

Alucon Public Company Limited

Interim financial statements
for the three-month and nine-month periods ended
30 September 2016
and
Independent Auditor's Report
on Review of Interim Financial Information

Independent Auditor's Report on Review of Interim Financial Information

To the Board of Directors of Alucon Public Company Limited

I have reviewed the accompanying statement of financial position of Alucon Public Company Limited as at 30 September 2016; the statements of comprehensive income for the three-month and nine-month periods ended 30 September 2016; the statements of changes in equity and cash flows for the nine-month period ended 30 September 2016; and condensed notes ("interim financial information"). Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standards 34, "Interim Financial Reporting". My responsibility is to express a conclusion on this interim financial information based on my review.

Scope of Review

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

Conclusion

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

(Banthit Tangpakorn)
Certified Public Accountant
Registration No. 8509

KPMG Phoomchai Audit Ltd.
Bangkok
11 November 2016

Alucon Public Company Limited
Statement of financial position

Assets	<i>Note</i>	30 September 2016 (Unaudited)	31 December 2015
<i>(in thousand Baht)</i>			
<i>Current assets</i>			
Cash and cash equivalents		233,878	200,025
Trade accounts receivable	3, 4	1,028,990	1,025,029
Inventories		1,168,743	1,094,082
Refundable value added tax		38,242	16,890
Other current assets		10,215	10,968
Total current assets		2,480,068	2,346,994
<i>Non-current assets</i>			
Property, plant and equipment	3, 5	4,028,528	4,183,516
Intangible assets		9,634	9,194
Deferred tax assets		40,800	44,546
Other non-current assets		299	304
Total non-current assets		4,079,261	4,237,560
Total assets		6,559,329	6,584,554

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

Alucon Public Company Limited

Statement of financial position

Liabilities and equity	Note	30 September 2016 (Unaudited)	31 December 2015
<i>(in thousand Baht)</i>			
<i>Current liabilities</i>			
Bank overdrafts and short-term loans			
from financial institutions		105,133	91,085
Trade accounts payable	3, 6	259,533	237,548
Other accounts payable to and short-term loans from related party	3	519,347	1,027,694
Other accounts payable		204,995	121,497
Income tax payable		61,967	94,043
Other current liabilities		21,709	21,429
Total current liabilities		1,172,684	1,593,296
<i>Non-current liabilities</i>			
Deferred income		19,276	23,619
Employee benefit obligations		487,556	464,759
Total non-current liabilities		506,832	488,378
Total liabilities		1,679,516	2,081,674
Share capital:			
Authorised share capital		432,000	432,000
Issued and paid-up share capital		432,000	432,000
Additional paid-in capital			
Premium on ordinary shares		254,000	254,000
Retained earnings			
Appropriated			
Legal reserve		43,200	43,200
Unappropriated		4,150,613	3,773,680
Total equity		4,879,813	4,502,880
Total liabilities and equity		6,559,329	6,584,554

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

Alucon Public Company Limited
Statement of comprehensive income (Unaudited)

		Three-month period		Nine-month period	
		30 September		30 September	
	<i>Note</i>	2016	2015	2016	2015
		<i>(in thousand Baht)</i>			
<i>Income</i>					
Revenue from sale of goods	3, 7	1,499,455	1,386,808	4,585,804	4,272,132
Net foreign exchange gain		-	37,167	-	51,616
Other income		41,314	42,409	118,796	142,358
Total income		1,540,769	1,466,384	4,704,600	4,466,106
<i>Expenses</i>					
Cost of sale of goods	3	1,126,446	1,132,475	3,422,628	3,526,786
Selling expenses	3	37,205	38,429	113,832	112,529
Administrative expenses	3	38,939	35,693	122,702	117,964
Net foreign exchange loss		6,093	-	11,981	-
Finance costs	3	2,888	6,572	9,408	20,697
Total expenses		1,211,571	1,213,169	3,680,551	3,777,976
Profit before income tax expense		329,198	253,215	1,024,049	688,130
Income tax expense		65,895	50,621	204,983	137,782
Profit for the period		263,303	202,594	819,066	550,348
Other comprehensive income					
<i>Items that will never be reclassified to profit or loss</i>					
Defined benefit plan actuarial (loss) gains		(12,666)	10,786	(12,666)	10,786
Income tax on other comprehensive income		2,533	(2,157)	2,533	(2,157)
Other comprehensive income for the period, net of income tax		(10,133)	8,629	(10,133)	8,629
Total comprehensive income for the period		253,170	211,223	808,933	558,977
Basic earnings per share (in Baht)	8	6.10	4.69	18.96	12.74

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

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

		Issued and paid-up share capital	Additional paid-in capital Premium on ordinary shares	Retained earnings Legal reserve	Unappropriated	Total equity
	<i>Note</i>					
<i>(in thousand Baht)</i>						
Nine-month period ended 30 September 2015						
Balance at 1 January 2015		432,000	254,000	43,200	3,439,024	4,168,224
Transactions with owners, recorded directly in equity						
<i>Distribution to owners of the Company</i>						
Dividends to owners of the Company	9	-	-	-	(432,000)	(432,000)
<i>Total distribution to owners of the Company</i>		-	-	-	(432,000)	(432,000)
Total transactions with owners, recorded directly in equity		-	-	-	(432,000)	(432,000)
Comprehensive income for the period						
Profit for the period		-	-	-	550,348	550,348
Other comprehensive income		-	-	-	8,629	8,629
Total comprehensive income for the period		-	-	-	558,977	558,977
Balance at 30 September 2015		432,000	254,000	43,200	3,566,001	4,295,201

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

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

		Issued and paid-up share capital	Additional paid-in capital Premium on ordinary shares	Retained earnings Legal reserve	Unappropriated	Total equity
	<i>Note</i>					
<i>(in thousand Baht)</i>						
Nine-month period ended 30 September 2016						
Balance at 1 January 2016		432,000	254,000	43,200	3,773,680	4,502,880
Transactions with owners, recorded directly in equity						
<i>Distribution to owners of the Company</i>						
Dividends to owners of the Company	9	-	-	-	(432,000)	(432,000)
<i>Total distribution to owners of the Company</i>		-	-	-	(432,000)	(432,000)
Total transactions with owners, recorded directly in equity		-	-	-	(432,000)	(432,000)
Comprehensive income for the period						
Profit for the period		-	-	-	819,066	819,066
Other comprehensive income		-	-	-	(10,133)	(10,133)
Total comprehensive income for the period		-	-	-	808,933	808,933
Balance at 30 September 2016		432,000	254,000	43,200	4,150,613	4,879,813

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

Alucon Public Company Limited
Statement of cash flows (Unaudited)

	Nine-month period ended	
	30 September	
	2016	2015
	<i>(in thousand Baht)</i>	
<i>Cash flows from operating activities</i>		
Profit for the period	819,066	550,348
<i>Adjustments for</i>		
Depreciation	389,195	373,139
Amortisation of intangible assets	1,589	1,529
Recognised deferred income	(4,343)	(4,327)
Interest income	(411)	(131)
Finance costs	9,408	20,697
Unrealised loss on exchange	14,890	1,155
Reversal of devaluation of inventories	(614)	(6,630)
Gain on disposal of equipment	(33)	(369)
Provision for employee benefit obligations	42,321	42,850
Income tax expense	204,983	137,782
	<u>1,476,051</u>	<u>1,116,043</u>
<i>Changes in operating assets and liabilities</i>		
Trade accounts receivable	(5,739)	(76,506)
Inventories	(74,047)	103,567
Refundable value added tax	(21,352)	57,990
Other current assets	778	273
Other non-current assets	5	-
Trade accounts payable	22,115	(171,721)
Other accounts payable to related parties	(519)	(955)
Other accounts payable	89,092	107,968
Other current liabilities	280	616
Cash generated from operating activities	1,486,664	1,137,275
Income tax paid	(230,780)	(139,396)
Employee benefit obligations paid	(32,190)	(80,390)
Net cash from operating activities	1,223,694	917,489

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

Alucon Public Company Limited

Statement of cash flows (Unaudited)

Nine-month period ended

30 September

2016

2015

(in thousand Baht)

Cash flows from investing activities

Interest received	386	107
Purchase of plant and equipment	(239,653)	(301,703)
Sale of equipment	71	387
Purchase of intangible assets	(2,214)	(2,838)
Net cash used in investing activities	(241,410)	(304,047)

Cash flows from financing activities

Finance costs paid	(12,194)	(21,972)
Dividends paid	(432,000)	(432,000)
Increase (decrease) in bank overdrafts	763	(964)
Proceeds from short-term loans from related party	-	240,000
Payments of short-term loans from related party	(505,000)	(245,000)
Proceeds from short-term loans from financial institution	-	55,604
Payments of short-term loans from financial institution	-	(55,604)
Net cash used in financing activities	(948,431)	(459,936)

Net increase in cash and cash equivalents	33,853	153,506
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Cash and cash equivalents at 1 January	200,025	50,621
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Cash and cash equivalents at 30 September	233,878	204,127
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Non-cash transactions

During the period ended 30 September 2016, the Company acquired plant and equipment totalling Baht 234 million (2015: Baht 246 million), cash payments of Baht 240 million (2015: Baht 302 million) were made to purchase plant and equipment.

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 nine-month periods ended 30 September 2016 (Unaudited)

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Alucon Public Company Limited
Notes to the interim financial statements
For the three-month and nine-month periods ended 30 September 2016 (Unaudited)

These notes form an integral part of the financial statements.

The interim financial statements issued for Thai regulatory reporting purposes are prepared in the Thai language. These English language financial statements have been prepared from the Thai language statutory financial statements, and were approved and authorised for issue by the Board of Directors on 11 November 2016.

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 66.91% 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 interim financial statements

(a) Statement of compliance

The interim financial statements are prepared on a condensed basis in accordance with Thai Accounting Standard (TAS) No. 34 (revised 2015) *Interim Financial Reporting*; guidelines promulgated by the Federation of Accounting Professions (FAP); and applicable rules and regulations of the Thai Securities and Exchange Commission.

The interim financial statements are prepared to provide an update on the financial statements for the year ended 31 December 2015. They do not include all of the financial information required for full annual financial statements but focus on new activities, events and circumstances to avoid repetition of information previously reported. Accordingly, these interim financial statements should be read in conjunction with the financial statements of the Company for the year ended 31 December 2015.

The accounting policies and methods of computation applied in these interim financial statements are consistent with those applied in the financial statements for the year ended 31 December 2015 except that the Company has adopted all the new and revised TFRS that are effective for annual periods beginning on or after 1 January 2016. The adoption of these new and revised TFRS did not have any material effect on the accounting policies, methods of computation, financial performance or position of the Company.

In addition, to the above revised TFRS, the FAP has issued a number of new TFRS which are effective for annual financial periods beginning on or after 1 January 2017 and have not been adopted in the preparation of these financial statements. Those new TFRS that are relevant to the Company’s operations are disclosed in note 11.

Alucon Public Company Limited
Notes to the interim financial statements
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(b) Functional and presentation currency

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

(c) Use of judgements and estimates

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

In preparing these interim financial statements, the significant judgements made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements for the year ended 31 December 2015.

(d) Financial instruments

Carrying amounts and fair values

The Company's bank overdrafts and short-term loan from financial institutions and short-term loans from related party are bearing interest at rates close to current market rate. The management believes that fair values of such assets and liabilities as at 30 September 2016 and 31 December 2015 are not materially different from their carrying amounts.

The Company has not disclosed the fair values for financial instruments such as trade and other accounts receivable, and trade and other accounts payable, because the carrying values approximate their fair value due to the relatively short-term maturity of these financial instruments.

3 Related parties

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

Relationships with related parties were as follows;

Name of entities	Country of incorporation	Nature of relationships
Takeuchi Press Industries Company Limited Key management personnel	Japan	Parent, 66.91% shareholding Person 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.

Alucon Public Company Limited
Notes to the interim financial statements
For the three-month and nine-month periods ended 30 September 2016 (Unaudited)

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	1.25 - 1.55% per annum in 2016 and 1.20 - 1.90% per annum in 2015
License fee	Percentage of sales amount as determined in an agreement
Commission expenses	Percentage of sales amount as determined in an agreement
Key management personnel compensation	Amount approved by the directors and / or the shareholders

Significant transactions for the three-month and nine-month periods ended 30 September 2016 and 2015 with related parties were as follows:

	Three-month period ended 30 September		Nine-month period ended 30 September	
	2016	2015	2016	2015
	(in thousand Baht)			
Parent				
Revenue from sale of goods	291,372	238,913	853,836	698,223
Purchase of raw materials and spare parts	3,682	2,860	10,849	8,424
Purchase of machinery and equipment	1,245	1,092	2,819	4,909
Interest expense	1,862	5,567	6,495	17,518
License fee	6,015	4,835	17,370	16,074
Commission expenses	797	548	2,235	1,891
Other expenses	147	10	148	37
Key management personnel				
Key management personnel compensation				
Short-term employee benefit	15,373	14,798	46,085	45,612
Post-employment benefits	482	(1,619)	1,252	1,058
Total	15,855	13,179	47,337	46,670

Balances as at 30 September 2016 and 31 December 2015 with related parties were as follows:

Trade account receivable from related party

	30 September 2016	31 December 2015
	<i>(in thousand Baht)</i>	
Parent		
Takeuchi Press Industries Company Limited	66,965	64,561

Alucon Public Company Limited
Notes to the interim financial statements
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Trade account payable to related party

	30 September 2016	31 December 2015
	<i>(in thousand Baht)</i>	
Parent		
Takeuchi Press Industries Company Limited	<u>19</u>	<u>10</u>

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

	Interest rate	30 September 2016	31 December 2015	30 September 2016	31 December 2015
				<i>(in thousand Baht)</i>	
Short-term loans					
Parent					
Takeuchi Press Industries Company Limited	1.25	1.25 - 1.55	508,000	1,013,000	
Other accounts payable					
Parent					
Takeuchi Press Industries Company Limited			-	45	
Accrued license fee					
Parent					
Takeuchi Press Industries Company Limited			6,015	5,728	
Accrued commission payable					
Parent					
Takeuchi Press Industries Company Limited			797	666	
Accrued interest expense					
Parent					
Takeuchi Press Industries Company Limited			1,447	4,230	
Accrued management's remuneration and other benefits					
Key management personnel			<u>3,088</u>	<u>4,025</u>	
Total			<u>519,347</u>	<u>1,027,694</u>	

Alucon Public Company Limited
Notes to the interim financial statements
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Movements during the nine-month periods ended 30 September 2016 and 2015 of short-term loans from related party were as follows:

<i>Nine-month period ended 30 September</i>	2016 (in thousand Baht)	2015
Short-term loans		
Parent		
At 1 January	1,013,000	1,368,000
Increase	-	240,000
Decrease	(505,000)	(245,000)
At 30 September	508,000	1,363,000

Significant agreement with related party

Technical license agreement

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

Commitments for purchase of raw materials and spare parts

	30 September 2016 (in thousand Baht)	31 December 2015
Parent		
Takeuchi Press Industries Company Limited	25,617	4,338

Significant memorandum of understanding

On 9 February 2016, the Company entered into a memorandum of understanding with Takeuchi Press Industries Company Limited to supply aluminium slugs in quantity of about 6,000 MT for the production of aluminum monobloc aerosol cans and collapsible tubes for a period from April 2016 to March 2017.

4 Trade accounts receivable

	Note	30 September 2016 (in thousand Baht)	31 December 2015
Related party	3	66,965	64,561
Other parties		962,025	960,468
Total		1,028,990	1,025,029

Alucon Public Company Limited
Notes to the interim financial statements
For the three-month and nine-month periods ended 30 September 2016 (Unaudited)

Aging analyses for trade accounts receivable were as follows:

	30 September 2016	31 December 2015
	<i>(in thousand Baht)</i>	
Related party		
Within credit terms	66,965	64,561
	66,965	64,561
Other parties		
Within credit terms	728,363	774,710
Overdue:		
Less than 3 months	233,662	185,758
	962,025	960,468
Total	1,028,990	1,025,029

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 nine-month periods ended 30 September 2016 and 2015 were as follows:

	2016		2015	
	Acquisitions and transfers - at cost	Disposals - net book value	Acquisitions and transfers - at cost	Disposals - net book value
	<i>(in thousand Baht)</i>			
Land improvement	1,539	-	7,558	-
Buildings and building improvement	33,027	-	14,650	-
Machinery and equipment	180,303	(38)	279,404	(18)
Office equipment	1,210	-	3,492	-
Vehicles	-	-	12,452	-
Spare parts	15,849	-	1,970	-
Construction in progress	2,317	-	(73,406)	-
Total	234,245	(38)	246,120	(18)

6 Trade accounts payable

	Note	30 September 2016	31 December 2015
		<i>(in thousand Baht)</i>	
Related party	3	19	10
Other parties		259,514	237,538
Total		259,533	237,548

Alucon Public Company Limited
Notes to the interim financial statements
For the three-month and nine-month periods ended 30 September 2016 (Unaudited)

7 Segment information

The Company has two reportable segments. The following summary describes the operations in each of the Company's reportable segments.

Segment 1 Can and tube
Segment 2 Slug

Information about reportable segments

	Segment 1		Segment 2		Total	
<i>Three-month period ended 30 September</i>	2016	2015	2016	2015	2016	2015
			<i>(in thousand Baht)</i>			
Revenue from sale of goods	<u>942,245</u>	<u>858,707</u>	<u>557,210</u>	<u>528,101</u>	<u>1,499,455</u>	<u>1,386,808</u>
Segment result	<u>277,676</u>	<u>202,294</u>	<u>95,333</u>	<u>52,039</u>	<u>373,009</u>	<u>254,333</u>
<i>Nine-month period ended 30 September</i>	2016	2015	2016	2015	2016	2015
			<i>(in thousand Baht)</i>			
Revenue from sale of goods	<u>2,880,981</u>	<u>2,650,897</u>	<u>1,704,823</u>	<u>1,621,235</u>	<u>4,585,804</u>	<u>4,272,132</u>
Segment result	<u>888,738</u>	<u>601,567</u>	<u>274,438</u>	<u>143,779</u>	<u>1,163,176</u>	<u>745,346</u>

8 Basic earnings per share

The calculations of basic earnings per share for the three-month and nine-month periods ended 30 September 2016 and 2015 were based on the profit for the periods attributable to ordinary shareholders of the Company and the number of ordinary shares outstanding during the periods as follows:

	Three-month period ended 30 September		Nine-month period ended 30 September	
	2016	2015	2016	2015
	<i>(in thousand Baht / thousand shares)</i>			
Profit attributable to equity holders of the Company	<u>263,303</u>	<u>202,594</u>	<u>819,066</u>	<u>550,348</u>
Number of ordinary shares outstanding	<u>43,200</u>	<u>43,200</u>	<u>43,200</u>	<u>43,200</u>
Basic earnings per share <i>(in Baht)</i>	<u>6.10</u>	<u>4.69</u>	<u>18.96</u>	<u>12.74</u>

9 Dividends

At the annual general meeting of the shareholders of the Company held on 21 April 2016, 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 2016.

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.

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10 Commitments with non-related parties

	30 September 2016	31 December 2015
	<i>(in thousand Baht)</i>	
<i>Capital commitments</i>		
Contracted but not provided for:		
Factory, machinery and equipment	<u>38,552</u>	<u>127,863</u>
<i>Other commitments</i>		
Purchase orders accepted by suppliers		
Within one year	1,997,132	1,364,431
After one year but within five years	<u>884,701</u>	<u>852,015</u>
	<u>2,881,833</u>	<u>2,216,446</u>
Bank guarantees	<u>25,799</u>	<u>25,799</u>
Total	<u>2,907,632</u>	<u>2,242,245</u>

Purchase orders accepted by suppliers

As at 30 September 2016, the Company had purchase orders accepted by suppliers for purchase of aluminium ingot for a total quantity of 50,150 MT (*31 December 2015 : 42,100 MT*), at the prices in the range of YEN 123,000 - 123,700 per MT and at the price as determined in purchase orders (*31 December 2015: at the prices in the range of YEN 123,000 - 123,700 per MT and at the price as determined in purchase orders*) that will be delivered during 2016 to 2018 (*31 December 2015: 2015 to 2016*).

11 Thai Financial Reporting Standards (TFRS) not yet adopted

The following announcement has been issued but are not yet effective and has not been applied in preparing these interim financial statements. This new announcement may be relevant to the Company's operations, which become effective for annual financial periods beginning on or after 1 January 2017, and is set out below. The Company does not plan to adopt this announcement early.

TFRS	Topic
FAP Announcement no. 5/2559	Accounting Guidance for derecognition of financial assets and financial liabilities

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