

Annual Report **2014**

ALUCON

Public Company Limited



Asia's Leader in the World of Aluminium Containers

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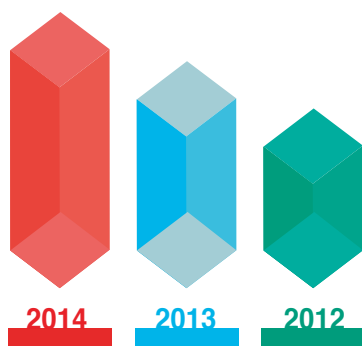
Asia's Leader in the World of Aluminium Containers

FINANCIAL HIGHLIGHTS

	2014	2013	2012
Financial Status (Million Baht)			
Total Assets	6,849.20	6,107.81	5,293.96
Total Liabilities	2,680.98	2,344.71	1,907.71
Total Equity	4,168.22	3,763.10	3,386.25
Operating Results (Million Baht)			
Revenues	5,820.02	5,199.64	4,938.07
Expenses	4,904.19	4,366.45	4,160.59
EBT	915.83	833.19	777.48
Finance Costs	26.27	28.51	31.68
Net Profit	750.73	679.24	600.35
EPS	17.38	15.72	13.90

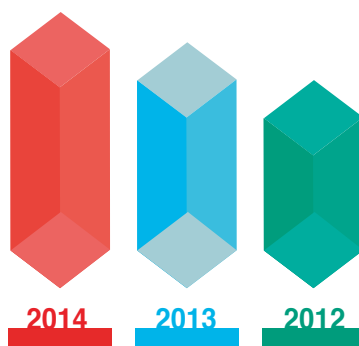
Total Assets

6,849.20 6,107.81 5,293.96



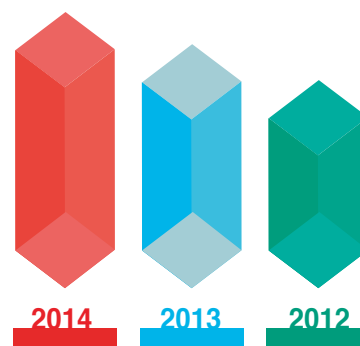
Total Liabilities

2,680.98 2,344.71 1,907.71



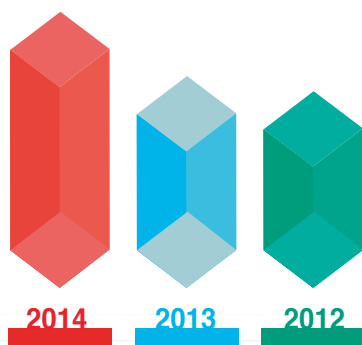
Total Equity

4,168.22 3,763.10 3,386.25



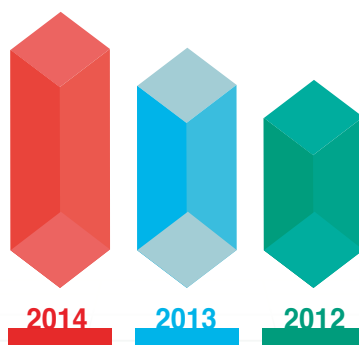
Revenues

5,820.02 5,199.64 4,938.07



Net Profit

750.73 679.24 600.35



ALUCON

Public Company Limited

No.1 IN ASIA



Largest Supplier ♦ Reliable Quality ♦ Competitive Price

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REPORT BY THE MANAGING DIRECTOR

Thailand's GDP increase was only 0.74% last year. However, we had another successful year. This is my pleasure to report the outcome of Alucon during the year 2014. All numbers are new record high in our history.

- Total revenue increased about 11.9% from Baht 5,200 million to Baht 5,820 million.
- Net profit after tax increased 10.5% from Baht 679 million to Baht 751 million.
- Total production of aluminum tube and can increased 1.1% from 773 million to 782 million pieces.
- Meanwhile, slug production increased 16.5% from 29,113 tons to 33,907 tons.

The revenue increase was mainly from the aluminum slug sale which is almost 30% increased more than previous year. We are very proud of the slug production for 33,907 tons. We achieved the world largest output from the only one factory.

Our capital investment was very aggressive over Baht 900 million in 2013 and over Baht 700 million last year from the cash flow base. We started one high-speed aluminum tube production line, one aluminum aerosol can line, and one aluminum slug punching press line.

Today we have 16 tube lines, 19 can lines, 2 aluminum casting lines and 10 aluminum slug press lines. We also constructed two more new big buildings: one is CPS 9 building - phase 2, warehouse and the other one is SPS4 for slug production. Since our major investment completed last year, we plan to have less than half capital investment this year.

Last year, Mr. W.H. Schneider and Mr. Iam Boonchaloemviphas, the last two Board Charters, passed away. It is very sorrowful. However, the Company still has been growing with their strong will since 1961. Their spirits still exist with us and we keep producing high quality aluminum containers in the future.

Last but not least, I appreciate your support to all stakeholders of Alucon. Please continue to support the Company for the year to come.



Mr. Takaaki Takeuchi
Managing Director

GENERAL INFORMATION

Name of Company	: ALUCON PUBLIC COMPANY LIMITED
Registration No.	: 0107537001854
Registered and Head Office	: No. 500 Moo 1 Soi Sirikam, Sukhumvit Road, Samrong Nua Sub-district, Muang Samutprakarn District, Samutprakarn Province 10270 Telephone 66(0) 2398 0147, 66(0) 2398 0461 66(0) 2398 0462, 66(0) 2398 4624 Facsimile 66(0) 2398 3455, 66(0) 2361 2511 E-mail alucon@ksc.th.com Website www.alucon.th.com
Factory No. 1	: Aluminium Collapsible Tubes No. 500 Moo 1 Soi Sirikam, Sukhumvit Road, Samrong Nua Sub-district, Muang Samutprakarn District, Samutprakarn Province 10270 Telephone 66(0) 2398 0147 Facsimile 66(0) 2398 3455
Factory No. 2	: Aluminium Aerosol Cans, Bottles, Felt Pen Bodies, Tablet Tubes, etc. No. 272/5 Moo 3 Pak-ruam Aow-Udom Road, Borwin Sub-district, Sriracha District, Chonburi Province 20230 Telephone 66(0) 38 345 001-6 Facsimile 66(0) 38 345 000
Factory No. 3	: Aluminium Slugs, Pettles, Plates, Coils No. 272/5 Moo 3 Pak-ruam Aow-Udom Road, Borwin Sub-district, Sriracha District, Chonburi Province 20230 Telephone 66(0) 38 345 001-6 Facsimile 66(0) 38 345 000
Registered Share Capital	: 432 Million Baht (43,200,000 share @ par value of Baht 10)
Issued Ordinary Share	: 43,199,986 ordinary shares
Juristic Person in which the Company holds more than 10% of share	: Alucon does not hold shares in any other company or business

Reference

Share Registrar

: **Thailand Securities Depository Co., Ltd.**

The Stock Exchange of Thailand Building,
62 Rachdapisek Road, Klongtoey Sub-district,
Klongtoey District, Bangkok Metropolis 10110

Telephone 66(0) 2229 2800, 66(0) 2654 5599

Facsimile 66(0) 2359 1262-3

Auditor

- : 1. Mr. Banthit Tangpakorn CPA No. 8509 and/or
2. Ms. Orawan Chunhakitpaisan CPA No. 6105 and/or
3. Mr. Ekkasit Chuthamsatid CPA No. 4195

KPMG Phoomchai Audit Limited

Empire Tower, 50th – 51st Floor,
195 South Sathorn Road, Yannawa Sub-district,
Sathorn District, Bangkok Metropolis 10120

Telephone 66(0) 2677 2000

Facsimile 66(0) 2677 2222

Legal Consultant

: **Pow & Associate Law Office**

7th Floor, Udom-Vidhya Building
No. 956 Rama IV Road, Silom Sub-district,
Bangrak District, Bangkok Metropolis 10500

Telephone 66(0) 2636 2541-3

Facsimile 66(0) 2238 2574

Type of Business

: Production of Aluminium Packaging Containers

Manufacturing Programme

Aluminium Collapsible Tubes

: For hair colours, pharmaceutical creams, ointments, adhesives,
toothpastes etc.

Aluminium Monobloc Aerosol Cans

: For cosmetics, hair care products, perfumes, deodorants, air freshener
and etc.

Aluminium Rigid Wall Containers

: For tablet tubes, felt pen bodies, powder cans, etc.

Aluminium bottles

: For cosmetics, pesticides, etc.

Technical Impact Extrusions

: Casings for electrical parts, condenser shells, etc.

Aluminium Slugs (Blanks)

: For the production of aluminium tubes and cans

Aluminium pellets, coils strips, plates

BUSINESS NATURE

Income structure

The Company's business involves the production and sale of impact extruded aluminium containers such as aluminium collapsible tubes as used for hair color products, medical creams, adhesives etc., aluminium rigid wall containers, aluminium monobloc aerosol cans, aluminium bottles, tablet tubes, marker pen bodies etc. and aluminium slugs for the production of such containers. About 63% of revenue is obtained from sales of aluminium cans and tube whereas the balance of about 37% is obtained from sales of aluminium slug. During the year 2014 domestic sale on aluminium cans and tubes increase 36% and aluminium slug increased 29.6%.

The Company's income structure from its operations in the past three years:

Value Unit: MB	2014		2013		2012	
	Value	%	Value	%	Value	%
Aluminium cans and tubes	3,543	62.99	3,421	68.05	3,330	69.17
Aluminium slug	2,082	37.01	1,606	31.95	1,484	30.83
Total	5,625	100.00	5,027	100.00	4,814	100.00

Change in the past year

There are no major changes compared to last year

Industrial situation and competition

ALUCON is a very export-oriented company. Today, it had become the largest manufacturer in Asia who produces more than 782 million pieces. Worldwide production approximately amount to more than 19 billion pieces which means our market share is around only 4%. Meanwhile, wider global competition has also become increasingly stronger.

Thus, Alucon is focusing on maintaining the productivity, on-time delivery and best quality, especially compared with the one produced in Europe or USA; its price is cheaper. With this ground, Alucon is able to compete with the competitors, once compared with quality and price.

On transportation expenses to oversea customers, it would be negative factor against us and it is one can dilute our production capacity and it is obstruction factor on our export. However, our productivity on various sizes, it could save cost so much, especially small to medium size. Besides, currency and foreign exchange rate would cause an effect to Alucon's competition.

For Slug business, although Alucon faces strong competition but nowadays, Alucon maintains slug production capacity as a largest manufactures in Asia and hold 5% market share worldwide.

RISK FACTORS

Marketing Risk

In previous years, the demand for aluminum packaging has increased as well. There are major manufacturers increase in Europe, America and Asia, particularly in China, which has increased can production line. It also has a competitive advantage because there is material aluminum cheaper, of which its cost was lower as well. That was a way causing the Company to buy aluminum coil to dominate the competition in terms of cost and still keep the market share at the same.

Alucon's products are still the same, which is to manufacture the packaging container for distribution, directly or indirectly (via contacted filler), almost 40 countries over the world as well as in Thailand. These are producers for cosmetics, hair-colors, pharmaceuticals, felt pen including aluminium slugs. With large customer-base in all regions of the world in addition to re-exports through local fillers the company is entitled to more channels for distribution of its products, together with the capacity of aluminium package manufacturer, filler and other materials. These demands of export are continuously expanded, therefore, the Company has been strengthened its capacity, in-time delivery, improvement on up-to-date technology and quality enhancement that may strongly bring protective trade intervention.

Raw Material Risk

Aluminium ingots at 99.7% have been consumed as a core raw material of the Company's production which prices are quoted by London Metal Exchange Market. The Company will also purchase by providing on forward dealing and commodity price swap with foreign financial institutions purposed to reducing price risk. And also the purchase of aluminum coil, of which its purity is at 99.7% at a cheaper premium, in order to prevent the production cost not too high.

Foreign Currency Risk

The Company is exposed to foreign currency risk relating to the loan repayment, purchases and sales which are denominated in foreign currencies. Most receipts in foreign currencies are credited into foreign currency accounts such as US Dollar, Japanese Yen, etc. with banks in Thailand. The Company foregoes interest earnings on such foreign currency accounts. Foreign currencies obtained from exports are used for payment of raw material purchased, spare parts and machinery and equipment imported, thus the Company saves foreign currency conversion charges. In addition, the Company had entered into the Foreign Exchange Forward Contract.

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 including to double check their financial status with financial institution and almost of export customers are under commercial terms and conditions of Letter of Credit as well as Open Account. Therefore, the Company expects that losses from these receivable will not exceed the allowance for doubtful accounts.

Risk from Packaging Material Substitute

Due to high price, the Company's major raw material for packaging containers, e.g. aluminium ingots could be substituted by other cheaper or more convenient metal such as tin-plate sheet, plastic or laminates. Aluminium aerosol cans could be substituted by tin-plate or plastic aerosol cans. Aluminium tubes and felt-pen bodies could possibly be substituted by plastic or laminate tubes. Aluminium slugs could be substituted by aluminium sheets for producing cans. The Company monitors these risks by improvement of production and cost measures by various methods including manufacturing of the lighter cans to decrease material consumption. However, external impacts especially increase of raw material prices or foreign currency exchange rates are beyond our control.

Risk on Labour Cost and Material Cost

As the country's minimum wage increases, and still the same rate nationwide, that cause the labours do not require relocation. That also causes higher production costs and shortage of skilled labours. However, the company has been preparing to replace the labour shortage by installing the automation equipments instead, such as visual inspecting camera system to monitor the finished goods instead of eyes monitor or auto-packing, etc. In addition, we offer internal training courses for technicians, to enhance the employees' performance.



RELATED PARTIES AND CONNECTED TRANSACTIONS

During the year 2014, Alucon has the connected transaction with the related company as illustrated in the accompanying note to the financial statement ended 31st December 2014, (Note 4), of which can be summarized as follows:

Related Party	Relationship	Type	Value (MB)	Necessity and suitable reason
Takeuchi Press Industries Co., Ltd.	Majority shareholder at 66.61%	Sale of Goods	973.1	Takeuchi Press Industries Co., Ltd. acts as an intermediary in the sale of aluminium container and slug, to the customers in Japan who had no experience in importing goods, self-directed and are happy to order the company through its Takeuchi Press Industries Co., Ltd. The sale price is the market price or the price according to the agreement determining the selling price structure, taking into account the actual cost plus a margin, as well as the size of the products sold, quantity being sold and shipping costs
		Materials and spare parts	12.3	Purchasing transaction supporting the Company's normal business by purchasing raw materials and spare parts in lower price than other suppliers, which can not be sourced out locally.
		Machines and equipments	0.8	Purchasing transaction supporting the Company's normal business in lower price than other suppliers, which can not be sourced out locally.
		Interest payable	22.1	Takeuchi Press Industries Co., Ltd. lent the Company the short loan with the interest rate at 1.75 – 2.50% per annum being lower interest rate than the financial institution by issuing promissory note typed "Roll Over" without any guarantee.
		Royalty fee	21.6	The Company has entered into a Basic Technical Licensing Agreement with Takeuchi Press Industry Co., Ltd. Under such conditions, the company will receive technical assistance, including technical information, expertise, equipment for the production, and the rights to sell the products of which the Company shall pay royalty fee and commission based on a percentage of sales. The transactions are normally as agreed in accordance with the agreement as same as the market price.
		Commission	2.29	Being paid a commission based on a percentage of sales that is normal business as the prices and considerations according to the normal trading.
		Other expenses	0.06	Being a normal business as the price and consideration according to the normal trading.

Related Party	Relationship	Type	Value (MB)	Necessity and suitable reason
Takeuchi Press Industries Co., Ltd.	Majority shareholder at 66.61%	Account receivable	55.5	Payment condition is normal to be treated with other customers by the Company
		Account payable	1.9	Payment condition is normal to be treated with other customers by Takeuchi Press Industries Co., Ltd.
		Short term loan	1,368.0	Short term loan by Takeuchi Press Industries Co., Ltd. to the Company as of 31st December 2014 with the interest rate at 1.75 – 1.90 per annum being lower interest rate than the financial institution by issuing promissory note typed “Roll Over” without any guarantee.
		Other creditors	0.1	Payment condition is normal to be treated with other customers by Takeuchi Press Industries Co., Ltd.
		Accrued commission payable	0.7	Payment condition is normal to be treated with other customers by Takeuchi Press Industries Co., Ltd.
		Accrued royalty fee payable	4.7	Payment condition is normal to be treated with other customers by Takeuchi Press Industries Co., Ltd.
		Accrued interest payable	6.2	Payment condition is normal to be treated with other customers by Takeuchi Press Industries Co., Ltd.

Procedures for approval of the connected transactions

The Board of Directors has set procedures for approval on the connected transaction with related company that would have conflict of interest being under the scope of good corporate governance by proposing to the Board of Directors for consideration and approval on the connected transaction jointly with the audit committee in order to consider it to be fair, reasonable and appropriate pricing policies by taking into account the interests of the Company and its shareholders is. Also, it must be complied with the regulations of Stock Exchange of Thailand and Securities and Exchange Commission. Any directors who involve such connected transaction shall abstain on the vote to such matter.

Policies and prospects for future transactions

The Company continues to cause the connected transactions with related parties. With regard to the transaction that the Company have done for the business and it would be in line with the normal business conditions. There is no benefit transfer between the Company and the related company. The Company affirms that it runs business with transparency in accordance with good corporate governance policy, and strictly comply with the regulations of Stock Exchange of Thailand and Securities and Exchange Commission Bureau. In addition, the Company has disclosed its connected transactions and acquisition and disposal of significant property in the Note accompanying to the financial statement being audited by the auditor of the Company and in form 56-1 and 56-2 in compliance with the generally accepted accounting standards.

SHAREHOLDERS

List of 10 major shareholders as of 30th December 2014 are as follows:

	No. of Shares	% of all issued shares
1. Takeuchi Press Industries Co., Ltd.	20,912,500	48.41
2. Thai Trust Fund for ALUCON Public Company Limited ***	9,677,850	22.38
3. Mrs. Mekhin Uer-anant	1,856,025	4.30
4. CREDIT SUISSE AG,	1,455,300	3.37
5. Mr. Harkishin Tanwani	1,200,000	2.78
6. Mr. Hartmut Wilhelm Schneider	1,127,250	2.61
7. Mr. Naresh Rochsilthum	788,275	1.83
8. Mrs. Koonj C. Mahtani	725,850	1.68
9. BNP PARIBAS SECURITIES SERVICES, LONDON BRANCH	450,000	1.04
10. Mr. Nalinrat Uer-anant	424,500	0.98

*** (in which Takeuchi Press Industries Co., Ltd. holds in Thai Trust Fund totally 7,863,800 shares = 18.20% of all issued shares)

Takeuchi Press Industries Co., Ltd, Japanese company, being a major shareholder doing similar business as ALUCON in Japan, of which major shareholders are Takeuchi Shohji Ltd. Japan, Mr. Shigekazu Takeuchi and Takeuchi's family holding more than 40% of shares in Takeuchi Press Industries Co., Ltd.

Rights of Shareholders

The Board of Directors of the Company has established the corporate governance policy concerning the shareholders' basic rights apart from rights to attend the shareholders' meeting, rights to obtain dividends including rights to sale, buy, transfer and other relevant transactions, in particular, rights to receive information of the Company's operation through Investment Relations (IR) Ms. Kanjana Piyachart, treated by the Company by following the Company's Article of Association (AOA), regulations provided under Stock Exchange of Thailand (SET) and Securities and Exchange Commission (SEC).

Rights of Stakeholders

The Company's policy is to provide the equitable treatment to all stakeholders, therefore, the encouragement of cooperation has been developed between the Company and the stakeholders, not only customers, shareholders, business partners, business competitors, but are also the Company's employees, debtors and other relating group of communities being mutually contribution of belonging profits.

Further, The Company has established the Audit Committee (the AC), under the conduction of SET' regulations, this committee has mainly authorities in these following tasks; to investigate and report the Company's financial statement, to audit the Company's internal control system, to nominate the Company's auditor and their remuneration, and to consider the Company's conflict of interest including risk management.

In addition, the Company has launched Quality Control Policy and obtained ISO 9001:2008 since year 2000 and 2008. Then, In 2013, the Company has also got FSSC22000. The Company further contributed the Environmental Policy, Safety Policy and Good Corporate Governance by addressing them on the ways of strict practice to employees.

Shareholders' Meetings

At least 21 days before the date of Annual General Meeting of Shareholders (AGM), the Company will promptly inform the shareholders to acknowledge the schedule of AGM, including mailing relevant documents of each AGM of agenda(S), a copy of previous year minutes of AGM, time and venue, the results of the Company's operation, and name lists attached with the necessary details of the directors who retire by rotation. At the shareholders' meeting, by following the Company's Article of Association (AOA) and the Public Limited Company Law, Chairmen of the Board of Directors' Meeting will be the Chairman of the AGM and has responsibility to present the annual results of the Company's operation for the shareholders of consideration. Shareholders will have opportunity to ask for more details related to the agenda considered during the meeting, the Company then put all recommendations, suggestions, received from the shareholders down and the executive directors has responsibility to answer all questions raised by shareholders.

MANAGEMENT

As of 31st December 2014, there were 10 directors and the Board of Directors had 4 times of Meeting, illustrated below:

Name	Position	MANAGEMENT	AGM 2014 Attendance
1. Mr. Somchai Aungsanant	Independent Director, Chairman of Board of Directors	4/4	✓
2. Mr. Takaaki Takeuchi	Director, Managing Director	4/4	✓
3. Mrs. Eumporn Pamornbutr	Director, Assistant Managing Director	4/4	✓
4. Mr. Subpachai Lovanit	Director, Plant Manager	4/4	✓
5. Ms. Salinee Mahtani	Director, General Manager	4/4	✓
6. Mr. Yoshihiro Mitsuta	Director, Senior Technical Manager (Slug)	4/4	✓
7. Mr. Krit Indhewat	Independent Director, Audit Committee - Chairman	3/4	✓
8. Ms. Vrinporn Uer-anant	Independent Director, Audit Committee	4/4	✓
9. Mr. Toshiyuki Koike	Independent Director, Audit Committee	4/4	✓
10. Mr. Vibool Uer-anant	Director	4/4	✓

Directors' Authority and Duty:

1. Conduct their duties honesty; comply with all laws, the objectives and the Articles of Association of the Company, and the resolutions of any shareholder meetings in good faith and with care to preserve the interests of the Company.
2. Implement and direct the Company's policies, as well as monitor and supervise its operations to maximize economic value and shareholders' wealth
3. Ensure management's accountability to shareholders: preserve their rights and interest, clearly and fully disclose information.
4. Conduct themselves honestly and with integrity.
5. ensure the Company has management with the competency, knowledge and experience to run the business.
6. Ensure the Company is determined to carry on the business continuously.

Selection of Directors and Executives

In case of there is a vacancy in the Board of Directors, the Board of Directors shall select and propose nominees to fill the vacant position. In the selection of candidates, various criteria are considered such as knowledge, capabilities and business-related experience.

In addition, the Company's directors and executives must not possess untrustworthy characteristics as determined by the Notification of the Securities and Exchange Commission as follows:

1. Having deficiency in legal competence or having been subject to any legal proceeding under the law governing capital market
 - 1.1 Being an insolvent person, or
 - 1.2 Being an incompetent or a quasi-incompetent person, or
 - 1.3 Having been named in any criminal complaint filed by the SEC; or having been subject to any legal proceeding following the criminal complaint initiated by the SEC; or having been sentenced to imprisonment by the court's final judgment and it has not yet surpassed the three-year interval time after either the person completed the term of imprisonment or the suspension of sentence period was over, provided that the action taken hereto shall base upon the violation of the Securities and Exchange Act or the Derivatives Act.
2. Having any record of deceitful, fraudulent or dishonest management of assets
 - 2.1 Having been named in any criminal complaint filed by a financial regulatory authority or subject to any legal proceeding following the criminal complaint initiated by a financial regulatory authority, or barred from serving as director or executive of a financial regulatory agency, whereas the term "financial regulatory authority" herein means both local and foreign one; or having been sentenced to imprisonment by the court's final judgment and it has not yet surpassed the three-year interval time after either the person completed the term of imprisonment or the suspension of sentence period was over, provided that the action taken hereto shall base upon the commission of offences regarding deceitful, fraudulent or dishonest management of assets which has caused damage to either the financial institution which with which the person was associated or the customers thereto; or
 - 2.2 Having been sentenced to imprisonment by the court's final judgment and it has not yet surpassed the three-year interval time after either the person completed the term of imprisonment or the suspension of sentence period was over, provided that the action taken hereto shall base upon the commission of public offences regarding deceitful, fraudulent or dishonest management of assets; or
 - 2.3 Having been subject to the court's order of asset seizure under the Counter Corruption Act, the Anti-Money Laundering Act or any other similar law and it has not yet surpassed the three-year interval time after the date on which the court issued such order.
3. Having engaged in any transaction, practice or course of business which, if considered on a reasonable ground, materially affected shareholders, company or capital market
 - 3.1 Acted or omitted to act, without good faith or with gross negligence, in executing any transaction for the company or its subsidiary, which caused damage to the company or shareholders or generated unjust enrichment for oneself or others; or
 - 3.2 Disclosed or disseminated false information or statement regarding the company or its subsidiary which may cause misunderstanding or concealing material facts that should have been stated which may affect decision making of shareholders, investors or other parties involved, either by ordering, taking responsibility for or involving in preparation, disclosure or dissemination of such information or statement by taking or omitting to take any other action, unless the person can prove that, by virtue of own position, status or duty, he was not aware of such untruth or omission; or
 - 3.3 Engaged in any unfair practice or taking advantage of investors in trading securities or derivatives or aided or abetted thereof.

Election of Directors

Directors shall be elected by the General Meeting of Shareholders pursuant to the criteria and procedures as follows:

1. A shareholder shall have the number of votes equal to the number of shares held by him multiplied by the number of the Directors to be elected.
2. The shareholder may utilize the number of votes he is entitled to per (1) to elect one or more persons as the Directors of the Company. In case he elects more than one person, his number of votes must be equally distributed to such persons.
3. The person who receives the votes of the highest number and the next persons in the order of the number of votes received shall be elected Directors in the number permitted. In case the next persons in the order of the number of votes received obtain equal numbers of votes and the number of such persons exceeds the remaining number of Directors permitted, the Director to be elected therefrom shall be decided by the Chairman.

At the Annual General Meeting of shareholders one-third of the Directors, or if their number is not multiple of three, then the number nearest to one-third must retire from office.

Directors to retire first must be those having been elected the longest period and those in alphabetical order. A retiring Director is eligible for re-election.

The term of any Director shall be terminated upon the occurrence of any of the following:-

1. his/her death
2. his/her resignation
3. his/her being disqualified or possessing any of the prohibitive attributes as per Section 68 of the Public Limited Company Act B. E. 2535
4. when a shareholders' meeting has resolved that he be relieved of his post per section No. 18
5. upon the court's order that he be relieved of his post.

Any Director wishing to resign shall submit his resignation to the Company in writing. The resignation shall take effect from the date on which his resignation reaches the Company.

The Directors who has resigned per the first paragraph may also notify the Registrar of his resignation.

In case the position of a Director has been vacated owing to reasons other than by completion of his tenure, the Board of Directors shall elect a qualified person not having any prohibitive attributes pursuant to Section 68 of the Public Limited Company Act. B.E. 2535 as a replacement Director for subsequent meetings of the Board of Directors unless the remaining period of the tenure shall be less than two months.

The resolution of the Board of Directors pursuant to the first paragraph shall be passed by an affirmative vote of not less than three-fourths of the remaining Directors.

At a meeting of shareholders, a resolution may be passed to relieve a Director of his post prior to his completing his tenure by the affirmative votes of not less than three-fourths of the shareholders who attend the meeting and entitled to vote thereat and who hold shares in aggregate of not less than half of the total number of shares held by the shareholders attending the meeting and entitles to vote thereat.

Number of Consecutive Terms of Directors

The Company considers that every director who has been elected by the shareholders' meeting has the qualifications, knowledge, and capabilities that are accepted by all, has morals and ethics, and has satisfactorily performed his duties. If the shareholders' meeting gives their trust by re-electing the director, the Company respects the rights of the shareholders and therefore has not predetermined the number of consecutive terms of directors.

Qualifications of Independent Directors

The Company has determined the definition of the Company's independent directors to be more stringent than the minimum requirements of the Notification of the Capital Market Supervisory Board with regards to holdings of the Company's shares under No. 1 -9 as follows:

1. Holding shares not exceeding 1% of the total number of shares with voting rights of the Company, its parent company, subsidiary company, associate company, major shareholder or controlling person, including shares held by related persons of such independent director;
2. Neither being nor used to be an executive director, employee, staff, advisor who receives salary, or controlling person of the Company, its parent company, subsidiary company, associate company, same-level subsidiary company, major shareholder or controlling person, unless the foregoing status has ended not less than 2 years. Such prohibited characteristic shall not include the case where the independent director used to be a government official or advisor of a government unit which is a major shareholder or controlling person of the Company;
3. Not being a person related by blood or legal registration as father, mother, spouse, sibling, and child, including spouse of child, executive, major shareholder, controlling person, or person to be nominated as executive or controlling person of the Company or its subsidiary company;
4. Neither having nor used to have a business relationship with the Company, its parent company, subsidiary company, associate company, major shareholder or controlling person, in the manner which may interfere with his independent judgment, and neither being nor used to be a significant shareholder or controlling person of any person having a business relationship with the Company, its parent company, subsidiary company, associate company, major shareholder or controlling person, unless the foregoing relationship has ended not less than 2 years;
5. Neither being nor used to be an auditor of the Company, its parent company, subsidiary company, associate company, major shareholder or controlling person, and not being a significant shareholder, controlling person, or partner of an audit firm which employs auditors of the Company, its parent company, subsidiary company, associate company, major shareholder or controlling person, unless the foregoing relationship has ended not less than 2 years;
6. Neither being nor used to be a provider of any professional services including those as legal advisor or financial advisor who receives service fees exceeding 2 million baht per year from the Company, its parent company, subsidiary company, associate company, major shareholder or controlling person, and not being a significant shareholder, controlling person or partner of the provider of professional services, unless the foregoing relationship has ended not less than 2 years;
7. Not being a director appointed as representative of directors of the Company, major shareholder or shareholder who is related to a major shareholder;

8. Not undertaking any business in the same nature and in competition to the business of the Company or its subsidiary company or not being a significant partner in a partnership or being an executive director, employee, staff, advisor who receives salary or holding shares exceeding 1% of the total number of shares with voting rights of other company which undertakes business in the same nature and in competition to the business of the Company or its subsidiary company;
9. Not having any other characteristics which cause the inability to express independent opinions with regard to the Company's business operations.

After being appointed as independent director with the qualifications under No. 1 - 9, the independent director may be assigned by the Board of Directors to take part in the business decision of the Company, its parent company, subsidiary company, associate company, same level subsidiary company, major shareholder or controlling person, provided that such decision shall be in the form of collective decision.

In the case where the person appointed by the applicant as independent director has or used to have a business relationship to provide professional services exceeding the value specified under No. 4 or No. 6, the Board of Directors may grant an exemption if the appointment of such person does not affect performing of duty and expressing of independent opinions. The following information shall be disclosed in the notice calling the shareholders meeting under the agenda for the appointment of independent directors:

- (a) The business relationship or professional service which makes such person's qualifications not in compliance with the prescribed rules;
- (b) The reason and necessity for maintaining or appointing such person as independent director; and
- (c) The opinion of the Company's Board of Directors for proposing the appointment of such person as independent director.

Balance of power for non-executive Directors

The number of directors is 10 persons according to the Article of Association of the Company. The executive directors are those having most experience of the Company's business and may be or may not be shareholders. Board member consist of :

- Executive Directors 5 persons
- Non-Executive Director 1 persons
- Independent Directors 4 persons

All shareholders and directors are free to vote for or have their own choice regarding Company matters. All elected directors may hold several positions as may be approved by the other directors which should exclude unlimited power for such a director.

Directors shall consider and approve the business policy, capital investment and other relevant matters. It shall receive the report of the internal audit committee. Directors meetings shall be held regularly at least every 3 months. Executive directors shall report developments and performance of their departments. There is no limitation as to the time any director may serve. However, one-third of directors shall retire by rotation and those directors shall be re-elected by the shareholders at the Annual General Meeting.

Leadership and Vision

Board of Directors shall consider and approve the business policy, capital investment and other matters, the meetings shall be held regularly at least every 3 months. The Executive directors shall report developments and company's performance.

CORPORATE GOVERNANCE

The Company's Board of Director therefore established rules pertaining Corporate Governance Policy for all employees of ALUCON to acknowledge and practice as follows:

1. Structure, Duties, Responsibilities and Independence of Board of Directors.
2. Rights and Equitable Treatment to shareholders and stakeholders.
3. Information Disclosure and Transparency.
4. Controlling System and Risk Management.
5. Business Ethics

The Company performs administration in accordance with good governance guideline by recognizing the importance of and accountability to shareholders and stakeholders of the Company with full commitment and cooperation from all concerned parties, including the Board of Directors, Management and every employee. Such efforts positively contributed to the results of corporate governance assessment conducted by various organizations and agencies.

- In the 2013 Corporate Governance Survey of listed companies conducted by the Thai Institute of Directors (IOD), the Company received a rating of "Fair" with the score at 67 from 100.
- In 2014 Quality of Annual General Meeting Survey conducted by the Thai Investors Association, the Company received a rating of "Excellent" with the score at 99 from 100.

Corporate Governance Policy

The Board of Directors has emphasis on good governance to build confidence among shareholders, investors and concerned parties by adhering to the listed company's conducts guideline which confirms the guidance of the Stock Exchange of Thailand regarding good governance practices. The guideline comprises five principles which shaped up the Company's good governance practices in 2014 as follows:

1. Shareholder's rights (Principle 1)

The Company is always concerned with honoring the rights of shareholders and equitable treatment of all shareholders, irrespective of whether they are basic statutory rights, profit-sharing right, rights in shareholder's meeting, right to express opinions, right to participate in the Company's decision-making on important matters. Moreover, the Company also treats shareholders beyond the statutory rights, such as dissemination of information via the Company's webpage www.alucon.th.com. Furthermore, shareholders are also given opportunities to propose an agenda of general shareholders' meeting and nominate candidates before director's election is held and share opinions and recommendation. No shareholder proposed additional agenda item and nominated any individual for a director position. A summary is presented below:

- 1.1 Information in invitation letter for attendance in shareholders' meeting includes date, time, venue, and meeting agenda as well all relevant information required for passing a resolution at the meeting which will be provided to shareholders ahead of time such as director appointment, remuneration review, auditor appointment, stipulation of audit fee, and dividend payment. For each agenda item, relevant facts and rationales are presented to shareholders together with the Board of Directors' comments for deliberation. According to attendance criteria and procedure of the shareholders' meeting, the Company nominates two independent directors as proxies of shareholders. The proxy form is a standard form on which comments about vote casting for each agenda item can be written.

- 1.2 Delivery of invitation letter and accompanying documents: To allow shareholders to study relevant information in both Thai and English versions (for foreign shareholders), the Company publishes announcements via SET news to inform shareholders that they can learn this information in the Company's webpage at least one month in advance. Such information is exactly the same as the information presented in a document form. The invitation letter and support documents will be delivered to shareholders 21 days prior to the meeting date.
- 1.3 Shareholders can download various information from the Company's webpage (www.alucon.th.com) such as financial data, the Company's information, and information about the meeting. The webpage can serve the needs of shareholders and interested persons who want to study some information about the Company. To inquire additional information, they can also send an email to Investor Relation at kanjana_p@alucon.th.com.
- 1.4 Allowing shareholders to propose an agenda item and qualified person's name for nomination as directors four months in advance of the meeting: Shareholders can learn from SET news that announces availability of such information in the Company's webpage. In this regard, relevant criteria and procedure are described such as a single shareholders or a number of shareholders with combined shares not less than 2,160,000 shares or 5% of registered capital. There is detailed information required for consideration, explicit criteria for decision whether to table or not table proposed agenda item, and other information regarding where and when to submit the proposal. In this regard, an informal proposal can be sent via email and later the original proposal must be delivered via registered mail to the Company Secretary. Upon receiving detailed information, the Board of Directors will deliberate on such matter as set out in the process. However, in the past nobody proposed any additional agenda item.
- 1.5 Shareholders' meeting: The Company held one 2014 Annual General Shareholders' Meeting on 18th April 2014.
- The meeting date was not set on an extra holiday or a public holiday. The meeting time was not set too early in the morning or too late in the evening, so convenient transportation was ascertained.
 - The cutoff date of the shareholders list was set to ensure that shareholders would have more time to review meeting documents or support information before the meeting date.
 - Staffs were deployed to facilitate, advise and open registration service two hours prior to the meeting.
 - If a shareholder cannot attend the meeting, he or she may assign up to three proxies but only one proxy is permitted to attend. Alternatively, a shareholder may assign two independent directors as a proxy.
 - Before the meeting started, the Chairman of the Board of Directors assigned the Company Secretary as assistant to the chairman to facilitate the proceeding of the meeting. The secretary informed shareholders of the meeting rule and voting procedure.
 - Language to be used in the Meeting is Thai and English language for understanding and communication among management and shareholders both Thai and Foreigner
 - Shareholders were allowed to comment and ask questions. Important questions and answers were noted. The meeting time was sufficiently allocated for thorough inquiries by shareholders as well as explanation and presentation of relevant information by the Company's directors and various committees. In addition, shareholders also had opportunities to send questions or other vital information of the Company in advance since the meeting notification was sent to shareholders. Questions and such information may be sent to pitipong@alucon.th.com or faxed to 02-3983455 or mailed to the Company's address.

- During votes casting, ballots were used for every agenda item so that votes could be counted expeditiously. Ballots would be stored only for the case which shareholders disagreed or abstained. To observe best practices of shareholders' meeting, ballots collected from all attending shareholders and proxies were collected after the meeting was adjourned. Furthermore, voting to elect committee members was cast for each individual director.
- The Company does not have a policy to derogate the rights of shareholders by abruptly distributing extra documents containing crucial information, not adding an agenda item or changing vital information that differs from documents delivered to shareholders, not restricting the right to attend meeting of shareholders by giving them voting or ballot casting right in certain agenda which are being considered and vote casting has not been underway. Moreover, video and audio recording of meeting can always be examined.
- Shareholder's minutes of meeting shows that the list of directors who attended or was absent from the meeting. In the 2014 Annual General Shareholder's Meeting, the Chairman of the Company, committee chairperson, and top executives were all presented to meet with and answer any question from shareholders, offer pertinent explanation, summarize questions and answers or comments. Regarding vote casting and ballot counting method, in case there are dissenting votes, the number of favorable and dissenting votes or abstention will be recorded in the minutes of meeting accurately and completely and the meeting report will be publicized on the Company's webpage for shareholders' scrutiny.

1.6 The Company discloses verifiable shareholding structure in clear and transparent manners.

2. Shareholder Equitable Right

All shareholders, both the executive and non-executive directors or minority shareholders and majority shareholders, including foreign shareholders shall be treated their rights equally and fairly. Alucon will communicate with shareholders and publish such information through various channels arranged by SET and via Company's website as well as other media being suitable and appropriate to all shareholders who receive information and data equity

- 2.1 The Company has delivered an invitation to shareholders' meeting, the details are accurate, complete, including the opinion of the directors for each item will be enough. Also, to assign to TSD as the Registrar of the Company to deliver the invitation to all shareholders prior to the meeting, not less than 21 days, the document will be available both in Thailand and English. In addition, Alucon will publish the invitation to shareholders' meeting with the information for the meeting through its website, both in Thai and English at least 30 days prior to the meeting so that shareholders have sufficient time to consider all agenda
- 2.2 The Company arranged the meetings of shareholders in accordance with the agenda set forth in the invitation to shareholders' meeting, by not adding-up the new agenda without informing such new agenda to the shareholders in advance, to have it studied before making a decision.
- 2.3 The Company arranged the proxy for the shareholders who can not attend in person, be entitled to vote via the independent directors of the Company acting as proxies-holder.
- 2.4 The Company set the right to vote at a meeting of shareholders by the number of shares held by shareholders. One share for one vote.

- 2.5 The Company set the criteria for minority shareholder to propose the nominated person to be elected as the new director. The Board of Directors shall set the principles and practices and published in the Company website as well as through the Stock Exchange of Thailand channel.
- 2.6 The Company has minority shareholders proposed the agenda for the meeting in advance including to submit questions related to the agenda before the meeting in accordance with the prescribed procedures. The proposed agenda must not conflict with the following criteria.
- Matters that beyond the company's authority
 - Matters that in contrary to the law, rules and regulations of government agencies and departments monitoring the Company or not comply with the objectives, articles of association and resolution of shareholders' meeting.
 - Matters that may cause significant damage to the shareholders in whole
 - Matters that already be implemented by the Company
 - Matters regarding to specific person's or group of person's benefit
 - Matters regarding to normal business operation and the claim of the proposed person does not demonstrate a reasonable doubt about the doubtful matter.
 - Matter that being considered by the Board of Directors that no need to be on the agenda and show and explain the reason to the shareholder to understand it.
- 2.7 The Company has the independent directors at least one-third of Board of Director of which it must not less than 3 persons to protect the right of shareholders.
- 2.8 The Company must have the policy to prohibit the directors and executives including the employees who is related to the preparation on the inside information, to disclose such inside information to the outside or any person who not involve on such insider information. This is also not allow to such prohibited person to trade on the securities of issued by the company before the financial statement released to the public at least one month.
- 2.9 The company imposes the directors and executives to report the change of securities holding to the corporate secretary for acknowledgement, in order to report such change to the SEC.
- 2.10 The company imposed that the directors who have interest in any agenda must inform its stake on such agenda prior to the meeting and must record the details in the minutes. In case of conflict of interest, on the significant matter in such ways could make the director can not give his/her opinion freely, such director must refrain from participating in the meeting only in such agenda.
- 2.11 The company set that the Board of Directors have to consider the connected transaction that may have conflicts of interest. This includes items that are of interest to be accurate and complete compliance with the laws and regulations of the exchange, including disclosure of the transaction correctly. This is to ensure that such transactions are reasonable and beneficial to the Company.

3. Recognition of the roles of stakeholders (Principle 3)

The Company respects the rights of various stakeholder groups both inside the Company, such as employee and management, and other groups outside the Company, such as customers, shareholders, business partner, creditors, environment, communities, and the society, thus entailing good cooperation between the Company and these stakeholders. Such robust relationships will contribute to the Company's operation and boost up confidence that they have with the Company,

thus strengthening the Company's secured position and competitiveness and assuring its long-term success.

- **Shareholder**

The Company is committed to business operation which yields good operating result, stability, growth, and competitiveness by taking into account of present and future risk factors in order to increase shareholder value over a long term. The Company must dutifully operate its business by disclosing information in transparent and equitable manners and endeavor to protect its assets and preserve its reputation.

- **Employee**

The Company recognizes that employees as driving forces for its future growth. Therefore, the Company treats all employees equitably and offers suitable remuneration for them. Aside from that, the Company also provides various welfares to employees such as free lunch, uniform, annual physical check-up, nursing room, accident insurance, scholarship for children and so forth. Moreover, the Company also encourages employees to expand their knowledge relevant to their assigned tasks.

- **Community and society**

The Company is utterly concerned with quality of life and environment in surrounding communities so that the Company's operation will be accepted and can thrive in the society sustainably. It can be observed that the Company strictly complies with laws and regulations of relevant authorities such as the Department of Industrial Works, Ministry of Industry, Pollution Control Department, and so on. In this regard, the Company imposes stringent regulations requiring that employees working in the plant must wear protective gears. Moreover, the Company also deals with environmental management in systematic manners and organizes public donations on an ongoing basis. The Company has arranged the activities joined with the local schools, local governmental agencies, communities, and there was a public relation to hear and solve the problem occurred from the community by the Company and also provide the scholarship to student and support the sport equipment to the local schools.

- **Customer**

The Company is committed to improve efficiency of service delivery to achieve highest customer satisfaction focusing on the customers' satisfaction significantly and operates under a policy that always protects customer's interests continuously. In this regard, the Company always aims and trains every employee to recognize the values of an cherish the integrity principle pertinent to pricing and service quality as well as honesty in disposition of agreement and negotiation.

- **Creditor**

The Company strictly abides by contractual terms, duly performs its duties, and is accountable and transparent to its creditors.

- **Competitor**

The Company operates within a fair competition framework.

- **Business partner**

The Company prescribed code of ethic, code of conduct and conflict of interest, whereby it will not demand from, receive or pay any trade-related benefit from or to business partners and will maintain confidentiality to ensure that business relation with business partners will be suitable, efficient and fair in accordance with corporate governance principles.

4. Disclosure of information and transparency (Principle 4)

The Company recognizes the importance of disclosure of its financial and non-financial information accurately, completely, regularly, timely, and transparently. In addition, such information should be easily accessible, equitable, and credible as follows:

- 4.1 Disclose relevant news and information as well as annual report via the Stock Exchange of Thailand's channel and the Company's webpage. In the past year, the Company had never been reprimanded by the Securities and Exchange Commission or the Stock Exchange of Thailand for violation of information disclosure guidelines.
- 4.2 The Company publishes the director's responsibilities to financial statement along with the auditor report in annual report. Such report contains contents which conform to accounting principles and financial reporting that presents accurate, complete, and factual information in compliance with accounting standards, this report is signed by both Chairman of the Board of Directors and Managing Director.
- 4.3 The Company's management structure comprises two committees, including the Board of Directors and the Audit Committee. In 2014, there are the attendance on the Meetings as follows:

Name of Director	Board of Director	Audit Committee
1. Mr. Somchai Aungsanant	4/4	-
2. Mr. Takaaki Takeuchi	4/4	-
3. Mrs. Eumporn Pamornbutr	4/4	-
4. Mr. Subpachai Lovanit	4/4	-
5. Ms. Salinee Mahtani	4/4	-
6. Mr. Yoshihiro Mitsuta	4/4	-
7. Mr. Krit Indhewat	3/4	3/4
8. Ms. Vrinporn Uer-anant	4/4	4/4
9. Mr. Toshiyuki Koike	4/4	4/4
10. Mr. Vibool Uer-anant	4/4	-

- 4.4 The Company is utterly concerned with disclosure of relevant information to investors so that investors can receive accurate, transparent, and thorough information. The Compliance and Investor Relation Department is assigned to act as a company representative responsible for communication, provision of information services, and dissemination of news and information about the Company's activities to institutions, investors, shareholders, analysts, general public and relevant authorities.

To obtain various information about the Company, operating performance, financial statements and information reports submitted to the Stock Exchange of Thailand, which include current and past information, interested person can read and/or download such information from www.alucon.th.com which provides these information in both Thai and English.

Investors and concerned parties who have any inquiry and would like to obtain information about the Company can contact the Investor Relation:

- Ms. Kanjana Piyachart
Tel. 02-3980147 ext. 371
Email: kanjana_p@alucon.th.com

4.5 The Company disclosed scope of responsibilities and mandates of the Board of Directors and various committees in the annual information disclosure form.

4.6 Share trading report

According to the code of conduct, the Company has a policy to avoid/refrain from trading its shares one month before disclosing the information to the general public and to notify the Board of Directors and every company executive about the notification of the Office of the Securities and Exchange Commission (SEC) pertaining to Section 59 of the Securities and Exchange Act B.E 2535 that requires reporting of shareholding of themselves, their spouses of such shares, a copy of such report must be sent to the Company Secretary as an evidence. In the past, the Company never had any incident where any director or company executive used inside information for their own or others' undue personal gain and underage children to the SEC within 30 days after being elected as a director and appointed as a company executive.

Directors and management executives filed changes in share ownership report with the Office of the Securities and Exchange Commission in compliance with section 59 whenever share ownership changed. The Company Secretary is responsible for compiling information and reporting to SET every time.

5. Responsibility of the Board of Directors (Principle 5)

- 5.1 According to the Company's regulation, it is stipulated that one in three (1/3) of the total number of Directors at each annual general shareholder's meeting will vacate their offices. If the number may not be divisible by three, the number of Director to vacate their position will be the figure closest to the value of one in three (1/3). Therefore, each director's term lasts approximately three years.
- 5.2 The Company set up one sub-committee, which is Audit Committee and prescribed their duties and responsibilities. To promote transparency and independence, most committee members are independent members. Moreover, to ensure that these committees are truly autonomous while carrying out their duties, the board chairman does not take up the position of committee chairman and member.
- 5.3 The Board also implements an internal control system, an audit system, and efficient risk management measures and constantly monitors these matters in board meeting.

- 5.4 The Company stipulates performance evaluation containing two parts, that is, key performance indicators (KPI) and competency. This system will help employees recognize and understand operational strategies and approaches which will achieve the organization's strategic targets such as goal, mission and performance measurement.
- 5.5 The Company creates and maintains an internal control system and regularly reviews efficiency of the internal control system in relation to financial control, operating performance, and corporate governance in compliance with pertinent legal provision and regulations, protection and maintenance of assets, and risk management. In this regards, the Company commissioned Dhamniti Auditing Co., Ltd. to audit business conduct of various functions and ensure that the operations conform to the guidelines set out in an approved annual audit plan. The internal audit report will be informed directly to the Audit Committee.

Based on the 2014 internal audit report prepared by Dhamniti Auditing Co., Ltd., no significant discrepancies were found. The Company had an adequate, prudent internal control system and properly complied with the regulations and laws of relevant authorities; moreover, its properties were protected from being used unscrupulously by management and employees.

- 5.6 Regarding conflict of interest, the Board of Directors informs board members and management executives to prepare a list of their own interest and interest of connected persons in accordance with the provision of the concerned agency. It is required that the Company must be notified of such list within 15 days after the initial request and every time changes occur. Such report will be used by the Company Secretary as information and tool to ensure that board members carry out their duties with integrity. The Company Secretary sends a copy of this report to the Chairman of the Company and the Audit Committee's chairperson for acknowledgement.
- 5.7 The Company holds board meetings and informs each board member of upcoming meeting in advance. In 2014, a total of four board meetings were convened. In each board meeting, the Board of Directors, Board Chairman, Managing Director and the Company Secretary jointly review meeting agenda to ensure that vital matters are included in the agenda and each board member can table matters in meeting agenda autonomously.

The Company Secretary delivers meeting documents to directors in advance. The document has been prepared concisely as possible. However, if there is any matter which cannot be disclosed in writing or if it is disclosed in advance, it may adversely affect the Company, the Board can bring up and discuss such matter at meeting and the Chairman will allocate sufficient time for such discussion. Directors are keen on every issue brought to their attention in meeting, including any corporate governance issue. For any issue which still lacks sufficient information directors can always request additional information from the Company Secretary.

Minutes of meeting of the Board of Directors contains essential information such as meeting date, time when meeting is called and adjourned, a list of directors who attend the meeting and are absent, summary of proposed matters, summary of debated issues and observation notes, the Board's resolution and director's comments, rapporteur's name, name of a person who endorses the report. The Company keeps minutes of meeting of all board meeting in good order. Such record can be readily searched but cannot be altered without the Board's consent.

- 5.8 Regarding remuneration of directors, it was proposed for approval by shareholders each year in accordance with transparency and auditing principles. Moreover, it is assured that remuneration is at a suitable level and sufficient enough to motivate and retain quality directors as required.
- 5.9 Regarding the policy concerning tenure of the Company's directors in other companies, the Company does not have any stipulation applicable to the case which each director holds a position in other companies. This is because such matter does not affect director's competency and expertise, provided that such director can fully devote his/her time for the Company in regard to policy formulation, consultation on problem-solving in business operation within the scope of power and duties of the Company's director.
- 5.10 In case a new director is appointed, the Company Secretary is responsible for preparing summary documents that cover business characteristics, organizational structure, operation, rules and regulation, vital policies as well as guideline on board member's conducts, provisions of the Stock Exchange of Thailand and the SEC Office in order to ensure that a new director can fully perform his/her duties as director of a listed company.
- 5.11 The Company recognizes the importance of the development of directors' knowledge. Therefore, the Company supports and facilities the organization of training and educational programs for directors, whereby the Company Secretary was assigned to coordinate with directors, informing them of various training programs. In the past, directors regularly attended various courses of Thai Institute of Directors Association.
- 5.12 Roles and responsibilities and scope of responsibilities of the Company Secretary are described under Management Structure.

REPORT BY THE DIRECTORS FOR THE YEAR 2014

AUDITED ACCOUNTS

The Directors submit the Balance Sheet, Statements of Income and Retained Earnings and Cash Flow together with the auditor's report for the year ended 31st December 2014.

INVESTMENTS

Investments during the year in fixed assets amounted to MB 801

REVENUES

Total revenues amounted to MB 5,820 out of which sales were MB 5,625

PROFITABILITY

Profits before financial cost and company income tax amount to MB 942 representing an increase of 9.3% compared to the previous year.

FINANCES

The Company has short to long term debts amounting to about MB 2,681 and the debt/equity ratio at the end of the year was 0.64:1

APPROPRIATION OF PROFITS

Board of Directors proposes to declare a dividend for the year 2014 at the rate of Baht 10 per share and appropriation of profits as of 31st December 2014 shall be as follows:-

	Baht	Baht
Retained earnings at beginning of year		3,033,895,614
Final dividend for year 2013 of Baht 8.00		
Being paid on 12 th May 2014	345,599,888	
Net profit after tax for year 2014		750,728,120
Legal Reserve as required by law		-
Profit available for appropriation		3,439,023,846
Proposed dividend for year 2014 of Baht 10 per share on 43,199,986 shares	431,999,860	
Balance of profits to be carried forward		3,007,023,986

ELECTION OF DIRECTORS

Directors namely Mr. Vibool Uer-anant, Mr. Subpachai Lovanit, Mr. Krit Indhewat and Mr. Takaaki Takeuchi are retired by rotation but being eligible, they offer themselves for re-election by Annual General Meeting of Shareholders.

DIRECTORS' and AUDIT COMMITTEES' REMUNERATION

The directors request approval by the General Meeting for payment of Directors' remuneration for year 2015 in total of Baht 3,750,000 as detailed below:

- | | |
|----------------------------------|-----------------------------------|
| • Chairman of Board of Directors | Baht 600,000 per person per annum |
| • Directors | Baht 350,000 per person per annum |

and for payment of Audit Committee for year 2015 in total of Baht 650,000 as detailed below:

- | | |
|----------------------------|-----------------------------------|
| • Audit Committee Chairman | Baht 250,000 per person per annum |
| • Audit Committee | Baht 200,000 per person per annum |

AUDITOR

The Directors propose the following persons of KPMG Phoomchai Audit limited to be appointed as the auditor of the Company for year 2015 and for payment of the annual audit fee of Baht 1,090,000.

- | | |
|-------------------------------|-------------|
| 1. Mr. Banthit Tangpakorn | 8509 and/or |
| 2. Ms. Orawan Chunhakitpaisan | 6105 and/or |
| 3. Mr. Ekkasit Chuthamsatid | 4195 |

On behalf of the Board of Directors
Somchai Aungsanant
Chairman of Board of Directors
Bangkok, 20th February 2015

REMUNERATION FOR DIRECTORS

Remuneration for directors is clearly set by following the data base of remuneration for directors for the listed companies in the year 2012, which was prepared by the SET to be used as reference by listed companies in paying remuneration to their directors, in the section regarding director remuneration for each business sector, and including the consideration on their experience, role and scope of duties and responsibilities, as well as, expected benefits from each directors are at the rate of appropriate and par with comparable companies in the manufacturing industry and appealing enough to attract and retain quality directors whom the Board needs to approve by the shareholders' meeting. Directors who are assigned with extra work (e.g. being members of committee) have been paid appropriately more.

Remuneration for the top executives shall be based on their position and responsibility in management as well as their seniority which corresponds to the performances of the company as well as that of each executive as approved by the board.

Directors and Management's remuneration in Baht terms

Remuneration for Directors and executives at the end of 2013 and 2014 are as follows:

(Unit : million Baht)

	Persons		Remuneration			
			Compensation & Car Allowance		Salary, Living Cost & Bonus	
	2013	2014	2013	2014	2013	2014
A. Directors	10	10	4.15	4.15		
B. Audit Committee	3	3	0.65	0.65		
C. Executives	6	6			62.482	60.14

OTHER REMUNERATION:

There is no other remuneration.

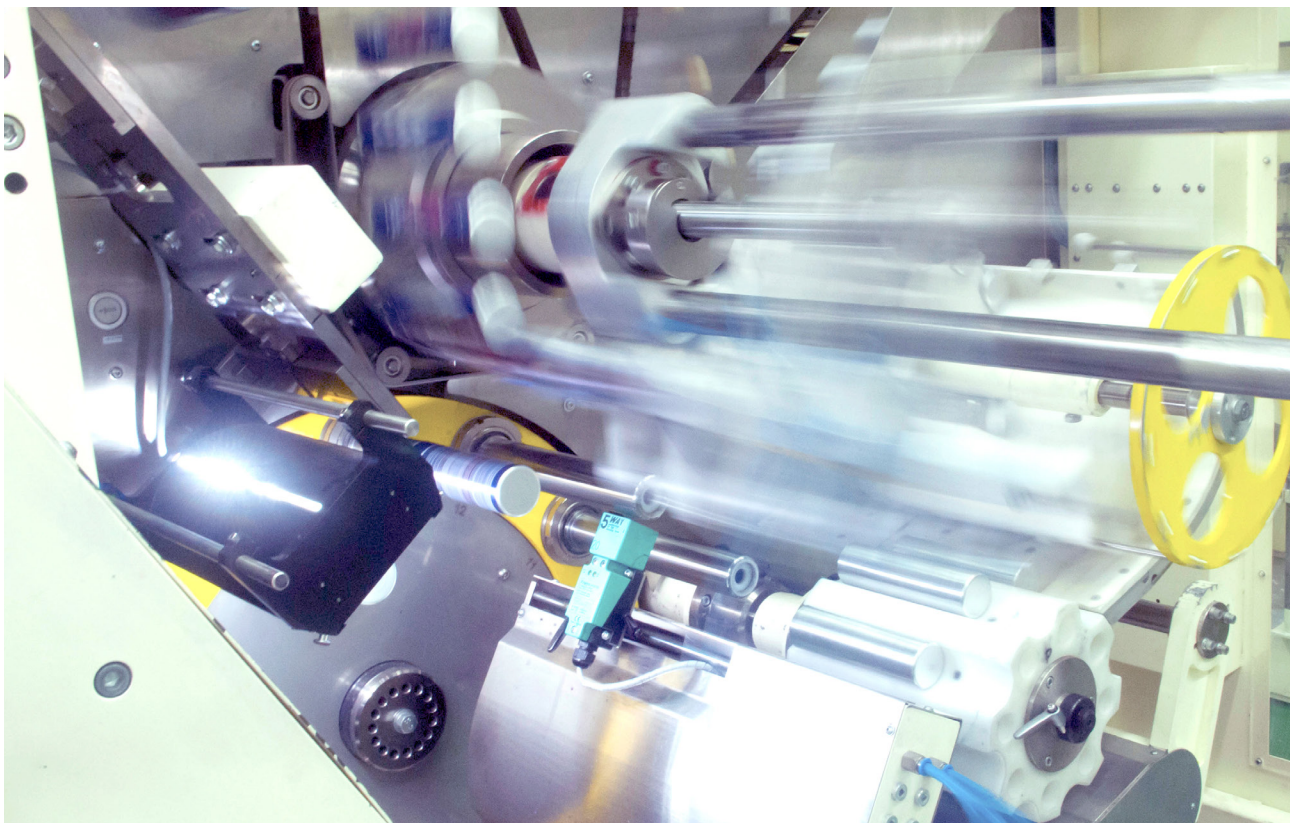
DIVIDEND POLICY

According to the Company of Article of Association (AOA) , distribution of dividends out of a source other than the profits is not permitted. In case the Company still registers an accumulated loss, no distribution of dividend is permitted. Distribution of dividends in respect of each share shall be equal. Dividend policy 50 - 70% of net profit after income tax.

Distribution of dividends must be effected within one month from the date on which the shareholders' resolution or the Board of Directors' resolution was passed as relevant. Notice of distribution of dividend must be sent to all shareholders and published in a newspaper.

Dividend payment of the Company between 2009 and 2014 illustrated below:

Year	Capital Stock (1000)	Net Profit (1000)	Dividend: (baht/share)	Dividend: (Stock/ share)	Total Dividend (baht/share)	Percent of net profit
2009	28,800	570,200	10.56	5.00	5.56	53.33
2010	43,200	543,585	6.50	-	6.50	51.67
2011	43,200	454,218	6.00	-	6.00	57.09
2012	43,200	600,351	7.00	-	7.00	50.36
2013	43,200	679,244	8.00	-	8.00	50.88
2014	43,200	750,728	10.00	-	10.00	57.54



EXECUTIVES AND DIRECTORS

The names and details of executives and directors are as follows:

1. Mr. Somchai Aungsananta

Age	: 61 years
Position	: Independent Director and Chairman of Board of Directors
Education	: MBA – West Texas State University, USA Bachelor degree of Arts, Thammasart University
Training by Thai Institute of Directors Association (IOD)	: None
Relationship:	: None
Company's securities holding as at 31 st December 2014	: 87,750 shares = 0.20 % (No change)
Work Experience:	: 1996 – present Managing Director Podium Home Center Co., Ltd.
Current position in other organization	
- in listed companies	: None
- in non-listed companies	: 1 company Managing Director - Podium Home Center Co., Ltd.
- in other organization that may cause any conflict of interest to Company	: None
Numbers of meeting attendances	: 4/4 times
Year in Position / start from	: 24 years / Year 1990
Conflict of Interest	: - Not being a director who get the monthly benefit from the Company - Not being any kind of service professional to the Company - Not having any relationship with any business linking to the Company which influent to the decision making independently.

2. Mr. Takaaki Takeuchi

Age	: 55 years
Position	: Director and Managing Director (Authorized Director)
Education	: Master of Science in Packaging, Michigan State University, USA.
Training by Thai Institute of Directors Association (IOD)	: None
Relationship	: None
Company's securities holding as at 31 st December 2014	: 90,000 shares = 0.21% (no change)
Work Experience	: 1997 – present Managing Director Alucon Public Company Limited

Current position in other organization

- in listed companies	: None
- in non-listed companies	: None
- in other organization that may cause any conflict of interest to Company	: 1 company Director – Takeuchi Press Industries Co., Ltd.
Numbers of meeting attendances	: 4/4 times
Year in Position	: 18 years / Year 1997
Conflict of Interest	: - Being a director, employee, consultant who get the monthly benefit from the Company - Not being any kind of service professional to the Company - Not having any relationship with any business linking to the Company which influent to the decision making independently.

3. Mrs. Eumporn Pamornbutr

Age	: 65 years
Positio	: Director, Assistant Managing Director (Authorized Director)
Education	: Bachelor degree of Business Administration in Accounting, South East Bangkok College Certificate - Mini MBA, Thammasat University Certificate - Financial Management, Chulalongkorn University Training by Federation of Accounting Professions Chief Financial Officer Certification Program from Federation of Accounting Professions in year 2006 Risk Management for Executive Program from Chulalongkorn University
Training by Thai Institute of Directors Association (IOD)	: Directors Accreditation Program (DAP) – in year 2003 Finance for Non-Finance Directors – in year 2005 Role of Compensation Committee – in year 2012
Relationship	: None
Company's securities holding as at 31 st December 2014	: 58,500 shares = 0.14% (No change)
Work Experience	: 2003 – Present Assistant Managing Director Alucon Public Company Limited

Current position in other organization

- in listed companies	: None
- in non-listed companies	: 1 company Director - H.W Schneider Co., Ltd.
- in other organization that may cause any conflict of interest to Company	: None
Numbers of meeting attendances	: 4/4 times
Year in Position / start from	: 24 years / Year 1990

Conflict of Interest	- Being a director who get the monthly benefit from the Company - Not being any kind of service professional to the Company - Not having any relationship with any business linking to the Company which influent to the decision making independently.
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4. Mr. Subpachai Lovanit

Age	: 73 years
Position	: Director, Plant Manager
Education	: Vocational Certificate obtained scholarship from German Government to study engineering in Berlin for 2 years
Training by Thai Institute of Directors Association (IOD)	: Directors Accreditation Program (DAP) – in year 2003 Understanding the Fundamental of Financial Statements in year 2006
Relationship	: None
Company's securities holding as at 31 st December 2014	: 59,400 shares = 0.14% (no change)
Work Experience	: 1998 – Present Director & Plant Manager Alucon Public Company Limited
Current position in other organization	
- in listed companies	: None
- in non-listed companies	: None
- in other organization that may cause any conflict of interest to Company	: None
Numbers of meeting attendances	: 4/4 times
Year in Position / start from	: 17 years / Year 1998
Conflict of Interest	- Being a director who get the monthly benefit from the Company - Not being any kind of service professional to the Company - Not having any relationship with any business linking to the Company which influent to the decision making independently.

5. Ms. Salinee Mahtani (49)

Age	: 49 years
Position	: Director, General Manager
Education	: Master Degree in International Business – KOBE University
Training by Thai Institute of Directors Association (IOD)	: Directors Accreditation Program (DAP) – in year 2003 Understanding the Fundamental of Financial Statement – in year 2006
Relationship	: None
Company's securities holding as at 31 st December 2014	: 45,000 shares = 0.10% (no change)

7. Mr. Krit Indhewat

Age	: 74 years
Position	: Independent Director, Audit Committee - Chairman
Education	: Bachelor Degree – London University, England
Training by Thai Institute of Directors Association (IOD)	: None
Relationship	: None
Company's securities holding as at 31 st December 2014	: 13,500 shares = 0.03% (no change)
Work Experience	: Managing Partner – Royal Tajmahal Limited Partnership Director – Advance Ad Co., Ltd.
Current position in other organization	
- in listed companies	: None
- in non-listed companies	: 2 companies Managing Partner – Royal Tajmahal Limited Partnership Director – Advance Ad Co., Ltd.
- in other organization that may cause any conflict of interest to Company	: None
Numbers of meeting attendances	: 3/4 times
Year in Position	: 15 years / Year 2000
Conflict of Interest	: - Not being a director who get the monthly benefit from the Company - Not being any kind of service professional to the Company - Not having any relationship with any business linking to the Company which influent to the decision making independently.

8. Ms. Vrinporn Uer-anant

Age	: 65 years
Position	: Independent Director and Audit Committee
Education	: - MBA, Utah State University, USA - BBA, Faculty of Accounting, Chulalongkorn University
Training by Thai Institute of Directors Association (IOD)	: - Directors Accreditation Program (DAP) – in year 2004 - Finance for Non-Finance Director in year 2007
Relationship	: None
Company's securities holding as at 31 st December 2014	: 154,300 shares = 0.36% (no change)
Work Experience	: 2013 – present Consultant – Quality Management System 2006 – 2013 Lecturer, School of Management and Economic, Assumption University (ABAC)

Current position in other organization

- in listed companies : None
- in non-listed companies : 3 companies : Director – Q.Street Co., Ltd.
Director – Thai Farmer Properties Co., Ltd.
Director – Moon Light Bay Co., Ltd.
- in other organization that may cause any conflict of interest to Company : None
- Numbers of meeting attendances : 4/4 times
- Year in Position / Start from : 21 years / 1994
- Conflict of Interest : - Not being a director, employee, consultant who get the monthly benefit from the Company
- Not being any kind of service professional to the Company
- Not having any relationship with any business linking to the Company which influent to the decision making independently.

9. Mr. Toshiyuki Koike

- Age : 42 years
- Position : Independent Director, Audit Committee
- Education : Master of Management, Mahidol University, Thailand
Bachelor of Arts (Economic and Literature), Aoyama Gakuin University, Japan
- Training by Thai Institute of Directors Association (IOD) : None
- Relationship: : None
- Company's securities holding as at 31st December 2014 : None
- Work Experience: : 2012– present Managing Director
ENZO International Co., Ltd.
2010 – 2012 Managing Director
OSD Network Co., Ltd.

Current position in other organization

- in listed companies : None
- in non-listed companies : 1 company Managing Director – OSD Network Co., Ltd.
- in other organization that may cause any conflict of interest to Company : None
- Numbers of meeting attendances : 4/4 times
- Year in Position / Start from : 5 years / 2010

Conflict of Interest	- Not being a director, employee, consultant who get the monthly benefit from the Company - Not being any kind of service professional to the Company - Not having any relationship with any business linking to the Company which influent to the decision making independently.
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10 Mr. Vibool Uer-anant

Age	: 59 years
Position	: Director
Education	: M.P.A California State University, Fullerton, USA.
Training by Thai Institute of Directors Association (IOD)	: None
Relationship:	: None
Company's securities holding as at 31 st December 2014	: 10,000 shares = 0.02% (increased)
Work Experience:	: 2001– present Managing Director Varothorn Parts & Service Co., Ltd. : 2002 – present Managing Director Sama Biz Co., Ltd.
Current position in other organization:	
- in listed companies	: None
- in non-listed companies	: 2 companies Managing Director – Vorothon Part & Service Co., Ltd. Managing Director – Sama Biz Co. Ltd.
- in other organization that may cause any conflict of interest to Company :	: None
Numbers of meeting attendances :	: 4/4 times
Proposed position	: Director
Year in Position / Start from	: 1 year 4 months / 11 th November 2013
Conflict of Interest	- Not being a director, employee, consultant who get the monthly benefit from the Company - Not being any kind of service professional to the Company - Not having any relationship with any business linking to the Company which influent to the decision making independently.

EXPLANATION AND ANALYSIS OF FINANCIAL STATUS AND BUSINESS PERFORMANCE

Feasibility of Capital Structure

The capital structure with a debt to equity ratio of 0.64:1 should be considered as a satisfactory. The cash flow and considering annual depreciation of MB 433.4 should provide funds for further expansion. The Company has a high credit rating and is able to obtain funds to cover costs of expansions of production facilities. The quality of assets starting from buildings to machinery and equipment is well maintained.

Profitability should be considered as adequate for the industry. Though, the high quality standard of the Company's packaging materials is on the same level as other world leading producers, prices have to be in line with those of other Asian producers. Efficiency of the Company's operations is well maintained.

Reasons for material changes in operation or financial ratio

There are no material changes in operations. Change of financial ratio due to large investments.

Extraordinary item which have material impact on the Company's operation

There are no extraordinary items that have an impact on the Company's profitability.

Explanation on the material differences

There are no material differences between the actual and projected performance of the previous year.

Significant changes

There are no significant changes that have an effect on the Company's financial statement and operating result.

Effect from the changes in restructure of the Group shareholding

There are no changes in the structure of the Company and group shareholding.

Guarantee contingent, liabilities, investment or commitments.

Please refer to Note 4 paged 66 and Note 30 paged 88

Factors related to investment decision

Legal Dispute

The company is not involved in any legal dispute.

Obligation on future issuance of shares

The Company has no obligation to issue new shares at present.

Information regarding debenture or promissory notes:

The Company does not hold and has not issued any debentures or promissory notes.

FUTURE PLAN

In year 2015, Alucon has development projects for the business in the near future as follows:

- New tube production building in Sriracha has already been completed and we will transfer one aluminum tube production line in Samrong plant to Sriracha plant in the second half of year 2015.
- Visual camera inspecting systems were applied more together with the automatic packing system for saving the number of operators per production lines.
- We have been developing aluminum alloy slug for aluminum aerosol can production which makes lightweight cans available.
- We have been investing for improving the efficiency and capacity in SPS.
- We plan to establish another warehouse building for SPS this year.

Relations with Investors

Board of Directors recognizes the importance that the Company discloses material information correctly, timely and transparently even financial statements or general information along with important information that may effect in price of company securities. Company discloses via the SET Client Portal (SCP) and www.setportal.set.or.th and by our company website. Investors to be notified of such material information should visit our website at ww.alucon.th.com or contact our e-mail address at kanjana_p@alucon.th.com, contact person: Ms. Kanjana Piyachart, Investment Relation (IR).

Control of Internal Information

Confidential information is only available to a few executives involved. They are not buying shares and do not pass information to others.

Internal Control System

An Audit Committee consisting of 3 independent directors who meet regularly is responsible to oversee internal audit system. The Company appoints an outsource audit company, which is Dhamniti Audit Co., Ltd., to be a person who monitors internal audit controls. The outsourced auditors directly report to the Audit Committee who further presents the findings to the Board of Directors in order to insure efficient internal control standard.

Company Secretary

The Board of Directors' Meeting had a resolution on 6th August 2010 for the appointment of Mr. Pitipong Archamongkol, a Legal Manager, as a Company Secretary.

The information and their responsibilities are as follows:

Mr. Pitipong Archamongkol

Age	: 41 years
Position	: Legal Manager and Corporate Secretary
Appointing Date	: 6 th August 2010
Education:	: Bachelor Degree on Law from Chulalongkorn University Master Degree on Business Law from Chulalongkorn University Certificate on International Trade Law from Thammasat University
Training by IOD	: Company Secretary Program on year 2011 Board Reporting Program on year 2011
Shareholding	: 100 shares = 0.0002 % (No change)
Work Experience	: 2010 – present Legal Manager and Corporate Secretary ALUCON Public Company Limited : 2004 – 2010 Legal Manager - Siam Nissan Automobile Co., Ltd. : 1996 – 2004 Senior Associate - Johnson Stokes & Master

Scope of Responsibility of Corporate Secretary shall be follows:

1. Preparing and keeping the following documents;
 - a. A register of directors
 - b. Notice of the Board of Directors' Meeting, Minutes of the Board of Directors' Meeting, and the Company's annual report
 - c. Notice of the shareholders' meeting and minutes of the shareholders' meeting
2. Keeping the reports of interest filed by the directors or executives;
3. Performing any other acts as specified in the notification of the Capital Market Supervisory Board.

In cases where the Company Secretary vacates his position or is incapable of performing his duty, the Board of Directors shall appoint a new Company Secretary within 90 days from the date on which the Company Secretary has vacated his position or has been incapable of performing his duty. In this regard, the Board of Directors shall be empowered to assign any director to perform the duty as the substitute during such period.

AUDIT COMMITTEE

The name of 3 audit committee members are as follows:

1. Mr. Krit Indhewat

Age	: 74 years
Position	: Chairman – Audit Committee
Education	: Bachelor Degree – London University, England
Shareholding	: 13,500 shares = 0.03 %
Work Experience	: Managing Partner– Royal Tajmahal Limited Partnership Director – Advance Ed Co., Ltd.

2. Ms. Vrinporn Uer-anant

Age	: 65 years
Position	: Audit Committee
Education	: MBA, Utah State University, USA
Shareholding	: 154,300 shares = 0.36 %
Work Experience	: 2006 - present Lecturer, School of Management and Economic, Assumption University (ABAC)

3. Mr. Toshiyuki Koike

Age	: 42 years
Position	: Audit Committee
Education	: Master of Management, Mahidol University, Thailand Bachelor of Arts in Economic, Aoyama Gakuin University, Japan Bachelor of Arts in Literature, Aoyama Gakuin University, Japan
Shareholding	: None
Work Experience	: 2012 – present Managing Director ENZO International Co., Ltd. : 2010 – 2012 Managing Director OSD Network (Thailand) Co., Ltd.

Scope of Duties and Responsibilities of the Audit Committee

1. Review the Company's financial reporting process to ensure that it is accurate and adequate.
2. Review the Company's internal control system and internal audit system to ensure that they are suitable and efficient, to determine an internal audit unit's independence, as well as to approve the appointment of head of internal audit unit and also to appoint, remove, or dismiss the head of internal audit unit or any other unit in charge of an internal audit.
3. Review the Company's compliance with the law on securities and exchange, the Stock Exchange's regulation, and the laws relating to the Company's business.
4. Consider, select and nominate an independent person to be the Company's auditor, and propose such person's remuneration, as well as attend a non-management meeting with an auditor at least once a year
5. Review the connected transactions or the transactions that may lead to conflicts of interest, to ensure that they are in compliance with the laws and the Stock Exchange's regulation, and are reasonable and for the highest benefit of the Company.
6. Prepare, and disclose in the Company's annual report, an Audit Committee's report which must be signed by the Audit Committee's Chairman.
7. Perform any other act as assigned by the Board of Directors with the approval of the Audit Committee.

Term of Office of Audit Committee

An Audit Committee member has a term of office of 3 years each by the resolution of Board of Directors, except an Audit Committee member who has been appointed to fill a vacancy for any reason other than by rotation, in which case he shall retain office for the remaining term of office of the Audit Committee member whom he replaces.

NOTE FROM AUDIT COMMITTEE

The Audit Committee of Alucon Public Company Limited was appointed by the Board of Directors. There are three audit committee members whose qualifications meet the Audit Committee's charters which are consistent with the provision of the Office of Securities and Exchange Commission. The names of committee members are as follows:

- | | |
|---------------------------|---------------------------------|
| 1. Mr. Krit Indhewat | Chairman of the Audit Committee |
| 2. Ms. Vrinporn Uer-anant | Audit Committee Member |
| 3. Mr. Toshiyuki Koike | Audit Committee Member |

and Mr. Pitipong Archamongkol, Corporate Secretary, as a coordinator to Audit Committee.

The Audit Committee performs its duties within the scope, duties, and responsibilities as designated by the Board of Directors which fully accord with the stipulation of the Stock Exchange of Thailand's notifications.

In 2014, the Audit Committee held four meetings. Every committee member had perfect attendance for all committee meetings. Sometimes the Audit Committee attended meetings with top management. In essence, the Audit Committee's performance can be summarized as follows:

1. Reviewed quarterly and annual financial statements to ensure that the Company's financial statements were made accurately and reliably. The Audit Committee agreed with the auditors that the essence of these financial statements was accurate as deemed appropriate according to the generally accepted accounting standards.
2. Reviewed to ensure that the Company maintains a suitable, adequate, and efficient internal control system. In this regard, internal audit experts were commissioned to conduct assessment and internal auditors also conducted internal audit of core operating systems in accordance with the annual audit plan which was reviewed and approved by the Audit Committee. In addition, they were also assigned to keep track of rectification of the discrepancies described in the audit report. It was discerned that the Company's internal control system was adequate and suitable with the nature of the business and no significant shortcomings or weaknesses were found. Property maintenance was carried out properly and full information disclosure was observed.
Furthermore, the Audit Committee reviewed the internal audit system by examining the tasks, scope of operation, roles and responsibilities, head counts and the independence of the internal audit unit. The internal audit unit was thereby required to submit audit reports to the Audit Committee and present management reports to the Management. It was discerned that the Company's internal audit was conducted independently, adequately and effectively.
3. Reviewed risk management. In this regard, the Company conducted operational risk management activities, whereby various operating units identified the risks, assessed risks stemming from internal and external factors, conducted risk management and monitored each unit's progress to ensure that they could perform and achieved prescribed targets. If there were incidents which might hamper the organization's efforts to achieve its objectives, such risk could be timorous managed and contained with an acceptable level. In this regard, the Audit Committee observed that the Company has a suitable, adequate and effective risk management system.

4. Reviewed to ensure that Company complied with securities and stock exchange laws, SET provisions or other laws which are pertinent to its business operation. It was discerned that no significant shortcomings were found in regard to non-compliance with relevant laws and provisions.
5. Reviewed and commented the execution of connected transactions or items which might pose conflict of interest. It was discerned that there were no items that posed conflict of interest and the Company disclosed relevant information accurately and thoroughly.
6. Considered and proposed selection of auditors and audit fee to the Board of Directors for approval by the shareholders' meeting. The Audit Committee scrutinized performance of the auditors last year as well as their knowledge, expertise, and independence. Then, the Audit Committee recommended the Board of Directors to request the shareholders' meeting to approve the appointment of Ms. Orawan Chunhakitpaisan and/or Mr. Banthit Tangpakorn and/or Mr. Ekkasit Chuthamsatid of KPMG Phoomchai Audit Limited as the auditors for the year 2015. Total audit fee is 1,090,000 Baht per annum.

In conclusion, the Audit Committee fully performed its duties as stipulated in the charters of the Audit Committee which was approved by the Board of Directors. In the Audit Committee's opinion, the Company has had accurate and robust reporting of financial and operational data and also has had suitable and effective internal control system, internal audit, and risk management. In addition, the Company also properly complied with the laws and provisions and fulfilled obligations; connected items were executed properly; the operation was conducted in conformity with the corporate governance system adequately, transparently and reliably. Finally, the Audit Committee also examined the auditors' independence for appointment and submitted a proposal of audit fee.

Mr. Krit Indhewat
Chairman of Audit Committee

Opinion of Independent Directors:

Mr. Krit Indhewat

Ms. Vrinporn Uer-anant

Mr. Toshiyuki Koike

The Independent Directors have carefully considered the connected transactions as stated on page 12-13 of the Annual Report. In view of customers in Japan requiring special attention and excellent service the assistance of Takeuchi Press Industries Co., Ltd., Japan is most suitable to increase the sales of the Company to Japan. There is no disadvantage to Alucon by such an intermediary but it ensures regular sales to customers in Japan. Accordingly, the Independent Directors considered such connected transactions as beneficial to the Company.

The Independent Directors considered the performance of the Company respectively its various factories as satisfactory. However, they recommend that efficiency is increased further which should increase profitability.

ALUCON

Public Company Limited

ALUCON PUBLIC COMPANY LIMITED

Financial statements

for the year ended 31st December 2014

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 31st December 2014, 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 31st December 2014, its financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

(Banthit Tangpakarn)
Certified Public Accountant
Registration No. 8509

KPMG Phoomchai Audit Ltd.
Bangkok
20th February 2015

STATEMENT OF FINANCIAL POSITION

		31 December	
Assets	Note	2014	2013
		(in Baht)	
<i>Current assets</i>			
Cash and cash equivalents	5	50,620,684	69,052,219
Trade accounts receivable	4, 6	912,842,300	879,255,006
Inventories	7	1,371,214,258	999,623,784
Refundable value added tax		64,902,721	65,184,617
Other current assets		9,641,012	7,445,802
Total current assets		2,409,220,975	2,020,561,428
<i>Non-current assets</i>			
Property, plant and equipment	4, 8	4,366,964,452	4,000,478,082
Intangible assets	9	8,345,779	9,639,033
Deferred tax assets	10	64,364,501	76,920,205
Other non-current assets		303,909	208,910
Total non-current assets		4,439,978,641	4,087,246,230
Total assets		6,849,199,616	6,107,807,658

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

STATEMENT OF FINANCIAL POSITION

		31 December	
Liabilities and equity	Note	2014	2013
(in Baht)			
<i>Current liabilities</i>			
Bank overdrafts and short-term loans from financial institutions	11	134,833,537	144,653,076
Trade accounts payable	4, 12	369,436,083	237,891,267
Other payables to and short-term loans from related parties	4, 11	1,383,678,293	1,114,184,069
Other payables	13	196,693,445	262,786,167
Income tax payable		62,166,545	72,127,318
Other current liabilities	14	21,466,903	22,222,213
Total current liabilities		2,168,274,806	1,853,864,110
<i>Non-current liabilities</i>			
Deferred income	15	29,404,594	35,190,403
Employee benefit obligations	16	483,296,510	455,657,671
Total non-current liabilities		512,701,104	490,848,074
Total liabilities		2,680,975,910	2,344,712,184

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

STATEMENT OF FINANCIAL POSITION

		31 December	
<i>Equity</i>	Note	2014	2013
		<i>(in Baht)</i>	
Share capital	17		
Authorised share capital		<u>432,000,000</u>	<u>432,000,000</u>
Issued and paid-up share capital		431,999,860	431,999,860
Additional paid-in capital			
Premium on ordinary shares	17	254,000,000	254,000,000
Retained earnings			
Appropriated			
Legal reserve	18	43,200,000	43,200,000
Unappropriated		<u>3,439,023,846</u>	<u>3,033,895,614</u>
Total equity		<u>4,168,223,706</u>	<u>3,763,095,474</u>
Total liabilities and equity		<u>6,849,199,616</u>	<u>6,107,807,658</u>

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

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December

	Note	2014	2013
		<i>(in Baht)</i>	
Income			
Revenue from sale of goods	4, 19, 28	5,625,472,548	5,027,287,054
Net foreign exchange gain		5,276,891	27,028,857
Other income	20	189,274,760	145,321,190
Total income		5,820,024,199	5,199,637,101
Expenses			
Cost of sale of goods	4, 7	4,566,779,201	4,040,051,914
Selling expenses	4, 21	153,383,985	138,503,333
Administrative expenses	22	157,757,581	159,375,815
Finance costs	4, 25	26,270,063	28,514,475
Total expenses		4,904,190,830	4,366,445,537
Profit before income tax expense		915,833,369	833,191,564
Income tax expense	26	165,105,249	153,947,344
Profit for the year		750,728,120	679,244,220
Other comprehensive income for the year		-	-
Total comprehensive income for the year		750,728,120	679,244,220
Basic earnings per share	27	17.38	15.72

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

STATEMENT OF CHANGES IN EQUITY

		Issued and paid-up share capital	Additional paid-in capital Premium on ordinary shares	Retained earnings		Total equity
	Note			Legal reserve	Unappropriated	
				(in Baht)		
Year ended 31 December 2013						
Balance at 1 January 2013		431,999,860	254,000,000	43,200,000	2,657,051,296	3,386,251,156
Transactions with owners, recorded directly in equity						
<i>Distribution to owners of the Company</i>						
Dividends to owners of the Company	29	-	-	-	(302,399,902)	(302,399,902)
<i>Total distribution to owners of the Company</i>		-	-	-	(302,399,902)	(302,399,902)
Total transactions with owners, recorded directly in equity		-	-	-	(302,399,902)	(302,399,902)
Comprehensive income for the year						
Profit for the year		-	-	-	679,244,220	679,244,220
Other comprehensive income		-	-	-	-	-
Total comprehensive income for the year		-	-	-	679,244,220	679,244,220
Balance at 31 December 2013		<u>431,999,860</u>	<u>254,000,000</u>	<u>43,200,000</u>	<u>3,033,895,614</u>	<u>3,763,095,474</u>
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	29	-	-	-	(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		<u>431,999,860</u>	<u>254,000,000</u>	<u>43,200,000</u>	<u>3,439,023,846</u>	<u>4,168,223,706</u>

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

STATEMENT OF CASH FLOWS

For the year ended 31 December

Note 2014 2013
(in Baht)

Cash flows from operating activities

Profit for the year		750,728,120	679,244,220
<i>Adjustments for</i>			
Depreciation	8	433,401,184	442,831,918
Amortisation of intangible assets	9	1,799,455	1,789,611
Recognised deferred income	15	(5,785,809)	(5,785,810)
Interest income		(243,761)	(357,886)
Finance costs	25	26,270,063	28,514,475
Unrealised gain on exchange		(11,252,518)	(18,974,392)
Loss from devaluation of inventories	7	5,972,243	493,132
Gain on disposal of plant and equipment		(405,760)	(177,169)
Provision for employee benefit obligations	16	60,702,030	53,464,595
Income tax expense	26	165,105,249	153,947,344
		<u>1,426,290,496</u>	<u>1,334,990,038</u>

Changes in operating assets and liabilities

Trade accounts receivable		(34,048,377)	(46,513,469)
Inventories		(377,562,717)	(207,600,623)
Refundable value added tax		281,896	(53,585,635)
Other current assets		(2,192,622)	(222,904)
Other non-current assets		(94,999)	-
Trade accounts payable		131,679,142	80,537,501
Other payables to related parties		(9,091,014)	3,181,950
Other payables		23,597,102	348,109
Other current liabilities		(755,310)	1,077,007
Cash generated from operating activities		1,158,103,597	1,112,211,974
Income tax paid		(162,510,318)	(175,024,598)
Employee benefit obligations paid		(33,063,191)	(13,832,452)
Net cash from operating activities		962,530,088	923,354,924

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

STATEMENT OF CASH FLOWS

		For the year ended 31 December	
	Note	2014	2013
		(in Baht)	
<i>Cash flows from investing activities</i>			
Interest received		241,172	364,414
Purchase of plant and equipment		(890,098,092)	(963,237,181)
Interest paid for plant and equipment		-	(538,247)
Sale of plant and equipment		897,036	492,005
Purchase of intangible assets		(336,700)	(211,250)
Net cash used in investing activities		(889,296,584)	(963,130,259)
<i>Cash flows from financing activities</i>			
Finance costs paid		(27,807,312)	(30,338,838)
Dividends paid	29	(345,599,888)	(302,399,902)
Increase (Decrease) in bank overdrafts and short-term loans from financial institutions		1,742,161	(403,325)
Proceeds from short-term loans from related party		280,000,000	200,000,000
Net cash used in financing activities		(91,665,039)	(133,142,065)
Net decrease in cash and cash equivalents		(18,431,535)	(172,917,400)
Cash and cash equivalents at 1 January		69,052,219	241,969,619
Cash and cash equivalents at 31 December	5	50,620,684	69,052,219

Non-cash transaction

During the year ended 31 December 2014, the Company acquired plant and equipment and intangible assets totalling Baht 801 million (2013: Baht 1,113 million), cash payments of Baht 890 million (2013: Baht 964 million) were made to purchase plant and equipment including related interest and intangible assets.

During the year ended 31 December 2013, the Company agreed to reschedule the long-term promissory note due for repayment with the parent company to short-term promissory note in amount of Baht 10 million.

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

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 20 February 2015.

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, who held 66.61% 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 the following new and revised TFRS relevant to the Company’s operations and effective for accounting periods beginning on or after 1 January 2014:

TFRS	Topic
TAS 1 (revised 2012)	Presentation of financial statements
TAS 7 (revised 2012)	Statement of Cash Flows
TAS 12 (revised 2012)	Income Taxes
TAS 18 (revised 2012)	Revenue
TAS 19 (revised 2012)	Employee Benefits
TAS 21 (revised 2012)	The Effects of Changes in Foreign Exchange Rates
TAS 24 (revised 2012)	Related Party Disclosures
TAS 34 (revised 2012)	Interim Financial Reporting
TAS 36 (revised 2012)	Impairment of Assets
TAS 38 (revised 2012)	Intangible Assets
TFRS 8 (revised 2012)	Operating Segments
TFRIC 10	Interim Financial Reporting and Impairment

NOTES TO THE FINANCIAL STATEMENTS

The initial application of these new and revised TFRS has resulted in changes in certain of the Company's accounting policies. These changes have no material effect on 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 2015 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 32.

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis except as stated in the accounting policies.

(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 estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate are revised and in any future periods affected.

Useful life

The Company decided to change from 1 January 2014 the estimated useful lives of certain land improvement and building and building improvement as follows:

	2014	2013
Land improvement	5 - 23 years	3 - 20 years
Building and building improvement	20 - 40 years	20 - 30 years

The change have been applied prospectively and had the impact on the statement of comprehensive income for the year ended 31 December 2014 to decrease in depreciation charge for the year of Baht 72.2 million, increase in profit for the year of Baht 72.2 million and increase in basic earnings per share for the year of Baht 1.67 per share.

NOTES TO THE FINANCIAL STATEMENTS

Information about significant areas of estimation uncertainty 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 3 (o) and 10	Current and deferred taxation
Note 16	Measurement of defined benefit obligations
Note 30	Valuation of financial instruments

3 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

(a) Foreign currencies 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.

NOTES TO THE FINANCIAL STATEMENTS

(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.

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.

(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 other income in profit or loss.

Subsequent costs

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

NOTES TO THE FINANCIAL STATEMENTS

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. Please see Note 2 (d) for the detail of change of estimated useful lives of certain land improvement and buildings and building improvement. 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.

(g) Intangible assets

Intangible assets that are acquired by the Company and have finite useful lives are measured at cost less accumulated amortisation and 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.

NOTES TO THE FINANCIAL STATEMENTS

(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.

(j) Trade and other accounts payable

Trade and other accounts payable are stated at cost.

(k) Employee benefits

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into the fund and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in profit or loss in the periods during which services are rendered by employees.

NOTES TO THE FINANCIAL STATEMENTS

Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's net obligation in respect of defined benefit pension plans is calculated separately for each plan by estimating 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. Any unrecognised past service costs and the fair value of any plan assets are deducted. The discount rate is the yield at the reporting date on government bonds that have maturity dates approximating the terms of the Company's obligations and that are denominated in the same currency in which the benefits are expected to be paid.

The calculation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a benefit to the Company, the recognised asset is limited to the total of any unrecognised past service costs and 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. In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirements that apply to any plan in the Company. An economic benefit is available to the Company if it is realisable during the life of the plan, or on settlement of the plan liabilities.

When the benefits of a plan are improved, the portion of the increased benefit relating to past service by employees is recognised in profit or loss on a straight-line basis over the average period until the benefits become vested. To the extent that the benefits vest immediately, the expense is recognised immediately in profit or loss.

The Company recognises all actuarial gains and losses arising from defined benefit plans and all expenses related to defined benefit plans in profit or loss.

Other long-term employee benefits

The Company's net obligation in respect of long-term employee benefits other than pension plans 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, and the fair value of any related assets is deducted. The discount rate is the yield at the reporting date on government bonds that have maturity dates approximating the terms of the Company's obligations. The calculation is performed using the projected unit credit method. Any actuarial gains and losses are recognised in profit or loss in the period in which they arise.

Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

NOTES TO THE FINANCIAL STATEMENTS

A liability is recognised for the amount expected to be paid under short-term cash bonus if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

(l) Provisions

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

(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.

NOTES TO THE FINANCIAL STATEMENTS

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Company's expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, using tax rates enacted or substantively enacted by the reporting date.

In determining the amount of current and deferred tax, the Company takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Company believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Company to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. 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) 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.

NOTES TO THE FINANCIAL STATEMENTS

4 Related parties

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

Relationships with related parties were as follows:

Name of entities	Country of incorporation	Nature of relationships
Takeuchi Press Industries Company Limited	Japan	Parent, 66.61% shareholding
Key management personnel		Persons having authority and responsibility for planning directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of the Company.

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

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	1.75 - 2.50% per annum in 2014 and 2.00 - 3.00% per annum in 2013
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

NOTES TO THE FINANCIAL STATEMENTS

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

	2014	2013
	<i>(in thousand Baht)</i>	
Parent		
Revenue from sale of goods	973,144	930,525
Purchase of raw materials and spare parts	12,320	12,133
Purchase of machinery and equipment	845	11,572
Interest expense (included capitalise as the cost of asset)	22,110	24,531
License fee	21,641	16,307
Commission expenses	2,866	1,946
Other expenses	61	59
Key management personnel		
Key management personnel compensation		
Short-term employee benefit	60,684	59,956
Termination benefits	4,248	7,322
Total	64,932	67,278

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

Trade account receivable from related party

	2014	2013
	<i>(in thousand Baht)</i>	
Parent		
Takeuchi Press Industries Company Limited	55,472	59,379

Trade account payable to related party

	2014	2013
	<i>(in thousand Baht)</i>	
Parent		
Takeuchi Press Industries Company Limited	1,872	2,329

NOTES TO THE FINANCIAL STATEMENTS

Other payable to and short-term loans from related parties

	Interest rate			
	2014	2013	2014	2013
	(% per annum)		(in thousand Baht)	
<i>Short-term loans</i>				
Parent				
Takeuchi Press Industries Company Limited	1.75 - 1.90	2.00 - 2.50	1,368,000	1,088,000
<i>Other payables</i>				
Parent				
Takeuchi Press Industries Company Limited			116	9,091
<i>Accrued license fee</i>				
Parent				
Takeuchi Press Industries Company Limited			4,677	4,827
<i>Accrued commission payable</i>				
Parent				
Takeuchi Press Industries Company Limited			701	552
<i>Accrued interest expense</i>				
Parent				
Takeuchi Press Industries Company Limited			6,159	7,689
<i>Accrued management's remuneration and other benefits</i>				
Key management personnel			4,025	4,025
Total			1,383,678	1,114,184

NOTES TO THE FINANCIAL STATEMENTS

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

	2014	2013
	<i>(in thousand Baht)</i>	
<i>Short-term loans</i>		
Parent		
At 1 January	1,088,000	878,000
Increase	280,000	210,000
At 31 December	1,368,000	1,088,000
<i>Long-term loan</i>		
Parent		
At 1 January	-	10,000
Decrease	-	(10,000)
At 31 December	-	-

On 1 September 2010, the Company issued promissory notes to related party totalling Baht 70 million which bear interest at rates ranging from 1.75% - 2.25% per annum. These long-term loans were repayable together with interest expenses on various dates from March 2012 to March 2013 and during 2013 the Company agreed to reschedule the long-term promissory note due for repayment with the parent company to short-term promissory note in amount of Baht 10 million.

Significant agreement with related party

Technical license agreement

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

NOTES TO THE FINANCIAL STATEMENTS

Commitments for purchase of raw materials and spare parts

	2014	2013
	<i>(in thousand Baht)</i>	
Parent		
Takeuchi Press Industries Company Limited	<u>5,578</u>	<u>11,003</u>

Significant memorandum of understanding

On 5 February 2014, 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 2014 to March 2015.

5 Cash and cash equivalents

	2014	2013
	<i>(in thousand Baht)</i>	
Cash on hand	73	61
Cash at banks - current accounts	1,724	13,828
Cash at banks - saving accounts	45,535	44,684
Cheques on hand	3,289	10,479
Total	<u>50,621</u>	<u>69,052</u>

Cheques on hand

Cheques on hand as at 31 December 2014 were all subsequently cleared by 5 January 2015 (2013: 2 January 2014).

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

	2014	2013
	<i>(in thousand Baht)</i>	
Thai Baht (THB)	34,206	43,466
United States Dollars (USD)	15,542	25,150
Japanese Yen (YEN)	873	436
Total	<u>50,621</u>	<u>69,052</u>

NOTES TO THE FINANCIAL STATEMENTS

6 Trade accounts receivable

	Note	2014	2013
		<i>(in thousand Baht)</i>	
Related party	4	55,472	59,379
Other parties		857,370	819,876
Total		912,842	879,255

Aging analyses for trade accounts receivable were as follows:

	2014	2013
	<i>(in thousand Baht)</i>	
Related party		
Within credit terms	55,472	59,379
	55,472	59,379
Other parties		
Within credit terms	692,318	614,505
Overdue:		
Less than 3 months	163,718	200,044
3 - 6 months	1,031	5,327
6 - 12 months	303	-
	857,370	819,876
Total	912,842	879,255

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

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

	2014	2013
	<i>(in thousand Baht)</i>	
Thai Baht (THB)	427,425	416,320
United States Dollars (USD)	352,468	376,650
Japanese Yen (YEN)	55,472	59,379
Australian Dollars (AUD)	60,548	20,731
Others (GBP, HKD and EUR)	16,929	6,175
Total	912,842	879,255

NOTES TO THE FINANCIAL STATEMENTS

7 Inventories

	2014	2013
	<i>(in thousand Baht)</i>	
Finished goods	159,452	157,442
Work in progress	205,776	135,302
Raw materials	483,435	457,460
Packing materials	3,113	2,722
Spare parts	141,312	131,409
Goods in transit	386,665	117,856
	<u>1,379,753</u>	<u>1,002,191</u>
Less allowance for decline in value	(8,539)	(2,567)
Net	<u>1,371,214</u>	<u>999,624</u>
Inventories recognised as an expense in “cost of sales of goods”:		
- Cost	4,560,807	4,039,559
- Write-down to net realisable value	5,972	493
Total	<u>4,566,779</u>	<u>4,040,052</u>

NOTES TO THE FINANCIAL STATEMENTS

8 Property, plant and equipment

	Land and land improvement	Buildings and building improvement	Machinery and equipment	Office equipment	Vehicles	Spare parts	Assets under construction	Total
<i>(in thousand Baht)</i>								
Cost								
At 1 January 2013	192,963	1,228,908	4,451,581	17,888	30,102	41,873	381,412	6,344,727
Additions	27,955	13,124	109,370	1,096	5,385	23,945	931,746	1,112,621
Transfers	12,777	145,878	560,646	-	-	(26,883)	(692,418)	-
Disposals	-	-	(3,057)	(494)	(3,126)	-	-	(6,677)
At 31 December 2013 and 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	256,005	1,571,431	6,116,305	18,272	28,639	58,647	191,273	8,240,572
Depreciation								
At 1 January 2013	1,039	530,719	2,442,567	15,080	24,262	-	-	3,013,667
Depreciation charge for the year	2,839	44,782	390,555	1,298	3,358	-	-	442,832
Disposals	-	-	(2,785)	(493)	(3,028)	-	-	(6,306)
At 31 December 2013 and 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	7,623	621,228	3,208,061	15,695	21,001	-	-	3,873,608
Net book value								
At 1 January 2013	191,924	698,189	2,009,014	2,808	5,840	41,873	381,412	3,331,060
At 31 December 2013 and 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	248,382	950,203	2,908,244	2,577	7,638	58,647	191,273	4,366,964

NOTES TO THE FINANCIAL STATEMENTS

The gross amount of the Company's fully depreciated plant and equipment that was still in use as at 31 December 2014 amounted to Baht 1,512 million (2013: Baht 1,438 million).

Assets under construction

As at 31 December 2013, the Company is in process of constructing a new factory and installing new machinery and equipment which have an estimated cost of approximately Baht 1,049 million. The cost incurred up to 31 December 2013 amounted to approximately Baht 621 million.

During the year 2013, capitalised borrowing costs relating to the construction of a new factory amounted to Baht 0.4 million, with a capitalisation rate of 2.50% - 3.00% per annum.

9 Intangible assets

	Software licence (in thousand Baht)
Cost	
At 1 January 2013	18,899
Additions	363
At 31 December 2013 and 1 January 2014	19,262
Additions	506
At 31 December 2014	19,768
Amortisation	
At 1 January 2013	7,833
Amortisation charge for the year	1,790
At 31 December 2013 and 1 January 2014	9,623
Amortisation charge for the year	1,799
At 31 December 2014	11,422
Net book value	
At 1 January 2013	11,066
At 31 December 2013 and 1 January 2014	9,639
At 31 December 2014	8,346

NOTES TO THE FINANCIAL STATEMENTS

10 Deferred tax

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

	2014	2013
	<i>(in thousand Baht)</i>	
Deferred tax assets	98,858	93,510
Deferred tax liability	(34,493)	(16,590)
Net	64,365	76,920

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

	At 1 January 2014	(Charged) / credited to Profit or loss (Note 26)	At 31 December 2014
	<i>(in thousand Baht)</i>		
<i>Deferred tax assets</i>			
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
<i>Deferred tax liability</i>			
Property, plant and equipment (<i>depreciation gap</i>)	(16,590)	(17,903)	(34,493)
Total	(16,590)	(17,903)	(34,493)
Net	76,920	(12,555)	64,365

NOTES TO THE FINANCIAL STATEMENTS

	At 1 January 2013	(Charged) / credited to Profit or loss (Note 26)	At 31 December 2013
<i>(in thousand Baht)</i>			
Deferred tax assets			
Inventories (<i>allowance for decline in value</i>)	414	99	513
Employee benefit obligations	78,241	7,718	85,959
Deferred income	8,196	(1,158)	7,038
Total	86,851	6,659	93,510
Deferred tax liability			
Property, plant and equipment (<i>depreciation gap</i>)	(10,364)	(6,226)	(16,590)
Total	(10,364)	(6,226)	(16,590)
Net	76,487	433	76,920

11 Interest-bearing liabilities

	Note	2014	2013
<i>(in thousand Baht)</i>			
Current			
Bank overdrafts - unsecured		2,211	468
Short-term loans from financial institutions - unsecured		132,623	144,185
Bank overdrafts and short-term loans from financial institutions		134,834	144,653
Short-term loans from related party - unsecured	4	1,368,000	1,088,000
Total current interest-bearing liabilities		1,502,834	1,232,653

NOTES TO THE FINANCIAL STATEMENTS

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

	2014	2013
	<i>(in thousand Baht)</i>	
Within one year	1,502,834	1,232,653
Total	1,502,834	1,232,653

As at 31 December 2014, the Company had unutilised credit facilities from financial institutions of approximately Baht 2,376 million (2013: 2,543 million).

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

	2014	2013
	<i>(in thousand Baht)</i>	
Thai Baht (THB)	1,370,211	1,088,468
United States Dollars (USD)	49,670	49,424
Japanese Yen (YEN)	82,953	94,761
Total	1,502,834	1,232,653

12 Trade accounts payable

	Note	2014	2013
		<i>(in thousand Baht)</i>	
Related party	4	1,872	2,329
Other parties		367,564	235,562
Total		369,436	237,891

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

	2014	2013
	<i>(in thousand Baht)</i>	
Thai Baht (THB)	123,192	112,856
United States Dollars (USD)	217,242	94,755
Japanese Yen (YEN)	24,933	9,108
Others (CHF, AUD, EUR and GBP)	4,069	21,172
Total	369,436	237,891

NOTES TO THE FINANCIAL STATEMENTS

13 Other payables

	2014	2013
	<i>(in thousand Baht)</i>	
Construction and machinery payables	90,779	167,898
Accrued operating expenses	41,752	37,928
Factory supplies and spare parts payables	26,664	14,136
Others	37,498	42,824
Total	196,693	262,786

14 Other current liabilities

	2014	2013
	<i>(in thousand Baht)</i>	
Withholding tax payable	13,037	7,848
Advances received from customers	6,357	12,764
Accrued social fund	2,073	1,610
Total	21,467	22,222

15 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 2014, such deferred income had outstanding balance of Baht 29.4 million (2013: Baht 35.2 million) and during the year ended 31 December 2014, the Company recognised income in profit or loss of Baht 5.8 million (2013: Baht 5.8 million).

NOTES TO THE FINANCIAL STATEMENTS

16 Employee benefit obligations

	2014	2013
	<i>(in thousand Baht)</i>	
Statement of financial position obligations for:		
Post-employment benefits	390,821	369,110
Other long-term employee benefits	29,934	28,683
Provident fund	62,542	57,865
Total	483,297	455,658

Year ended 31 December

	2014	2013
	<i>(in thousand Baht)</i>	
Statement of comprehensive income:		
Recognised in profit or loss:		
Post-employment benefits	49,477	55,580
Other long-term employee benefits	4,673	(8,113)
Provident fund	6,552	5,998
Total	60,702	53,465

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 statement of financial position obligation was determined as follows:

	2014	2013
	<i>(in thousand Baht)</i>	
Present value of unfunded obligation	420,755	397,793

NOTES TO THE FINANCIAL STATEMENTS

Movement in the present value of the defined benefit obligations

	2014	2013
	<i>(in thousand Baht)</i>	
Defined benefit obligations at 1 January	397,793	362,567
Benefits paid by the plan	(31,188)	(12,241)
Current service costs and interest	46,230	45,390
Actuarial loss	7,920	2,077
Defined benefit obligations at 31 December	420,755	397,793

Expense recognised in profit or loss (note 23)

	2014	2013
	<i>(in thousand Baht)</i>	
Current service costs	33,200	32,256
Interest on obligation	13,030	13,134
Actuarial loss	7,920	2,077
Total	54,150	47,467

The expense is recognised in the following line items in the statement of comprehensive income:

	2014	2013
	<i>(in thousand Baht)</i>	
Cost of sales	41,604	32,136
Selling expenses	2,412	1,856
Administrative expenses	10,134	13,475
Total	54,150	47,467

Principal actuarial assumptions at the reporting date (expressed as weighted averages):

	2014	2013
Discount rate (%)	3.44	3.70
Future salary increases (%)	4.99 - 6.05	5.6
Retirement age (years)	55	55

Assumptions regarding future mortality are based on published statistics and mortality tables.

NOTES TO THE FINANCIAL STATEMENTS

17 Share capital

	Par value	2014		2013	
	per share	Number	Amount	Number	Amount
	(in Baht)	(thousand shares / thousand Baht)			
<i>Authorised</i>					
At 1 January					
- ordinary shares	10	43,200	432,000	43,200	432,000
At 31 December					
- ordinary shares	10	43,200	432,000	43,200	432,000
<i>Issued and paid-up</i>					
At 1 January					
- ordinary shares	10	43,200	432,000	43,200	432,000
At 31 December					
- ordinary shares	10	43,200	432,000	43,200	432,000

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.

18 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.

19 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.

NOTES TO THE FINANCIAL STATEMENTS

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	
	2014	2013	2014	2013	2014	2013
	<i>(in thousand Baht)</i>					
Revenue from sale of goods	3,542,911	3,420,866	2,082,562	1,606,421	5,625,473	5,027,287
Segment result	841,018	890,896	217,675	96,339	1,058,693	987,235

Unallocated revenues					194,552	172,350
Unallocated expenses					(311,142)	(297,879)
Finance costs					(26,270)	(28,514)
Profit before income tax					915,833	833,192

Segment assets

Trade accounts receivable	644,607	631,845	268,235	247,410	912,842	879,255
Inventories	276,185	266,088	1,095,029	733,536	1,371,214	999,624
Property, plant and equipment	3,423,256	3,287,676	943,708	712,802	4,366,964	4,000,478
Unallocated assets					198,180	228,451
Total Assets					6,849,200	6,107,808

Segment liabilities

Trade accounts payable	123,275	127,071	246,161	110,820	369,436	237,891
Unallocated liabilities					2,311,540	2,106,821
Total Liabilities					2,680,976	2,344,712

Other material items

Depreciation and amortization	323,458	351,660	111,743	92,962	435,201	444,622
Capital expenditure	442,733	888,443	358,152	224,541	800,885	1,112,984

NOTES TO THE FINANCIAL STATEMENTS

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	
	2014	2013	2014	2013
	<i>(in thousand Baht)</i>			
Asia pacific	2,758,516	2,410,091	-	-
Thailand	1,765,120	1,697,262	4,439,979	4,087,246
America	510,670	335,493	-	-
Others	591,167	584,441	-	-
Total	5,625,473	5,027,287	4,439,979	4,087,246

Major customer

Revenues from a customer of the Company's 1 and 2 segments are approximately Baht 552.5 million (2013: Baht 634.9 million) of the Company's total revenues.

20 Other income

	2014	2013
	<i>(in thousand Baht)</i>	
Sale of scrap	162,399	118,528
Others	26,876	26,793
Total	189,275	145,321

21 Selling expenses

	2014	2013
	<i>(in thousand Baht)</i>	
Freight expenses	86,435	79,630
Employee benefit expenses	31,674	28,034
Others	35,275	30,839
Total	153,384	138,503

NOTES TO THE FINANCIAL STATEMENTS

22 Administrative expenses

	2014	2013
	<i>(in thousand Baht)</i>	
Employee benefit expenses	128,137	126,509
Depreciation and amortisation	4,813	4,645
Transportation expenses	4,565	4,786
Repair and maintenance	3,440	3,740
Others	16,803	19,696
Total	157,758	159,376

23 Employee benefit expenses

	2014	2013
	<i>(in thousand Baht)</i>	
Wages and salaries	641,230	589,817
Pension costs - defined benefit plans	54,150	47,467
Contribution to defined contribution plans	6,552	5,998
Director's remuneration	4,796	4,796
Others	43,387	37,663
Total	750,115	685,741

Defined benefit plans

Details of the defined benefit plans are given in note 16.

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.

NOTES TO THE FINANCIAL STATEMENTS

24 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:

	2014	2013
	<i>(in thousand Baht)</i>	
<i>Included in cost of sale of goods:</i>		
Changes in inventories of finished goods and work in progress	(72,484)	61,802
Raw materials and consumables used	2,854,795	2,337,387
Employee benefit expenses	590,304	531,198
Depreciation and amortisation	429,786	439,069
Utilities expenses	405,100	367,194
<i>Included in selling expenses:</i>		
Freight expenses	86,435	79,630
Employee benefit expenses	31,674	28,034
Depreciation and amortisation	602	908
<i>Included in administrative expenses:</i>		
Employee benefit expenses	128,137	126,509
Depreciation and amortisation	4,812	4,645

25 Finance costs

	Note	2014	2013
		<i>(in thousand Baht)</i>	
<i>Interest expense:</i>			
Related party	4	22,110	24,531
Financial institutions		4,160	4,364
		26,270	28,895
Less amounts included in the cost of assets under construction	8	-	(381)
Net		26,270	28,514

NOTES TO THE FINANCIAL STATEMENTS

26 Income tax expense

Income tax recognised in profit or loss

	Note	2014 (in thousand Baht)	2013
Current tax expense			
Current year		152,550	154,380
Deferred tax expense	10		
Movements in temporary differences		12,555	(433)
Total		165,105	153,947

Reconciliation of effective tax rate

	2014		2013	
	Rate (%)	(in thousand Baht)	Rate (%)	(in thousand Baht)
Profit before income tax expense		915,833		833,192
Income tax using the Thai corporation tax rate	20	183,167	20	166,638
Income not subject to tax		(17,063)		(12,048)
Others		(999)		(643)
Total	18	165,105	18	153,947

Income tax reduction

Royal Decree No. 530 B.E. 2554 dated 21 December 2011 grants a reduction in the corporate income tax rate for the three accounting periods 2012, 2013 and 2014; from 30% to 23% for the accounting period 2012 which begins on or after 1 January 2012 and to 20% for the following two accounting periods 2013 and 2014 which begin on or after 1 January 2013 and 2014, respectively. Royal Decree No.577 B.E. 2557 dated 10 November 2014 extends the reduction to 20% for the accounting period 2015 which begins on or after 1 January 2015.

The Company has applied the reduced tax rate of 20% in measuring deferred tax assets and liabilities as at 31 December 2014 and 2013 in accordance with the clarification issued by the FAP in 2012.

NOTES TO THE FINANCIAL STATEMENTS

27 Basic earnings per share

The calculations of basic earnings per share for the years ended 31 December 2014 and 2013 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:

	2014	2013
	(in thousand Baht / thousand shares)	
Profit attributable to equity holders of the Company	<u>750,728</u>	<u>679,244</u>
Number of ordinary shares outstanding	<u>43,200</u>	<u>43,200</u>
Basic earnings per share (in Baht)	<u>17.38</u>	<u>15.72</u>

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:

	2014			2013		
	Promoted businesses	Non-promoted businesses	Total	Promoted businesses	Non-promoted businesses	Total
	(in thousand Baht)					
Export sales	244,044	3,766,055	4,010,099	65,243	3,307,739	3,372,982
Local sales	360,924	1,254,450	1,615,374	409,900	1,244,405	1,654,305
Total Revenue	<u>604,968</u>	<u>5,020,505</u>	<u>5,625,473</u>	<u>475,143</u>	<u>4,552,144</u>	<u>5,027,287</u>

29 Dividends

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.

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

30 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 0.64:1 in 2014 and 0.62:1 in 2013, 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.

NOTES TO THE FINANCIAL STATEMENTS

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:

	Effective interest rates (% per annum)	Within 1 year (in thousand Baht)	Total
2014			
Current			
Loans from financial institutions	0.53 - 0.60	134,834	134,834
Loans from related party	1.75 - 1.90	1,368,000	1,368,000
Total		1,502,834	1,502,834
2013			
Current			
Loans from financial institutions	0.52 - 0.65	144,653	144,653
Loans from related party	2.00 - 2.50	1,088,000	1,088,000
Total		1,232,653	1,232,653

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.

NOTES TO THE FINANCIAL STATEMENTS

At 31 December, the Company was exposed to foreign currency risk in respect of financial assets and liabilities denominated in the following currencies:

	Note	2014	2013
		(in thousand Baht)	
United States Dollars (USD)			
Cash and cash equivalents	5	15,542	25,150
Trade accounts receivable	6	352,468	376,650
Interest-bearing liabilities	11	(49,670)	(49,424)
Trade accounts payable	12	(217,242)	(94,755)
		<u>101,098</u>	<u>257,621</u>
Japanese Yen (YEN)			
Cash and cash equivalents	5	873	436
Trade accounts receivable	6	55,472	59,379
Interest-bearing liabilities	11	(82,953)	(94,761)
Trade accounts payable	12	(24,933)	(9,108)
		<u>(51,541)</u>	<u>(44,054)</u>
Australian Dollar (AUD)			
Trade accounts receivable	6	60,548	20,731
Trade accounts payable	12	(34)	-
		<u>60,514</u>	<u>20,731</u>
Others (HKD, SGD, EUR, GBP and CHF)			
Trade accounts receivable	6	16,929	6,175
Trade accounts payable	12	(4,035)	(21,172)
		<u>12,894</u>	<u>(14,997)</u>
Gross statement of financial position exposure		<u>122,965</u>	<u>219,301</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.

NOTES TO THE FINANCIAL STATEMENTS

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.

Determination of fair values

A number of the Company's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. The fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

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 do not materially different from the carrying amounts.

Fair values of outstanding Commodity Price Swap agreement, together with the carrying values, as of 31 December were as follows:

Type of agreement	Contract amount		Contract value		Fair value	
	2014	2013	2014	2013	2014	2013
	(Ton)		(YEN per ton)		(YEN per ton)	
Commodity Price Swap agreement	300	600	188,000	188,000	194,410	190,958

NOTES TO THE FINANCIAL STATEMENTS

31 Commitments with non-related parties

	2014	2013
	<i>(in thousand Baht)</i>	
Capital commitments		
Contracted but not provided for:		
Factory, machinery and equipment	<u>51,048</u>	<u>428,115</u>
Other commitments		
Unused letters of credits	10,632	86,656
Purchase orders accepted by suppliers		
Within one year	1,582,763	1,451,871
After one year but within five years	<u>381,986</u>	<u>285,495</u>
	<u>1,964,749</u>	<u>1,737,366</u>
Commodity Price Swap agreement	15,595	35,630
Bank guarantees	<u>25,799</u>	<u>24,718</u>
Total	<u>2,016,775</u>	<u>1,884,370</u>

Purchase orders accepted by suppliers

As at 31 December 2014, the Company had purchase orders accepted by suppliers for purchase of aluminium ingot in total quantity of 35,514 MT (2013: 33,600 MT), at the prices in the range of YEN 123,000 - 127,100 per MT, and at the price as determined in purchase orders (2013: at the prices in the range of YEN 123,000 - 134,100 per MT and at the price as determined in purchase orders) that will be delivered during 2015 to 2016 (2013: 2014 to 2016).

Commodity Price Swap agreement

As at 31 December 2014 and 2013, 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.

NOTES TO THE FINANCIAL STATEMENTS

32 Thai Financial Reporting Standards (TFRS) not yet adopted

A number of revised TFRS have been issued but not yet effective and have not been applied in preparing these financial statements. These 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 in the year indicated, are set out below. The Company does not plan to adopt these TFRS early.

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 in the year indicated, are set out below. The Company does not plan to adopt these TFRS early.

TFRS	Topic	Year effective
TAS 1 (revised 2014)	Presentation of Financial Statements	2015
TAS 2 (revised 2014)	Inventories	2015
TAS 7 (revised 2014)	Statement of Cash Flows	2015
TAS 8 (revised 2014)	Accounting Policies, Changes in Accounting Estimates and Errors	2015
TAS 10 (revised 2014)	Events after the Reporting Period	2015
TAS 12 (revised 2014)	Income Taxes	2015
TAS 16 (revised 2014)	Property, Plant and Equipment	2015
TAS 18 (revised 2014)	Revenue	2015
TAS 19 (revised 2014)	Employee Benefits	2015
TAS 21 (revised 2014)	The Effects of Changes in Foreign Exchange Rates	2015
TAS 23 (revised 2014)	Borrowing Costs	2015
TAS 24 (revised 2014)	Related Party Disclosures	2015
TAS 26 (revised 2014)	Accounting and Reporting by Retirement Benefit Plans	2015
TAS 33 (revised 2014)	Earnings per Share	2015
TAS 34 (revised 2014)	Interim Financial Reporting	2015
TAS 36 (revised 2014)	Impairment of Assets	2015
TAS 37 (revised 2014)	Provisions, Contingent Liabilities and Contingent Assets	2015
TAS 38 (revised 2014)	Intangible Assets	2015
TFRS 8 (revised 2014)	Operating Segments	2015
TFRS 13	Fair Value Measurement	2015
TFRIC 10 (revised 2014)	Interim Financial Reporting and Impairment	2015

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

บริษัท อลูคอน จำกัด (มหาชน)
แบบยืนยันความถูกต้องครบถ้วนของค่าตอบแทนที่จ่ายให้แก่ผู้สอบบัญชี
รอบปีบัญชีสิ้นสุดวันที่ 31 ธันวาคม 2557

ค่าตอบแทนจากการสอบบัญชี (audit fee)

รายการที่	ชื่อบริษัทผู้จ่าย	ชื่อผู้สอบบัญชี	ค่าสอบบัญชี
1	บมจ.อลูคอน	นายบัณฑิต ตั้งภากรณ์ บริษัท เคพีเอ็มจี ภูมิภาค ไทย สอบบัญชี จำกัด	1,120,000.00
รวมค่าตอบแทนจากการสอบบัญชี			1,120,000.00

ค่าบริการอื่น (non-audit fee)

รายการที่	ชื่อบริษัทผู้จ่าย	ประเภทของงานบริการอื่น	ผู้ให้บริการ	ค่าตอบแทนของงานบริการอื่น	
				ส่วนที่จ่ายไปในระหว่างปีบัญชี	ส่วนที่จะต้องจ่ายในอนาคต
-	-	-	-	-	-
รวมค่าตอบแทนสำหรับงานบริการอื่น (non-audit fee)				-	-

ข้อมูลข้างต้น

- ☒ ถูกต้องครบถ้วนแล้ว ทั้งนี้ ข้าพเจ้าขอยืนยันว่าไม่มีข้อมูลการให้บริการอื่นที่บริษัท
จ่ายให้ข้าพเจ้า สำนักงานสอบบัญชีที่ข้าพเจ้าสังกัด และบุคคลหรือกิจการที่เกี่ยวข้อง
กับข้าพเจ้าและสำนักงานสอบบัญชีที่ข้าพเจ้าสังกัด ที่ข้าพเจ้าทราบและไม่มีเปิดเผย
ไว้ข้างต้น
ไม่ถูกต้อง ไม่ครบถ้วน กล่าวคือ.....
- ☐ เมื่อปรับปรุงข้อมูลข้างต้น (ถ้ามี) แล้ว ข้าพเจ้าขอยืนยันว่าข้อมูลทั้งหมดในแบบฟอร์มนี้
แสดงค่าตอบแทนสอบบัญชีและค่าบริการอื่นที่บริษัทและบริษัทย่อยจ่ายให้ข้าพเจ้า
สำนักงานสอบบัญชีที่ข้าพเจ้าสังกัด และบุคคลหรือกิจการที่เกี่ยวข้องกับข้าพเจ้า
และสำนักงานสอบบัญชีดังกล่าว ที่ถูกต้องครบถ้วน


 ลงชื่อ.....
 (นายบัณฑิต ตั้งภากรณ์)

สังกัด บริษัท เคพีเอ็มจี ภูมิภาค ไทย สอบบัญชี จำกัด
 ผู้สอบบัญชีของบริษัท อลูคอน จำกัด (มหาชน)

PRODUCTION, DELIVERIES, AND SALES

2014

2013

2012

2011

2010

Production

Tubes, Cans & Others containers

Volume (piece-million)

Total Production	781.51	773.17	745.78	720.86	672.62
Total Deliveries	776.68	776.25	744.22	721.00	666.13
Domestic	310.28	315.82	303.41	270.42	236.22
Exports	466.40	460.43	440.81	450.58	429.91

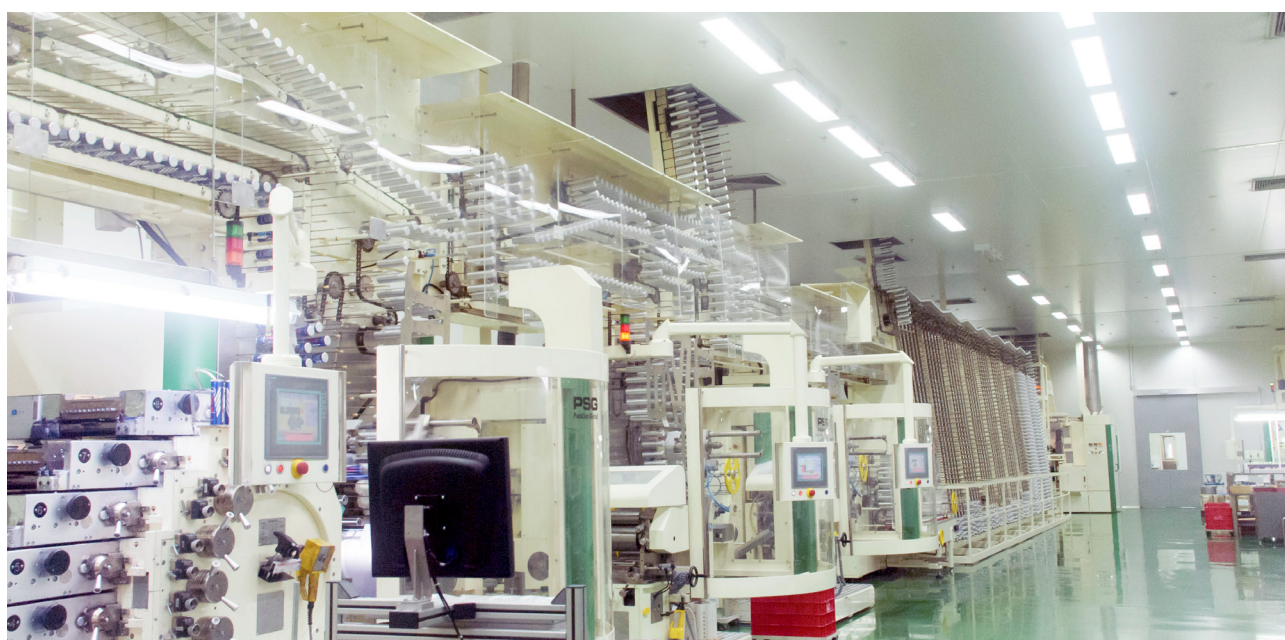
Aluminium Slug

Volume (Metric-ton)

Total Production	33,907.40	29,113.30	26,147.30	25,573.90	22,174.20
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Volume (Million Baht)

Sale Revenue	5,625.47	5,027.29	4,813.62	4,567.19	4,057.50
Domestic	1,615.37	1,654.31	1,537.78	1,287.96	950.50
Exports	4,010.10	3,372.98	3,275.84	3,279.23	3,107.00



REVIEW OF OPERATING RESULTS AND FINANCIAL STATUS FOR 5 YEARS

For year 2010 – 2014

(MB)

	2014	2013	2012	2011	2010
Operating					
Gross Revenues	5,820.02	5,199.64	4,938.07	4,735.22	4,171.01
Sales	5,625.47	5,027.29	4,813.62	4,567.19	4,057.56
Other Income	189.27	145.32	122.03	141.73	113.46
Cost of Sales	4,566.78	4,040.05	3,841.08	3,759.20	3,103.01
Gross Profit	1,058.69	987.24	972.54	807.99	954.55
Sales and Administration Expenses	311.14	297.88	287.84	260.40	294.78
Financial Cost	26.27	28.51	31.68	18.80	14.50
Loss on exchange rate	-	-	-	-	3.46
Profit before taxation	915.83	833.19	777.48	696.82	755.26
Corporate Income Tax	165.11	153.95	177.13	242.60	211.67
Net Profit / (Loss)	750.73	679.24	600.35	454.22	543.58
Earnings per share (Baht)	17.38	15.72	13.90	10.51	12.58
Profit / (Loss) to Revenue	12.90%	13.06%	12.16%	9.59%	13.03%
Dividend	57.54%	50.89%	50.36%	57.09%	51.67%

Financial Status

Total Assets	6,849.20	6,107.81	5,293.96	5,044.01	4,518.78
Total Liabilities	2,680.98	2,344.71	1,907.71	1,998.91	1,647.10
Working Capital	240.95	166.70	424.43	196.76	398.41
Current ratio	1.11:1	1.09:1	1.29:1	1.21:1	1.33:1
Debt/ Equity ratio	0.64:1	0.62:1	0.56:1	0.66:1	0.57:1
Return on Equity	18%	18.1%	17.7%	14.9%	18.9%
Return on Assets	11%	11.1%	11.3%	9%	12%
Shareholders' Equity	4,168.22	3,763.10	3,386.25	3,045.10	2,871.68
Book Value/share (Baht)	96.49	87.11	78.39	70.49	66.47

REPORT ON CORPORATE SOCIAL RESPONSIBILITY (“CSR”)

ALCON always concerns on CSR being subject to good corporate governance in administrating on entity, improving employees’ quality, of which they are good for their safety including participation in developing of surrounding communities and society as well as to protect the environment as follows:

1. Alucon assumes that the responsibility to society is responsible for the conduct of all employees.
2. Alucon shall promote and support the implementation of CSR on environmental protection, in order to improve the quality of employees’ life and local community can be lived with each other happily
3. Alucon shall continue on promoting and supporting the employees’ activities engaged with the local community including awareness.
4. All levels of management must act as a good role model in encouraging the good responsibilities to society on environmental protection and participation on local community development. This is to motivate employees to follow.
5. Employees must be conscious of the company’s responsibility to society in terms of environmental protection and participation in local community development.

On preparation of this report, Alucon has complied with all policies by focusing on CSR, to be in line with our CSR policy. Alucon has not yet prepared the sustainability report separately from this Annual Report. Thus, the details summary of CSR in Process throughout year 2013 can be detailed as follows:

1. Environmental conservation

Alucon with a focus on the environment as much as in 2013, Alucon has implemented measures to monitor the environmental impacts by focusing on the followings:

1. soil quality;
2. water quality at Mab Kra Chid Canel;
3. air quality in atmosphere; and
4. noise quality

Besides, Alucon always focus on environmental matter by arranging the orientation to all new employees regarding the environmental topic to know and recognize about (i) the nature of impact of environmental pollution (ii) how to distinguish waste garbage (iii) determination of the conduct of employee to distinguish the waste garbage properly (iv) control and reduce environmental impact, conservation and reduced consumption of resources.

For the whole detail of environmental reports, they all are in the Annual Registration Statement or known as “Form 56-1” that can be downloaded from Alucon’s website

2. Quality Control

Alucon has set the policy to remain the leading producer of aluminium packaging containers in the Asia Pacific region with concentration on:

- producing the aluminium packaging containers at the highest quality standard; operating its factories with continuous improvement; ensuring on time deliver and conforming with product safety requirement under mutual agreement with customers.

- ensuring training to all employees to understand on quality policy and encouraging the work performance.
- developing good communication and creating good co-operation amongst the colleagues both internal and external

Alucon got the standard ISO9002 in 2000, which become ISO9001:2008 at the present. This standard is for quality management system by enhancing customer satisfaction and on 2013, Alucon has just got the new standard: FSSC22000, or Food Safety System Certification being certified on safety standard of which this standard is mixing ISO22000 and PAS220 in one standard, in order for supporting the manufacturing for our customer's product

Beyond the standards as stated in above, Alucon has also received certificates, reference letter, honors and awards plaque to mark guarantee the quality of goods being recognized in the group of companies with more than 300 customers worldwide.

3. Occupational health and safety standards in the work environment.

Alucon has set the occupational health and safety standards in the work environment policy as follows:

1. it is assumed that responsibility for safety in the workplace is first priority in the performance of all employee
2. Alucon shall continue to promote and encourage the improvement of working conditions and environment in a safe condition.
3. Alucon shall continue to promote and encourage safety activities that can stimulate employee awareness of safety and environmental organizations working in such good public relations such as training, public announcement, exhibitions and any kind of games.
4. All levels of management must act as a good role model in arranging the safety workplace and environment in order to motivate employees to follow.
5. Employees must be conscious of the safety in workplace either of themselves and their colleagues, as well as assets of the Company throughout the performance.
6. Taking care of cleanliness and tidiness in the working area is the duty of every employee.
7. Employees must be in cooperation with Alucon to ensure safety in workplace and good surrounding environment.
8. Employees are eligible to propose their idea or plan to improve the safety condition to save enough on working.

In matters of safety, Alucon always remind the employees to recognize the effect from non-safety in working place. Alucon has set up 2 safety committees: Samrong and Sriracha to manage, administrate, check, monitor and suggest on any action to lead the safety for employee. These committees last in their position for 2 years.

Besides, Alucon has arrange the activities to campaign the safety to our employee throughout year 2013, for 10 times both Samrong and Sriracha plant, in particular of the creation of good conscience to employees on a back-to-home trips on New Year Festival and Songkarn Festival of which the feedback on this campaign were good enough.

CSR AFTER PROCESS

On year 2014, Alucon has arranged CSR activities under the campaign named “Fencing Our Community Surrounding with Happiness with h Alucon” about 110 activities, under the budget in amount of 2,944,765 Baht as detailed below.

Public Health Activities :

- Blood donation 3 times
- Organized the activity – Adult Relationship Day jointly with hospital of Borwin Sub-district



Education Activities :

- Joined the activities with and supported the budgets to Montrasari School, Piend Pin Anusorn School, Ban Bowin School, Ban Kaow Hin School, Suankurab Chonburi School, Samrong Nua Police Station, Bowin Sub-district Administration Office on “Children Day”
- Construction of library building together with tables, chairs and air-conditioners to Ban Bowin School
- Construction of small children centre to Ban Kaow Hin School
- Donation of 2 tons of used aluminium for scholarships to youths surrounding Samrong Nua community
- Providing scholarship to 50 students of Ban Bowin school
- Organized the activity with community leader and teacher from Ban Bowin School on grand opening of knowledge centre of Ban Bowin School
- Construction of kindergarten of Ban Prong Saded School
- Construction of knowledge development centre of small children at Ban Kaow Hin School
- Organized New Year party for student at Montrasari School
- Supporting the budget and sport awards on sport day of Suankularb Chonburi School



Community Activities :

- Installing information board to present environmental report and CSR activities 6 stations
- visit and meeting with surrounding communities to hear their comments 38 times
- Supporting the activities relating to drug addiction protection, PR on information to avoid the criminal, by and with Samrong Nua police station
- providing the free space in Alucon for Nuen Ka Bok communication and Prak Kred Disabled club to sell their products
- cleaning community with the policemen from Bowin police station and Surasak community



Environment Activities :

- Forestry growing 1,000 trees with government agencies, academic institution, surrounding communities



ALUCON

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