Share
TAS 34 (revised 2009)	Interim Financial Reporting
TAS 36 (revised 2009)	Impairment of Assets
TAS 37 (revised 2009)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38 (revised 2009)	Intangible Assets

Management is presently considering the potential impact of adopting of these revised TAS on the Company's financial statements.