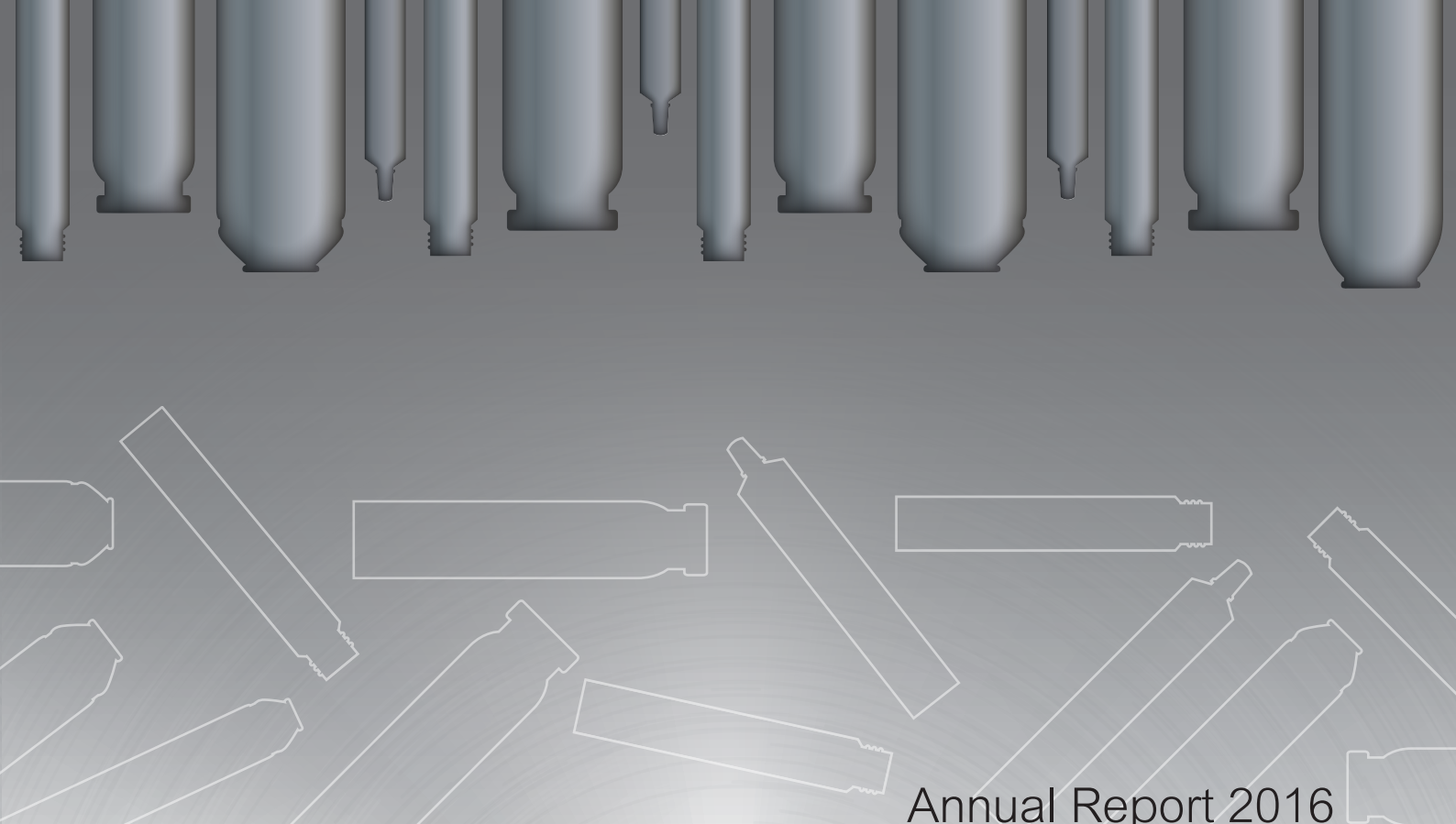




Annual Report 2016

ALUCON

Public Company Limited

ASIA'S
Leader in the **WORLD**
of **ALUMINIUM**
CONTAINERS



ALUCON

Public Company Limited

GMP
BUREAU VERITAS
Certification



Food Safety System
Certification 22000





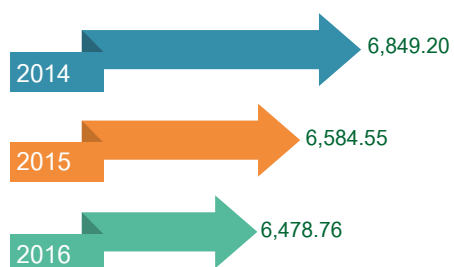
สถิตในดวงใจตราบนิจนิรันดร์
น้อมศิริภาน กราบแทนพระยุคลบาท
ด้วยสำนึกในพระมหากรุณาธิคุณเป็นล้นพ้นอันหาที่สุดมิได้

ข้าพระพุทธเจ้า คณะผู้บริหารและพนักงานบริษัท อลูคอน จำกัด (มหาชน)

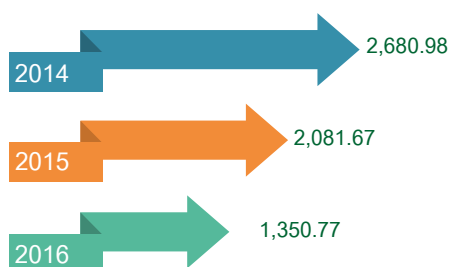
Financial Highlights

	2014	2015	2016
Financial Status (Million Baht)			
Total Assets	6,849.20	6,584.55	6,478.76
Total Liabilities	2,680.98	2,081.67	1,350.77
Total Equity	4,168.22	4,502.88	5,127.99
Operating Results (Million Baht)			
Revenues	5,820.02	6,007.94	6,220.59
Expenses	4,904.19	5,039.67	4,887.42
EBT	915.83	968.26	1,333.17
Finance Costs	26.27	25.50	11.66
Net Profit	750.73	775.07	1,069.81
EPS	17.38	17.94	24.76

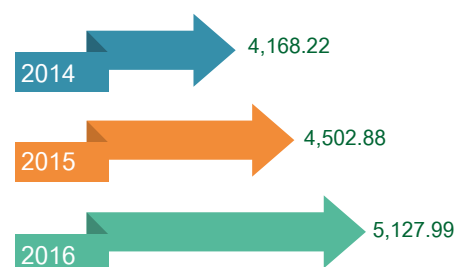
Total Assets



Total Liabilities



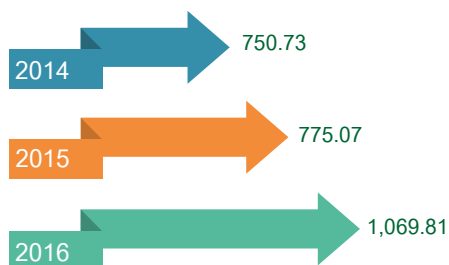
Total Equity



Revenues



New Profit



CONTENTS

4	Financial Highlights
6	Report by Managing Director
7	General Information
9	Business Nature
10	Risk Factors
12	Related parties and connected transactions
14	Shareholders
16	Management
22	Corporate Governance
35	Report by the Director for the year 2016
37	Remuneration for Directors
39	Executives
46	Explanation and Analysis of Financial Status and Business Performance
47	Future Plan
50	Audit Committees
53	Note from Audit Committee
55	Note from Risk Management Committee
56	Independent Auditor's Report
61	Statement of Financial Position
64	Statement of Comprehensive Income
65	Statement of Change in Equity
67	Statement of Cash Flows
69	Notes to the Financial Statements
103	Production, Deliveries, and Sales
104	Review of Operating Results and Financial Status for 5 years
105	Report on Corporate Social Responsibility ("CSR")
107	Anti-Corruption Policy
109	CSR After Process

Report by The Managing Director

First of all, I would like to express my sincere condolences for the passing of beloved His Majesty King Bhumibol Adulyadej. His dedication and hard work for Thailand will be remained in our memories.

Thai economy is growing slowly. Global economy is not bad because US economy has been stronger. I am very proud to report the outcome of Alucon during the year 2016. All numbers are new record high in our history.

- Total revenue increased 3.5% from Baht 6,008 million to Baht 6,221 million.
- Net profit after tax increased 38% from Baht 775 million to Baht 1,070 million.
- Total production of aluminum tube and can increased 1.2% from 786 million to 796 million pieces.
- Meanwhile, slug production increased 7.1% from 35,183 tons to 37,669 tons.

The continuous increase of revenue and net profit has been for 7 years and 5 years, respectively. We made repetition of new record high. Subsequent to Mr. Hartmuth W. Schneider, I took over the position of Managing Director of Alucon for almost 20 years. The first year was the recording loss of profit but the 20th year I am very happy that we recorded quite nice profit. There are four major reasons why we can make it:

1. aluminum ingot price was cheaper than the previous year.
2. Thai baht was weaker against Japanese yen and US dollar.
3. gas and electricity price were cheaper. These three contributors are beyond our control.
4. Less people but more output we achieved.

I indeed appreciated that our people made good efforts to reduce scrap rate and improve productivity. The number of employee reduced 4.3% from 1,526 people to 1,460 people. Revenue per employee increased 8.2%.

The number of decreasing people mostly came from Samrong plant because we have been consolidating two plants. For that, we have been continuously moving our production lines from Samrong plant to Sriracha plant. The consolidation will be completed within four to ten years. After the consolidation, our Sriracha plant will be the world largest production site in our kind of business.

Company's capital investment was Baht 307 million last year. This year will also be somewhat similar. These relatively smaller investments will make Alucon be out of debt some time this year. We will become financially more reliable. I hereby express my sincere appreciation to all stakeholders for supporting Alucon over the years, please continue to support the Company for the years 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, 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	: 432,000,000 Baht (43,200,000 shares @ 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.
93 Rachdapisek Road, Dindaeng Sub-district,
Dindeang District, Bangkok Metropolis 10400
Telephone 66(0) 2009 9999
Facsimile 66(0) 2009 9991

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,
1 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

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

Aluminium Collapsible Tubes

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 and alloy cans

coils strips, plates, alloys

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 62% of revenue is obtained from sales of aluminium cans and tube whereas the balance of about 38% is obtained from sales of aluminium slug. During the year 2016 sale of aluminium cans and tubes increased 3.6% and aluminium slug increased 7%.

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

Value Unit: MB	2016		2015		2014	
	Value	%	Value	%	Value	%
Aluminium cans and tubes	3,756	62.06	3,625	62.82	3,543	62.99
Aluminium slug	2,296	37.94	2,145	37.18	2,082	37.01
Total	6,052	100.00	5,770	100.00	5,625	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 796 million pieces. Worldwide production approximately amount to more than 22 billion pieces which means our market share is around only 3.6%. 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 overseas customers, it would be negative factor against us and it can also 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 the largest manufactures in Asia and hold 7% market share worldwide.

Risk Factors

Marketing Risk

In 2016, packaging market, aluminum tubes and cans are expanding in small in quantities side, due to increased production of machinery in Europe, America and Asia. This caused the competition to be quite high, especially in China, India as well as Thailand. However, aluminum slug has growth rate in quite good, especially the international market.

Alucon's products are still the same, which is to manufacture the packaging containers for distribution, which are

- Manufacturing Programme Aluminium Collapsible Tubes : for hair colours, pharmaceutical creams, ointments, adhesives, 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), coils strips, plates, alloys : for the production of aluminium tubes and cans and alloy cans

Alucon has business dealing with, directly or indirectly, almost 40 countries around the world, as well as Thailand (through filling based company). Alucon focus on the global company who is always globalization level which is to order the product with huge quantity to get the reasonable price and the products are distributed to the same regional countries, to increase more distributing channel and also have more opportunity to be second source production for such customers in case of shortage of customers' packaging. For doing business via contracted fillers to produce finished goods for export, Thailand has sufficient capacity both quality product and other materials. This demand can be expended the market continuously.

From doing business with global clients as mentioned in above, this make more powers to negotiate on price and delivery in high including they need developing process to reduce costs on dealing with customers continuously. Thus, Alucon would possibly be at risk of losing these customers by switch to purchase the products from the competitors.

The way to protect the risk is that Alucon has to create policy to strengthen its capacity to maintain or increase the market share by increasing the production capacity being sufficient for customers' need, maintaining in-time delivery, improvement on up-to-date technology and quality enhancement that may strongly bring protective trade intervention, less scrap from production, improving the automatic system, to get advantage on competition.

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 plus the Premiums, which its prices always move up and down according to the various factors of global market. Such Premium and prices are influent to the product sale prices. In 2016, the price has changed in the downturn. The most traded currencies are the US dollar. Therefore, currency fluctuations can affect prices as well.

The way to protect the risk is that to purchase the Aluminium Ingot from various sources, various sellers and to purchase it in advance at the price fixed on the purchasing date of which include the premium imposed by the seller and the buyer, if it is reasonable price. And it may be purchased in huge lot for stock, if the price goes up in trend. With regard to the foreign currency, Alucon has arranged the foreign currency receivable from the customer in US Dollar bank account, which will be used for payment of material cost in foreign currency as well.

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.

Due to import transactions on raw materials, machinery and export of goods as well as short-term loans for Alucon's business or transaction in foreign currency, this would beyond predictions on exchange rate of the currency that cannot be controlled precisely.

The way to protect risk is that to make the Natural Hedge when receiving foreign currency from payments on sale by customers and then deposit into account as the main currency deposits such as US dollar, Japanese Yen etc. The purpose of such account is to pay for goods and repay the loan by keep them most evenly balanced, to save cost on buying foreign currency. In addition, there were also sales in other currencies such as Australian Dollar, Hong Kong Dollar, in order to spread the risk as well.

Credit Risk

Alucon distribute the products, both local and international market in type of credit term by selling to related company, global companies, medium companies and small companies that some company has dealt with the business for long time and be good customers. However, there are also risks that may not be paid or delay payment because of lack of cash flow.

The way to protect the risk is that to hedge the credit carefully. In case of local customers, it is needed to monitor and analyze financial information and would have down payment in the initial stage of business for a while period. In case of the major customers, they could be trusted for a while. In case of foreign customers who are international, it considers from the company's reputation and there will be a contract to be signed prior to manufacturing. However, if they are general customers, the payment condition by letter of credits by reliable bank shall be determined. The period for payment, or payment term or partial payment may be determined differently on contract signed date etc.

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 way to protect the risk is that the Company monitors these risks by improvement of production standard and process to be more efficient and less scrap from production process. The Company also tries to keep lower cost on production in order to use less raw material for example to invent the lighter cans but keeping efficiency or to manufacture the aluminium tube with smaller mouth so that the aluminium and plastic can be less consumed. 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

According to the shortage of skilled labor in the country, the use of the same minimum wage rate nationwide, the launch of ASEAN Economic Community in 2015, the adjust of skilled labour rate for some careers, fewer new worker entering into labour market, those causes high cost for manufacturing. Thus, it is often increased on wages to motivate them to work with.

The way to protect the risk it that to create the training course for intern-technicians continuously, to improve them to be skilled worker. There are the training for present worker continuously and to improve the manufacturing process to be more efficiency. In addition, there would be more auto-robot machine as well as to coach the works from senior to junior, in order to develop their skill to work more efficiently.

Related parties and connected transactions

During the year 2016, Alucon has the connected transaction with the related company, of which it has been reported to and approved by the Board of Directors according to the criteria set by SET.

Once it has been approved by the Board of Directors, it will be announced to the SET every time, of which it can be summarized as follows:

Related Party	Relationship	Type	Value (MB)	Necessity and suitable reason
Takeuchi Press Industries Co., Ltd.	Majority shareholder at 66.91%	Sale of Goods	1,140.2	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	13.2	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	25.0	Purchasing transaction supporting the Company's normal business in lower price than other suppliers, which can not be sourced out locally.
		Interest expense	7.8	Takeuchi Press Industries Co., Ltd. lent the Company the short loan with the interest rate at 1.25 – 1.55% per annum being lower interest rate than the financial institution by issuing promissory note typed "Roll Over" without any guarantee.
		Royalty Fee	22.8	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.

Related Party	Relationship	Type	Value (MB)	Necessity and suitable reason
Takeuchi Press Industries Co., Ltd.	Majority shareholder at 66.91%	Commission	2.8	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	0.2	Being a normal business as the price and consideration according to the normal trading.
		Account receivable	62.2	Payment condition is normal to be treated with other customers by the Company.
		Account payable	0.05	Payment condition is normal to be treated with other customers by Takeuchi Press Industries Co., Ltd.
		Short term loan	280.0	Short term loan by Takeuchi Press Industries Co., Ltd. to the Company as of 31 st December 2016 with the interest rate at 1.25% per annum being lower interest rate than the financial institution by issuing promissory note typed "Roll Over" without any guarantee.
		Other creditors	21.9	Payment condition is normal to be treated with other customers by Takeuchi Press Industries Co., Ltd.
		Accrued commission payable	0.6	Payment condition is normal to be treated with other customers by Takeuchi Press Industries Co., Ltd.
		Accrued royalty fee payable	5.4	Payment condition is normal to be treated with other customers by Takeuchi Press Industries Co., Ltd.
		Accrued interest payable	1.3	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 2016 are as follows:

	No. of Shares	% of all issued shares
1. Takeuchi Press Industries Co., Ltd.	21,042,500	48.71
2. Thai Trust Fund for ALUCON Public Company Limited ***	9,663,850	22.37
3. Mrs. Mekhin Ueranant	1,856,025	4.30
4. CREDIT SUISSE AG,	1,455,300	3.37
5. Hartmuth & Illse Schneider Foundation for Children	1,236,975	2.86
6. Mr. Harkishin Tanwani	1,227,000	2.84
7. Mrs. Pramila Rochsilthum	1,102,375	2.55
8. Aberdeen Small Cap Opened Fund	442,600	1.02
9. Mrs. Nalinrat Uer-anant	424,500	0.98
10. BNP PARIBAS SECURITIES SERVICES, LONDON BRANCH	394,000	0.91

** (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 recognized on providing 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 also the Company's employees, debtors and other relating group of communities being mutually contribution of belonging profits.

Furthermore, 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, Chairman 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 2016, there were 10 directors and the Board of Director had 4 times of Meeting, illustrated below:

Name	Position	No. of Attendance	AGM 2016 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, Senior Assistant Managing Director, Risk Management Committee	4/4	✓
4. Ms. Salinee Mahtani	Director, Assistant Managing Director	4/4	✓
5. Mr. Subpachai Lovanit	Director, Plant Manager	4/4	✓
6. Mr. Yoshihiro Mitsuta	Director, Senior Technical Manager (Slug)	3/4	✓
7. Mr. Toshiyuki Koike	Independent Director, Audit Committee – Chairman, Risk Management Committee	4/4	✓
8. Mr. Krit Indhewat	Independent Director, Audit Committee	4/4	✓
9. Ms. Vrinporn Uer-anant	Independent Director, Audit Committee	4/4	✓
10. Mr. Vibool Uer-anant	Independent Director, Risk Management Committee - Chairman	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.

Chairman of Board of Directors' Authority and Duty:

1. To act as the Chairman at the meeting of the Board of Directors
2. To case the casting vote in case of an equality of votes;
3. To convene the meeting for the board of directors; and
4. To act as the chairman of the shareholders' meeting.

Report on holding securities by the Board of Directors and the Executives

The Company has policy requiring the Directors and the Executives of the Company to report their changes in securities holding to the Office of the Securities and Exchange Commission within 3 business days from the date of such change, and provide a copy of such report (Form 59-2) to Company Secretary. The Company Secretary shall then consolidate, summarize and present such report to the Board of Directors on quarterly basis. The report of changes in securities holding of the Directors and the Executives by comparing between the fiscal year ended 31st December 2015 and 31st December 2016 have been summarized as follows:

Name	Number of Shares		Percentage (%)	
	2015	2016	2015	2016
1. Mr. Somchai Aungsanant	87,750	87,750	0.20	0.20
Spouse and minor child	-	-	-	-
2. Mr. Takaaki Takeuchi	90,000	90,000	0.21	0.21
Spouse and minor child	-	-	-	-
3. Mrs. Eumporn Pamornbutr	58,500	58,500	0.14	0.14
Spouse and minor child	-	-	-	-
4. Mr. Subpachai Lovanit	245,000	245,000	0.56	0.56
Spouse and minor child	-	-	-	-
5. Ms. Salinee Mahtani	59,400	59,400	0.14	0.14
Spouse and minor child	-	-	-	-
6. Mr. Yoshihiro Mitsuta	0	0	0	0
Spouse and minor child	-	-	-	-
7. Mr. Toshiyuki Koike	0	0	0	0
Spouse and minor child	-	-	-	-
8. Mr. Krit Indhewat	13,500	13,500	0.03	0.03
Spouse and minor child	9,000	9,000	0.02	0.02
9. Ms. Vrinporn Uer-anant	154,300	154,300	0.36	0.36
Spouse and minor child	-	-	-	-
10. Mr. Vibool Uer-anant	10,000	10,000	0.02	0.02
Spouse and minor child	4,000	4,000	0.009	0.009
11. Mr. Maksimilan Pristovsek	44,100	44,100	0.10	0.10
Spouse and minor child	-	-	-	-

*The number of shares of all directors, executives, spouses and the minor child jointly hold in total of 1.789% but it does not exceed 25% of all issued shares

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. Being an insolvent person, or
 2. Being an incompetent or a quasi-incompetent person, or
 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 intervaltime 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 aidedor 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 post 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

As of 31st December 2016, 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
Independent Directors	5 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 Board of Director has established a policy on corporate governance that is in accordance with the principles and guidelines on good corporate governance of the Stock Exchange of Thailand and recommendations of the Thai Institute of Directors (IOD). The Board of Directors consistently adheres to good corporate governance principles and practices and recognizes the critical importance of corporate governance (CG) in the Company pursuit of sustainable, as well as communicates to all executives, and employees through many channels, i.e. orientation for new employees, information board, and all channel of communication.

The Company has 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 2015 Corporate Governance Survey of listed companies conducted by the Thai Institute of Directors (IOD), the Company received a rating of “Good” with the score at 80 from 100.
- In 2016 Quality of Annual General Meeting Survey conducted by the Thai Investors Association, the Company received a rating of “Excellent” with the score at 100 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 as follows:

1. Right of Shareholders
2. Equitable Treatment of Shareholders
3. Role of Stakeholders
4. Disclosure and Transparency
5. Board of Responsibilities

Principle 1 : Right of Shareholders

The Company places emphasis on the rights of shareholders as the true owner of the Company. All kinds of shareholders, whether minority or institutional, are encouraged to exercise their fundamental rights, e.g. sales purchase or transfer of shares, profit sharing, receipt of the adequate information either via the Company's or the SET's websites or other channels, attendance at shareholders' meetings to acknowledge the Company's annual business performance, and voting rights at the shareholders' meetings to approve significant matters as specified by law, such as the appointment or removal of directors, directors' remuneration, the appointment of the auditor and determination of the auditor's fee, dividend payment or suspension of dividend payment, any capital increase and issuance of new shares, and making enquires or comments on the matters that the Board of Directors presents or requests for approval at the shareholders' meeting.

Shareholder' Meeting :

- 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 at least 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 The Company has a policy to facilitate and support the individual shareholders, juristic shareholders and investment institution to attend the meeting at the same treatment.
- 1.6 Shareholders' meeting: The Company held one 2016 Annual General Meeting of Shareholders on 21st April 2016

- The meeting date (Monday) was not set on an extra holiday or a public holiday. The meeting time (10.00 am.) 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 under Record Date criteria and set to ensure that shareholders would have more time to review meeting documents or supporting information before the meeting date.
- Staffs were deployed to facilitate, advise and open registration service two hours prior to the meeting as it was started on 8.00 am. onward.
- 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. The Company encouraged shareholders to use Proxy Form B, which is the form in which each particular matter in detail is specified.
- The Company used the barcode system to run the registration process and count the votes, to facilitate the meeting.
- Before the meeting started, the Chairman of the Board of Directors introduces the member of Board of Director, the Audit Committee, the Executive Directors, the Auditor, the Company Secretary and the IR to the Meeting and then he has assigned the Company Secretary to facilitate the proceeding of the meeting. The secretary informed shareholders of the meeting rule and voting procedure.
- The Company has asked the Auditors as intermediary person to monitor the vote counting in case of objection during the meeting, and also requested one of shareholder attending the meeting to be witnessed.
- 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 2016 Annual General Meeting of Shareholders, 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.

- 1.7 The Company discloses verifiable shareholding structure in clear and transparent manners.
- 1.8 At the Annual General Meeting of Shareholders No. 56 on 21st April 2016, the Company has approved the dividend payment from the operation result of the Company according to the fiscal year ended 31st December 2016, to pay to all shareholder in amounting of 431,999,860 Baht.

Principle 2 : Equitable Treatment of Shareholder

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. The Company prepared the Proxy Form B for the shareholders.
- 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 Director 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 allowed 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 has disclosed the information of shareholding of the directors, executives including their spouses and minor child, in the Annual Report.
- 2.11 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.
- 2.12 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.
- 2.13 The Company favours no particular group of stakeholders, giving all equal access to its public information, through the Company's website at www.alucon.th.com or through IR at 02-3980147 ext. 371 or email kanjana_p@alucon.th.com.

Principle 3 : Roles of Stakeholders

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.

Treatment of Stakeholders are as follows:

- 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 believes that our employees are the main successful factor and valuable resource in business operation. We then significantly give priority to employees by providing fairness to every level of employees without discrimination and respects their right according to the basic international human rights, also the law and the rules. We also give importance to health, occupation, hygiene, and safety in life, property and the working environment of its employees. We also fortify good culture and working atmosphere and promote

teamwork. Moreover, the Company has presented an opportunity to create working advancement to all employees with equality and seeing importance on potential of employees. So we focus on personnel development, both in aspect of functional and managing quality of life, with training of employees continuously inside and outside the organization. As well as organizing activities to create good relations in the organization among the employees and between the employees and the management. (Please see more details in Clause 8.5 hereof)

- 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 activities with the local schools.

- Customer

The Company gives priority to its customers, whom are the important part to make success to the Company. We then determine guideline to build satisfaction and confidence with our customers by presenting with quality that in accordance with or higher than expectation of the customers. We also develop the quality and format of the goods in response to the demand of the customers continuously and regularly. The Company also surveys the customer's satisfaction and listen to their comments or complaints and bring to use as guideline for improving the service and management.

In addition, the Company has policy and guideline to keep confidentiality of the customers. The Company would not disclose such information to other people, or using it in order to seek benefits for other purposes without prior consent from the information owner, unless the Company is required to disclose by laws.

- Creditor

The Company places emphasis on creating trustworthiness by abiding to our integrity, and strictly conform to terms and conditions of the contracts made with the creditors. We made all principle and interest payment on accuracy, timely and complete basis. Also, we shall not use the loan proceeds in the way that contrary to its objectives nor hide any information that may be harmful to creditors.

- Competitor

The Company shall compete with our competitors within the scope of laws and code of conduct and the competition is based on the fair competition. We shall not discredit or seek for confidential information of competitors in a corrupt or unfair manner but shall professionally operate the business with integrity. Furthermore, we support and promote fair and free trade. We do not force our customers to make transaction only with us also.

- Business partner

The Company values our business partners as the key to our growth through mutual support, including creating value to the customers and the shareholders. We, therefore, select business partners by considering their reputations, capability, legality and regularity, as well as treating them on the basis of equalities with emphasizing on the transparency and justification. The Company strictly complies with the terms and conditions specifying in contracts and code of conduct of the Company, in which in the case where there is term and condition that cannot be complied, the Company will immediately notify our business partners. In addition, the Company annually arranges events to create relationship with our business partner. In the previous year, the Company has arranged events to create relationship with our business partners.

- Policy on Business Ethics

The Company has the policy related to business ethics, which is the policy that promotes good governance such as the policy and guidance on human rights violation, policy and guidelines on anti-corruption and bribery, the policy and guidance on non-violation of intellectual property or copyright, policy and guidelines on using IT and communication of those can be summarized as follows:

Human Rights Violation

The Company treats all stakeholders with justification by adhering laws and regulations concerning employees and the international fundamental principles of human rights, regardless of the place of birth, nationality, gender, age, skin colour, religious belief, disability, status, family status, educational institute, or other status irrelevant to job performance, apart from respecting individualism and human dignity.

Anti-corruption and Bribery

The Company is opposed to all form of corruption and bribery and has policy to encourage employees to abide by the laws and be a good citizen of our country and to support the transparent business operation with our business partner. The objective is to improve and support the sustainable development of our society since the Company has joined the declaration to engage in Collective Anti-Corruption: CAC.

To state the Company's position on corruption and bribery as well as to provide rules and guideline for the directors, the executives and the employees to comply, we therefore established a set of policies and procedures regarding anti-corruption in written in our Corporate Governance Policy and the Code of Business Ethics and Conduct and Guideline.

Giving or acceptance of presents

Gifts, entertainment and hospitality offering gifts or entertainment and hospitality activities must be complied with Business Ethics and Conducts.

Charitable contributions

Charitable contribution or aid granting contribution or receiving the aid must be transparent and in accordance with stipulated laws by confirming that such transaction shall not be claimed as a bribery act.

Apart from publicized this policy via our communication channel, to be acknowledged this policy by employees, the Company has communicated through our executives and employee by orientation and annual re-orientation.

The Company has policy on protection to the employee or whistle-blower on the fraud including the internal procedures to manage on the complaints that would be corrupting matters. In addition, the Company has channels for any stakeholders to inform or complain any matter being treat as right violation. Information on contacting has been provided clearly.

The Company has arranged the internal auditor to evaluation the risk and impact on the anti-corruption every year.

In this respect, The Company has placed the policy of Anti-Corruption and Whistle Blowing to the Board of Directors, any suspicion that may lead to engaging in corruption can be whistled and submitted through e-mail to pitipong@alucon.th.com or red box that use for filing the complaint to the Audit Committee and the Board of Directors, respectively. It can be sure that the Company will confidentially keep the complaint's information, in order to protect the complaint's right. In this respect, the Company will appoint a person to be responsible for every clue that submitted to the Company. The Company also regularly assesses risk in activities that in connection with or lead to corruption.

1. Whistle-blowing and complaints

In order to encourage stakeholders, both in and outside the company, to participate in the corporate governance principles, should employees or stakeholders suspect any unlawful activities or those in violation of the law, rules, regulations, code of business conduct, or corporate governance principles, they can undertake whistle-blowing or file complaints with detailed evidence to the company or relevant agencies via the following channels:

1.1 Audit Committee

Tel (02) 3980147 ext. 381
Email : pitipong@alucon.th.com
Audit Committee
Mail : Corporate Secretarial Office
Alucon Public Company Limited
500 Moo 1 Soi Sirikham (Sukhumvit 72)
Samrong Nua, Muang Samutprakarn,
Samutprakarn Province 10270

1.2 Managing Director

Managing Director
Mail : Alucon Public Company Limited
500 Moo 1 Soi Sirikham (Sukhumvit 72)
Samrong Nue, Muang Samutprakarn,
Samutprakarn Province 10270

2. Conditions of whistle-blowing and complaints

- 2.1 The details of whistle-blowing or complaints must be factual, clear, or sufficient to lead to investigation.
- 2.2 The whistle-blower or the complainant may choose not to reveal his/her name, address, and telephone number(s) if the disclosure will cause danger or damage. But if the person chooses to reveal himself/herself, the investigation will proceed with speed, with additional useful information, factual revelation, or alleviation of the damage in a more convenient way and shorter time.
- 2.3 The information received is considered confidential, and no disclosure of the name of the whistle-blower or the complainant will be made public without consent.
- 2.4 The rights of the whistle-blower or the complainant will be protected whether he/she is an employee or an outsider.
- 2.5 The time required to process each complaint depends on the complexity of the case, document sufficiency, proofs received from the complainant, as well as documents, proofs, and explanations of the person complained against.

2.6 The person who receives the complaint and the person involved in the investigation must keep the information confidential. If necessary, they may disclose it taking into account the safety of and the damage to the complainant or any person who cooperates in the investigation, the information sources, or relevant persons.

2.7 If the complainant or the person who cooperates in the investigation thinks that he/she is unsafe or threatened, he/she may ask the company for appropriate protective measures, or the company may proactively provide protective measures if there is potential damage or danger.

2.8 The damaged person will be assisted by proper and just procedures.

3. Protection of rights of employees, temporary employees, and outsourced persons

The company will not unfairly treat employees, temporary employees, or outsourced persons, whether through changes in position, nature of work, or locations of work, suspension, threats, obstruction of work, termination of work, or any unfair act to these people because they:

3.1 Provide information, cooperation, assistance to the directors, executives, the public sector, or the monitoring agency if there is sufficient proof that those people violated or abused law, rules, regulations, the code of business conduct, or corporate governance principles

3.2 Give testimony, submit evidence, or provide assistance to the directors, executives, the public sector, or the monitoring agency useful to the consideration or investigation if there is doubt of the violation or abuse of law, rules, code of business conduct, or corporate governance principles.

Intellectual Property and Copyright

The Company sets policy against any infringement of intellectual property, in which all directors, executives and employees must not infringe on computer software by downloading and/or installing any programs those do not process by IT Department. In addition, the Company has assigned IT Department to be responsible for the monitoring and inspection to prevent any copyright infringement of computer software regularly.

Information Technology and Communications

The Company places emphasis on the policy on the use of information technology and communications by setting an information security standard to prevent or reduce any leak of significant or confidential information, whether intentionally or unintentionally. We have established a set of guidelines and procedures on the use of information technology and communication.

Any of the Company's confidential documents and information will only be kept in the system of the relevant department, of which cannot be reached by others irrelevant department. It then limits only the relevant staff to access in.

Moreover, the IT Department is required to keep the employee's traffic information as required by the Computer Related Crime Act B.E. 2550 and the Notification of the Ministry of Information and Communication Technology Re: Rule on the Record of Traffic Information by the Service Provider.

Principle 4 : Disclosure and transparency

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 three committees, including the Board of Directors, Audit Committee and Risk Management Committee. In 2016, 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	3/4	-
7. Mr. Toshiyuki Koike	4/4	4/4
8. Mr. Krit Indhewat	4/4	4/4
9. Ms. Vrinporn Uer-anant	4/4	4/4
10. Mr. Vibool Uer-anant	4/4	-

Remarks: No Risk Management Committee Meeting as it was set up on May 2016.

- 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.

4.7 Risk Management Report

The Company has set up the Risk Management Committee on 10th May 2016 and the Risk Management Team on 28th June 2016. In 2016, it was monitored on the risk form working of each department and it can be concluded that there were 40 items on high risk and 59 items on medium risk. This Risk Management evaluation will be done annually.

Principle 5 : Board Responsibilities

- 5.1 According to the Article of Association (the Company is eligible to have at least 5 director and not exceed 15 directors), the Company have 10 directors who are qualified according to the regulation and can be defined as follows:

Sex	Number	Characteristic	Number
Female	3	Executive Director	5
Male	7	Independence Director	5

All directors are experts have various knowledge either of business administrative, engineering, accounting and finance, marketing and specific experience on the aluminium packaging industry.

List of directors and years of service are as follows:

Name	Position	Year in position / Serviced year
1. Mr. Somchai Aungsanant	Independence director, Chairman of Board of Director	1990 / 27
2. Mr. Takaaki Takeuchi	Executive Director	1995 / 22
3. Mrs. Eumporn Pamornbutr	Executive Director / Risk Management Committee	1990 / 27
4. Ms. Salinee Mahtani	Executive Director	1998 / 19
5. Mr. Subpachai Lovanit	Executive Director	1998 / 19
6. Mr. Yoshihiro Mitsuta	Executive Director	2008 / 9

Name	Position	Year in position / Serviced year
7. Mr. Toshiyuki Koike	Independence Director, Audit Committee – Chairman, Risk Management Committee	2010 / 7
8. Mr. Krit Indhewat	Independence Director, Audit Committee	2000 / 17
9. Ms. Vrinporn Uer-anant	Independence Director, Audit Committee	1994 / 23
10. Mr. Vibool Uer-anant	Independence Director, Risk Management Committee – Chairman	2013 / 3

Remark : based on information as of 31st December 2016

- 5.2 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.
- 5.3 The Company set up two sub-committees, which are Audit Committee and Risk Management 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.
- 5.4 The Board is involved in defining the vision, mission, strategies, goals, business plans of the Company. It is independent and supervises the management of a business plan under the budget, in order to maximize the benefit to the organization, stakeholders and shareholders. In addition, the Board has also implements an internal control system, an audit system, and efficient risk management measures and constantly monitors these matters in board meeting.
- 5.5 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.
- 5.6 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 Dharmniti Internal Audit 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 2016 internal audit report prepared by Dharmniti Internal Audit 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.

- 5.7 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.
- 5.8 The Company holds board meetings and informs each board member of upcoming meeting in advance. In 2016, a total of four board meeting 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, reporter'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.
- 5.9 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.
- 5.10 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.
- 5.11 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.
- 5.12 The Company recognizes the importance of the development of directors' knowledge. Therefore, the Company supports and facilitates 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.
- 5.13 Roles and responsibilities and scope of responsibilities of the Company Secretary are described under Management Structure.

Report by the Directors for the year 2016

Audited Accounts

The Directors submit the Statement of Finance Position, Statements of Comprehensive Income and Retained Earnings and Cash Flow together with the auditor's report for the year ended 31st December 2016.

Investments

Investments during the year in fixed assets amounted to MB 307.

Revenues

Total revenues amounted to MB 6,221 out of which sales were MB 6,052.

Profitability

Profits before financial cost and company income tax amount to MB 1,345 representing an increase of 35.3% compared to the previous year.

Finances

The Company has short to long term debts amounting to about MB 1,351 and the debt/equity ratio at the end of the year was 0.26:1

Appropriation of profits

Board of Directors proposes to declare a dividend for the year 2016 at the rate of Baht 15 per share and appropriation of profits as of 31st December 2016 shall be as follows:-

	Baht	Baht
Retained earnings at beginning of year		3,773,680,489
Final dividend for year 2015 of Baht 10.00		
Being paid on 16 th May 2016	431,999,860	
Net profit after tax and other comprehensive income		
(loss) for year 2016		1,057,111,511
Legal Reserve as required by law		-
Profit available for appropriation		4,398,792,140
Proposed dividend for year 2016 of Baht 15 per share		
on 43,199,986 shares	647,999,790	
Balance of profits to be carried forward		3,750,792,350

Election of Directors

Directors namely Mr. Somchai Aungsanant, Mr. Takaaki Takeuchi, Mrs. Eumporn Pamornbutr and Mr. Krit Indhewat are retired by rotation but being eligible, they offer themselves for reelection by Annual General Meeting of Shareholders.

Director's and Audit Committee's Remuneration

The directors request approval by the General Meeting for payment of Directors' remuneration for year 2017 in total of Baht 5,560,000 detailed below:

1. Board of Directors	
• Chairman of Board of Directors	Baht 650,000 per person per annum
• Directors	Baht 400,000 per person per annum
2. Audit Committee	
• Audit Committee Chairman	Baht 300,000 per person per annum
• Audit Committee	Baht 250,000 per person per annum
3. Risk Management Committee	
• Risk Management Committee Chairman	Baht 50,000 per meeting
• Risk Management Committee	Baht 30,000 per meeting

Auditor

The Directors propose the following persons of KPMG Phoomchai Audit limited to be appointed as the auditor of the Company for year 2017 and for payment of the annual audit fee of Baht 1,130,000.

1. Mr. Banthit Tangpakorn	8509	and/or
2. Ms. Orawan Chunnakitpaisan	6105	and/or
3. Mr. Sumeth Jangsamsee	9632	

On behalf of the Board of Directors

Somchai Aungsanant

Chairman of Board of Directors

23rd February 2017

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 2016, 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

Directors Remuneration

Remuneration in cash : The remuneration in kind of cash being approved by the Shareholders' Meeting No. 56 on 21st April 2016 for 2015 and 2016 as follows:

Description	2015	2016
Chairman of Board of Directors	600,000 Baht/person	600,000 Baht/person
Directors	350,000 Baht/person	350,000 Baht/person
Chairman of Audit Committee	250,000 Baht/person	250,000 Baht/person
Committee	200,000 Baht/person	200,000 Baht/person

Name	Remuneration			
	Remuneration	Meeting Allowance	Transportation	Total
1. Mr. Somchai Aungsanant	600,000	-	84,000	684,000
2. Mr. Takaaki Takeuchi	350,000	-	-	350,000
3. Mrs. Eumporn Pamornbutr	350,000	-	-	350,000
4. Ms. Salinee Mahtani	350,000	-	-	350,000
5. Mr. Subpachai Lovanit	350,000	-	-	350,000
6. Mr. Yoshihiro Mitsuta	350,000	-	-	350,000
7. Mr. Toshiyuki Koike	600,000	-	84,000	684,000
8. Mr. Krit Indhewat	550,000	-	84,000	634,000
9. Ms. Vrinporn Uer-anant	550,000	-	84,000	634,000
10. Mr. Vibool Uer-anant	350,000	-	84,000	410,000

Special Remuneration : The Company, Board of Directors and Shareholders' Meeting have no payment on the special remuneration to the Board of Directors or Sub-committees in year 2016.

Other remuneration in other kind : There is no payment on remuneration in other kind to the Board of Directors or Sub-committee in year 2015.

Executive Remuneration

Remuneration for executive excluding director remuneration shall be composed of salary, bonus can be illustrated for 3 consecutive years from 2014- 2016 are as follows:

(Unit : million Baht)

	2016	2015	2014
Number of person	6	6	6
Remuneration (MB)	58.46	57.97	60.14

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 2011 and 2016 illustrated below:

Year	Capital Stock (1000)	Net Profit (1000)	Dividend: (baht/share)	Dividend: (Stock/share)	Total Dividend (baht/share)	Percent of net profit
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
2015	43,200	775,067	10.00	-	10.00	55.74
2016	43,200	1,069,812	15.00	-	15.00	60.57

Executives

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

(1) Name:	Mr. Somchai Aungsanant (63)
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 2016 :	87,750 shares = 0.20 % (No change) (Spouse – no share & no minor children)
Work Experience:	1996 – present Director Podium Home Center Co., Ltd.
Current position in other organization:	
- in listed companies :	None
- in non-listed companies :	1 company : Director - Podium Home Center Co., Ltd.
- in other organization:	No position of director, executive or consultant in any organization such as association or foundation.
- in other organization that may cause any conflict of interest to Company :	No position of director or executive in such organization
Numbers of meeting attendances :	4/4 times
Year in Position / start from	27 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) Name:	Mr. Takaaki Takeuchi (57)
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 2016 :	90,000 shares = 0.21% (no change) (Spouse and minor children – no share)
Work Experience:	1995 – present Managing Director Alucon Public Company Limited
Current position in other organization:	
- in listed companies :	None
- in non-listed companies :	None
- in other organizations:	1 organization : Trustee - Japanese Association in Thailand
- in other organization that may cause any conflict of interest to Company :	1 company : Director – Takeuchi Press Industries Co., Ltd.

Numbers of meeting attendances :

Year in Position / Start from :

Conflict of Interest :

(3) Name:

Position:

Education:

Training by Thai Institute of Directors Association (IOD) :

Relationship:

Company's securities holding as
at 31st December 2016 :

Work Experience:

Current position in other organization:

- in listed companies :

- in non-listed companies :

- in other organization :

- in other organization that may cause any conflict
of interest to Company :

Numbers of meeting attendances :

Year in Position / start from :

4/4 times

22 years / Year 1995

- Being a director who get the monthly benefit from the Company
- Not being any kind of service professional to the Company
- Having any relationship with any business linking to the Company which influent to the decision making independently.

Mrs. Eumporn Pamornbutr (67)

Director, Assistant Managing Director and Risk Management Committee (Authorized Director)

- 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

- Directors Accreditation Program (DAP) – in year 2003

- Finance for Non-Finance Directors – in year 2005

- Role of Compensation Committee – in year 2012

None

58,500 shares = 0.14% (No change)

(Spouse – no share & no minor children)

2016 – Present Senior Assistant Managing Director
Alucon Public Company Limited

2003 – 2016 Assistant Managing Director
Alucon Public Company Limited

None

1 company : Director - H.W Schneider Co., Ltd.

2 organizations :

1. Director – Hartmuth & Illse Schneider Foundation for
Children, Switzerland

2. President - Hartmuth & Illse Schneider Foundation for
Children, Thailand

No position of director or executive in such organization

4/4 times

27 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.

(4) Name:

Ms. Salinee Mahtani (51)

Position:

Director, Assistant Managing Director

Education:

Master Degree in International Business – KOBE University, Japan

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 31st December 2016 :

245,000 shares = 0.56% (no change)

(Spouse – no share & no minor children)

Work Experience:

2016 – Present Director – Assistant Managing Director
 Alucon Public Company Limited

1998 – 2016 Director – General Manager
 Alucon Public Company Limited

Current position in other organization:

- in listed companies :

None

- in non-listed companies :

None

- in other organization :

No position of director, executive or consultant in any organization such as association or foundation.

- in other organization that may cause any conflict of interest to Company :

No position of director or executive in such organization.

Numbers of meeting attendances :

4/4 times

Year in Position / start from :

19 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) Name:

Position:

Education:

Training by Thai Institute of Directors Association (IOD) :

Relationship:

Company's securities holding as
at 31st December 2016 :

Work Experience:

Current position in other organization:

- in listed companies :

- in non-listed companies :

- in other organization :

- in other organization that may cause any conflict
of interest to Company :

Numbers of meeting attendances :

Year in Position / start from :

Conflict of Interest :

(6) Name:

Position:

Education:

Training by Thai Institute of Directors Association (IOD) :

Relationship:

Company's securities holding as
at 31st December 2016 :

Work Experience:

Mr. Subpachai Lovanit (75)

Director, Plant Manager

Vocational Certificate obtained scholarship from German
Government to study engineering in Berlin for 2 years

- Directors Accreditation Program (DAP) – in year 2003

- Understanding the Fundamental of Financial Statements
in year 2006

None

59,400 shares = 0.13% (no change)

(Spouse – no share & no minor children)

1998 – Present Director & Plant Manager

Alucon Public Company Limited

None

None

4 organizations are as follows:

1. Vice President – Ferrous and Non-Ferrous Employers'
Association

2. Director – Employers' Confederation of Thai Trade and
Industries

3. Director – The Federation of Thai Industries

4. Director – The Federation of Industries, Samutprakarn
Province

No position of director or executive in such organization.

4/4 times

19 years / Year 1998

- 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.

Mr. Yoshihiro Mitsuta (67)

Director – Senior Technical Manager

Bachelor of Engineering, Waseda University, Japan

None

None

No share

2008 – present Director – Senior Technical Manager
Alucon Public Company Limited

2002 – 2008 Senior Technical Manager
Takeuchi Press Industries Co., Ltd.

Current position in other organization:

- in listed companies :
- in non-listed companies :
- in other organization :

None

None

No position of director, executive or consultant in any organization such as association or foundation.

No position of director or executive in such organization.

- in other organization that may cause any conflict of interest to Company :

Numbers of meeting attendances :

3/4 times

Year in Position / start from :

9 years / Year 2008

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.

(7) Name:

Mr. Toshiyuki Koike (44)

Position:

Independent Director, Audit Committee – Chairman and Risk Management 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 2016 :

No share

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 :
- in non-listed companies :
- in other organization :

None

1 company : Managing Director – ENZO International Co., Ltd.

No position of director, executive or consultant in any organization such as association or foundation.

No position of director or executive in such organization.

- in other organization that may cause any conflict of interest to Company :

Numbers of meeting attendances :

4/4 times

Year in Position / Start from :

7 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.

(8) Name: Mr. Krit Indhewat (76)
 Position: Independent Director, Audit Committee
 Education: Bachelor Degree – London University, England
 Training by Thai Institute of Directors Association (IOD) : None
 Relationship: None
 Company's securities holding as at 31st December 2016 : 13,500 shares = 0.03% (no change)
 Work Experience: (Spouse hold 9,000 shares = 0.02% and no minor children)
 2 companies :
 Director – Advance Ad Co., Ltd.
 Board Consultant – Kodanmal Co., Ltd.

Current position in other organization:

- in listed companies :

- in non-listed companies :

None

2 companies :

Director – Advance Ad Co., Ltd.

Board Consultant – Kodanmal Co., Ltd.

Director – Rotary Club of Bangkok Foundation

No position of director or consultant in such organization

- in other organization :

- in other organization that may cause any conflict of interest to Company :

Numbers of meeting attendances :

4/4 times

Year in Position / Start from :

17 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.

(9) Name:

Ms. Vrinporn Uer-anant (67)

Position:

Independent Director and Audit Committee

Education:

BBA, Faculty of Accounting, Chulalongkorn University

MBA, Utah State University, USA

Certified Master Practitioner and Master Therapeutic Coach of NLP, approved by American Board of NLP and NLP 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:

Sister – Mr. Vibool Uer-anant

Company's securities holding as

154,300 shares = 0.36% (no change)

at 31st December 2016 :

(No spouse and minor children)

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 :

- in other organization :

- in other organization that may cause any conflict of interest to Company :

Numbers of meeting attendances :

Year in Position / Start from :

Conflict of Interest :

(10) Name:

Position:

Education:

Training by Thai Institute of Directors Association (IOD) :

Relationship:

Company's securities holding as at 31st December 2016 :

Work Experience:

Current position in other organization:

- in listed companies :

- in non-listed companies :

- in other organization that may cause any conflict of interest to Company :

Numbers of meeting attendances :

Proposed position :

Conflict of Interest :

Year in Position / Start from :

2 companies :

Director – Thai Farmer Properties Co., Ltd.

Director – Moon Light Bay Co., Ltd.

No position of director, executive or consultant in any organization such as association or foundation.

No position of director or executive in such organization.

4/4 times

23 years / Year 1994

- 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.

Mr. Vibool Uer-anant (61)

Independent Director and Risk Management Committee - Chairman

Bachelor of Science in Microbiology, Weber State College
Bachelor of Science in Business Administration,
Chapman College

M.P.A California State University, Fullerton, USA.

- Directors Certification Program (DCP) – in year 2015

- Risk Management Program (RMP) in year 2015

Brother – Ms. Vrinporn Uer-anant

10,000 shares = 0.02% (increased)

(Spouse hold 4,000 share = 0.009% and minor children - no share)

2001– present Managing Director

Varothorn Parts & Service Co., Ltd.

2002 – present Managing Director

Sama Biz Co., Ltd.

None

2 companies :

Managing Director – Vorothon Part & Service Co., Ltd.

Managing Director – Sama Biz Co. Ltd.

None

4/4 times

Director

- 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.

3 years / 11th November 2013

Explanation and analysis of Financial Status and Business Performance

Management discussion and analysis

In 2016, the financial performance has been improved in term of sales and profit margin due to the ongoing improve productivity and more improving the automatic system, best quality, on time delivery. Also, the consolidation of Tube plants from Samrong to Sriracha, currently three production lines have been transferred and already started production. Consequently, the operation will become more efficient as planned.

In addition, the core raw material, Aluminium Ingots, average prices was decreased, in line with prices quoted by LME Market. Moreover, the increase production and improved productivity, energy saving and decreased energy price are substantially affected to decrease cost of production.

As 70% of revenue was export sales, the weakening of Thai Baht against Japanese Yen and US dollar had significantly increased export sales.

In summary, the company achieved total revenues in 2016 of Baht 6,220.6 million, up 3.5% from Baht 6,007.9 million in 2015 and net profit of Baht 1,069.8 million or up 38% from Baht 775.1 million in 2015 and reflects on 2016 a year of continuing trend of higher revenue and profit (See more details in Annual Registration Statement 2016 (56-1) Part 3 Financial Position and Results of operations).

Reasons for material changes in operation or financial ratio

There are no material changes in operations and financial ratio.

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 77 and Note 30 paged 100

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 2017, Alucon has development projects for the business in the near future as follows:

- We terminated the operation at old factory side in Samrong plant last year. The other new factory side in Samrong plant will be completely terminated within 4-10 years depending on company's business situation. We have been operating five tube production lines. In the fourth quarter of this year, we plan to transfer one line out of five lines from Samrong plant to Sriracha. Additionally, we purchased the second hand aluminum tube production line which should be starting in the second quarter of this year.
- Visual camera inspecting systems were applied more together with the automatic packing systems 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 quality, efficiency and capacity in SPS.
- Additionally, the 11th punching press line will be started in the fourth quarter of 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 alucon@ksc.th.com, contact person: Ms. Kanjana Piyachart, Investment Relation (IR).

Control of Internal Information

The Company has disclosed the internal information to a few involved directors as they have never used it for their own sake on share sale transaction including not disclosed it to the others.

The Company has code of ethic and conducts to avoid/suspend on securities transaction within one (1) month before announce the information to the public. In addition, it also cascades to all directors and executives on the notification of SEC, section 59 of Act of SEC and SCT (1992) that they and their spouse and minor child are required to report the holding of the Company's securities to SEC within 30 days once being appointment as director and every time on their change of securities holding, of which it must be reported to SEC within 3 days as its copies must be sent to the Corporate Secretary for reference. Previously, there is no occurrence of abused internal information usage by the directors and executives for their sake or others.

The directors and executives have reported the change on securities holding to SEC according to section 59 of Act of SEC and SET (1992). In case there is change on securities holding, the company secretary will be the person who collect the information and send the report to the SEC every time.

Internal Control System

Board of Directors' opinion in relation to the internal control system of the Company

The company has assessed the internal control system from the assessment report by the Audit Committee and it can be concluded that it is composed of 5 factors: internal control in organization, risk assessment, controlling on operation, IT system and communication and monitoring system. The Audit Committee reviewed that the Company's internal control over transactions with major shareholders, directors, executives or connected persons is sufficient. For internal control on other articles, the Committee considers it has sufficient internal control system as well.

Audit Committee's opinion

The Audit Committee have no opinion different from the opinion of the Board of Directors or the Auditor.

Head of Internal Audit and Compliance Leader

The company has hired the outsourced internal audit who is Dharmniti Internal Audit Co., Ltd., Registration No. 0105559084734 locate at No. 178 Dharmniti Building 5th floor, Soi Permsap (Prachachuen 20) ,Prachachuen Road Bangsue,Bangkok 10800. With regard to the Compliance Leader, the Company has assigned to the Manager of Legal Department to be responsible for this function.

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:

Name :	Mr. Pitipong Archamongkol	
Age:	44 years	
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 Anti-Corruption : The Practical Guide on year 2016	
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. To organize the Executive Committee's meetings, the Board of Directors' meetings and shareholders' meetings in compliance with the applicable laws and regulations.
2. To prepare and keep the following documents:
 - Directors' registration;
 - the invitation to the Board of Directors' and the Executive Committees' meetings, the minutes of the Board of Directors' and the Executive Committees' meetings, including Annual Report of the Company; and
 - the invitation to the shareholders' meetings and the minutes of the shareholders' meetings;
3. To keep the report on interest filed by Directors or Executive;
4. To provide an advice to the Directors as regards the laws and regulations in relation to the good corporate governance, the maintenance of the status as a listed company and other laws and regulations relevant to the Company's businesses;
5. To monitor and ensure that the disclosure of information is in compliance with the regulations of the Stock Exchange of Thailand, the SEC and other supervisory agencies as well as the good corporate governance principles;
6. To perform other tasks as stipulated by the Capital Market Supervisory Board or as assigned by the Board of Directors.

Audit Committees

The Company has set up 2 sub-committees which are Audit Committee and Risk Management Committee. The details of sub-committees are as follows:

1. Audit Committee

In order to have proper checks and balances, and to manage and operate according to the policy of Good Governance, the Company has appointed one sub-committee which is Audit Committee, of which composed of 3 persons

1. Mr. Toshiyuki Koike

Age:	44 years
Position:	Chairman - 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.

2. Mr. Krit Indhewat

Age:	76 years
Position:	Audit Committee
Education:	Bachelor Degree – London University, England
Shareholding:	13,500 shares = 0.03 %
Work Experience:	Director – Advance Ed Co., Ltd. Board Consultant – Kodanmal Co., Ltd.

3. Ms. Vrinporn Uer-anant

Age:	67 years
Position:	Audit Committee
Education:	BBA, Chulalongkorn University MBA, Utah State University, USA Certified Master Practitioner and Master Therapeutic Coach of NLP, approved by American Bard of NLP and NLP University
Shareholding:	154,300 shares = 0.36 %
Work Experience:	2013 – present Consultant – Quality Management System 2006 – 2013 Lecturer, School of Management and Economic, Assumption University (ABAC)

Scope of Duties:

1. To review the Company's financial reporting process to ensure that it is accurate and adequate;
2. To review the Company's internal control system and internal audit system to ensure their appropriateness and efficiency, to consider the adequacy of the budget and manpower and to review the independence of the Internal Audit Office as well as to approve the appointment, transfer and dismissal of the head of the Internal Audit Office or any other unit in charge of an internal audit;

3. To review that the Company is in compliance with securities and exchange laws, the regulations of the SET and the laws relevant to the Company's businesses;
4. To consider, select, nominate and dismiss independent person(s) to be elected as the Company's external auditor(s) as well as to propose their remuneration, and to attend a non-management meeting with the external auditor(s) at least once a year;
5. To consider the connected transactions or the transactions that may lead to conflict of interests to ensure that those transactions are in compliance with the laws and regulations of the SET, and are justifiable and for the utmost benefit of the Company;
6. To prepare and disclose in the Company's Annual Report, the Audit Committee's report which must be signed by the Chairman of the Audit Committee and consist of at least the following information:
 - An opinion on the accuracy, completeness and creditability of the Company's financial report;
 - An opinion on the adequacy of the Company's internal control system;
 - An opinion on the compliance with the securities and exchange laws, the regulations of the SET, Capital Market Supervisory Board or the laws relevant to the Company's businesses;
 - An opinion on the suitability of the external auditor(s);
 - An opinion on the transactions that may lead to conflict of interests;
 - The number of the Audit Committee's meeting, and the meeting attendance by each committee member;
 - An opinion or overview comment of the Audit Committee derived from their performance of duties under the scope of the Audit Committee Charter;
7. To perform any other duties as assigned by the Board of Directors as the Audit Committee may agree.

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.

2. Risk Manager Committee

According to the resolution passed on the Board of Directors' Meeting No. 336 on 10th May 2016, it is resolved that to set up the Risk Management Committee being effective on 10th May 2016. The Risk Management Committee are composed of 3 person as follows:

1. Mr. Vibool Uer-anant

Age:	61 years
Position:	Chairman – Risk Management Committee
Education:	Bachelor of Science in Microbiology, Weber State College Bachelor of Science in Business Administration, Chapman College M.P.A California State University, Fullerton, USA. Master of Management, Mahidol University, Thailand
Shareholding:	10,000 share = 0.02%
Work Experience:	2001 – present Managing Director Varothorn Parts & Service Co., Ltd. 2002 – present Managing Director Sama Biz Co., Ltd.

2. Mr. Toshiyuki Koike

Age:

Position:

Education:

Shareholding:

Work Experience:

44 years

Risk Management Committee

Master of Management, Mahidol University, Thailand

Bachelor of Arts in Economic, Aoyama Gakuin University, Japan

Bachelor of Arts in Literature, Aoyama Gakuin University, Japan

None

2012 – present Managing Director
ENZO International Co., Ltd.2010 – 2012 Managing Director
OSD Network (Thailand) Co., Ltd.**3. Mrs. Eumporn Pamornbutr**

Age:

Position:

Education:

67 years

Risk Management Committee

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

Shareholding:

58,500 shares = 0.14 %

Work Experience:

2016 – Present Senior Assistant Managing Director
Alucon Public Company Limited2003 – 2016 Assistant Managing Director
Alucon Public Company Limited**Scope of Duties:**

The Risk Management Committee has the scope of duties as being assigned by the Board of Directors as follows:

1. Assessing and presenting risk management policy and framework to the Board of Directors for approval.
2. Examining and agreeing on risk appetite (acceptable risk levels), and present to the Board of Directors.
3. Continuously monitoring development activities and compliance actions according to the policies and the risk management framework so the company's group will have a risk management system that is uniformly effective throughout the organization to ensure that such policies continue to be observed.
4. Assessing risk identification and assessment procedures, reporting on significant risk management activities and enforce procedures to ensure that the organization has sufficient and appropriate risk management systems in place.
5. Coordinating with the Audit Committee about significant risk factors and having the Internal Audit Unit to review that the risk management system of the company's group is appropriate to the exposure, being adapted as needed and adopted throughout the organization.
6. Continually reporting to the Board of Directors on significant risks and risk management solutions.
7. Executing other activities that pertain to risks management as assigned by the Board of Directors.

Term of Office of Risk Management Committee

The Risk Management Committee member has a term of office of 3 years each by the resolution of Board of Directors, except the Risk Management 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 Risk Management 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. Toshiyuki Koike | Chairman of the Audit Committee |
| 2. Mr. Krit Indhewat | Audit Committee Member |
| 3. Ms. Vrinporn Uer-anant Audit | Committee Member |

and Mr. Pitipong Archamongkol, Company 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 2016, 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 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.
4. 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. Sumeth Jangsamsee of KPMG Phoomchai Audit Limited as the auditors for the year 2017. Total audit fee is 1,130,000 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. Toshiyuki Koike

Chairman of Audit Committee

Opinion of Independent Directors:

Mr. Somchai Aungsanant

Mr. Toshiyuki Koike

Mr. Krit Indhewat

Ms. Vrinporn Uer-anant

Mr. Vibool Uer-anant

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.

Note from Risk Management Committee

The Risk Management Committee of Alucon Public Company Limited was appointed by the Board of Directors. Risk Management Committee are composed of two Independence Directors and one Executive Director whose qualifications meet the Risk Management 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. Vibool Uer-anant | Chairman of Risk Management Committee |
| 2. Mr. Toshiyuki Koike | Risk Management Committee Member |
| 3. Mrs. Eumporn Pamornbutr | Risk Management Committee Member |

and Mr. Pitipong Archamongkol, Company Secretary, as a coordinator to Risk Management Committee.

The Risk Management Committee appointed the Risk Management Team on 28th June 2016 to evaluate the operational risk on Y2016 of all departments jointly. It can be concluded the high risk at 40 items and medium risk at 59 item. The risk evaluation will be done annually.

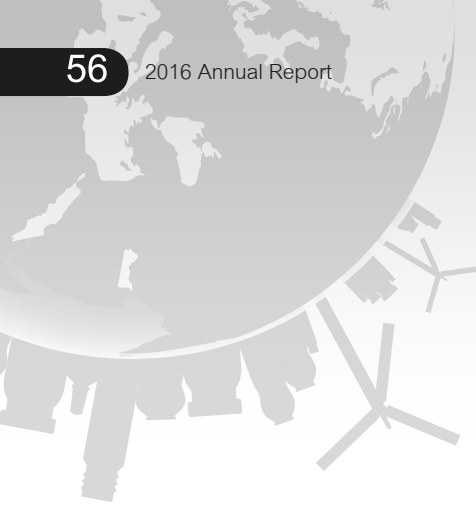
The Risk Management performs its duties within the scope, duties, and responsibilities as designated by the Board of Directors which fully accord with the stipulation of the Stock Exchange of Thailand's notifications.

In 2016, the Risk Management held one meeting. Every committee member had attendance the meeting. In essence, the Risk Management Committee's performance can be summarized as follows:

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.

In conclusion, the Risk Management Committee fully performed its duties as stipulated in the charters of the Risk Management Committee which was approved by the Board of Directors. In the Risk Management Committee's opinion, the Company has had suitable and effective risk management. In addition, the Company also properly complied with the laws and provisions and fulfilled obligations; the operation was conducted in conformity with the corporate governance system adequately, transparently and reliably.

Mr. Vibool Uer-anant
Chairman of Audit Committee



Alucon Public Company Limited

Financial statements for the year ended

31 December 2016

and

Independent Auditor's Report



Independent Auditor's Report

To the Shareholders of Alucon Public Company Limited

Opinion

I have audited the financial statements of Alucon Public Company Limited (the "Company"), which comprise the statement of financial position as at 31 December 2016, 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.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2016 and its financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards ("TFRSs").

Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing ("TSAs"). My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Company in accordance with Code of Ethics for Professional Accountants issued by the Federation of Accounting Professions under the Royal Patronage of His Majesty the King that are relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the financial statements of the current period. These matters were addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

Valuation of inventory

Refer to Note 3(d) and 7 to the financial statements.

The key audit matter	How the matter was addressed in our audit
Inventories are a significant balance and are carried in the financial statements at the lower of cost and net realisable value. The Company's main raw material is aluminium ingot which can be subject to price volatility depending on the demand and supply in the global market. The price of aluminium ingot is based on the price quoted on the London Metal Exchange Market ("LME"). As a result there is a risk that the carrying value of inventories exceeds its net realisable value, this is focus area in my audit.	My audit procedures included understanding and evaluating the net realisable value of inventories by checking the net realisable value to the selling price less the estimated costs necessary to make the sale for a sample of items with the related supporting documents. I also compared the actual results for the year with the Company's historical estimation of allowance for decline in value of inventories and future operating plan to evaluate the appropriateness of the Company's estimation related to the valuation of inventories. In addition, I considered the adequacy of the Company's disclosure in accordance with Thai Financial Reporting Standard.

Valuation of defined employee benefit plan

Refer to Note 3(j) and 16 to the financial statements.

The key audit matter	How the matter was addressed in our audit
The valuation of the defined employee benefit plan requires significant judgment of the Company because the Company has a significant number of employees who are potential able to meet the conditions of the defined employee benefit plan and there is a low employee turnover rate. The assumptions used for estimation requires judgment of the Company and has uncertainty of estimates made in respect of long-term trends and market conditions to determine the value of employee benefit obligations, this is focus area in my audit.	My audit procedures included testing underlying data provided to the actuary on a sample basis for calculation of the employee benefit obligation. I evaluated the competence and independence of the Company's actuary and assessed the key assumptions with the actual result incurred in previous years. Moreover, I involved KPMG actuarial specialist to assist me in assessing the appropriateness of the assumptions applied and tested calculation for the valuation of the defined benefit obligation by considering the actuarial report and by comparison of key assumptions against externally derived data and performed the sensitivity analysis, which included assessing if the effect of the change of key assumptions were reasonably possible. In addition, I also assessed the adequacy of the Company's disclosure in accordance with Thai Financial Reporting Standard.

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and my auditor's report thereon. The annual report is expected to be made available to me after the date of this auditor's report.

My opinion on the financial statements does not cover the other information and I will not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with TFRSs, 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.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

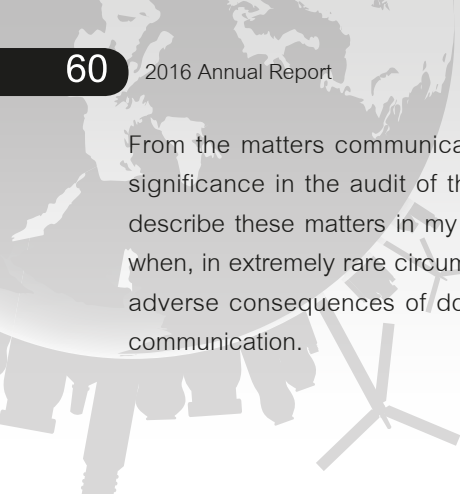
My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with TSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with TSAs, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.



From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

(Banthit Tangpakorn)
Certified Public Accountant
Registration No. 8509

KPMG Phoomchai Audit Ltd.
Bangkok
23 February 2017

Statement of financial position

Assets	Note	31 December	
		2016	2015
		(in Baht)	
<i>Current assets</i>			
Cash and cash equivalents	5	241,783,740	200,025,289
Trade accounts receivable	4,6	974,315,550	1,025,028,787
Inventories	7	1,207,153,598	1,094,081,524
Refundable value added tax		26,841,196	16,889,759
Other current assets		12,506,859	10,968,296
Total current assets		2,462,600,943	2,346,993,655
<i>Non-current assets</i>			
Property, plant and equipment	8	3,965,266,938	4,183,516,285
Intangible assets	9	9,428,739	9,194,473
Deferred tax assets	10	41,164,239	44,545,622
Other non-current assets		300,550	303,909
Total non-current assets		4,016,160,466	4,237,560,289
Total assets		6,478,761,409	6,584,553,944

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

Statement of financial position

Liabilities and equity	Note	31 December	
		2016	2015
		(in Baht)	
Current liabilities			
Bank overdrafts and short-term loans			
from financial institutions	11	259,998	91,084,600
Trade accounts payable	4,12	272,246,568	237,547,514
Other accounts payable and short-term loans from related party	4,11	313,236,001	1,027,693,740
Other accounts payable	13	105,115,207	121,497,309
Income tax payable		120,057,823	94,043,472
Other current liabilities	14	25,945,833	21,429,093
Total current liabilities		836,861,430	1,593,295,728
Non-current liabilities			
Deferred income	15	17,817,123	23,618,784
Employee benefit obligations	16	496,090,856	464,759,083
Total non-current liabilities		513,907,979	488,377,867
Total liabilities		1,350,769,409	2,081,673,595

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

Statement of financial position

	Note	2016	2015
31 December (in Baht)			
Equity			
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>4,398,792,140</u>	<u>3,773,680,489</u>
Total equity		<u>5,127,992,000</u>	<u>4,502,880,349</u>
 Total liabilities and equity		 <u>6,478,761,409</u>	 <u>6,584,553,944</u>

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

Statement of comprehensive income

		For the year ended 31 December	
	Note	2016	2015
		(in Baht)	
Income			
Revenue from sale of goods	4,19	6,051,750,538	5,769,871,462
Net foreign exchange gain		6,360,947	55,693,269
Other income	20	162,477,828	182,370,986
Total income		6,220,589,313	6,007,935,717
Expenses			
Cost of sale of goods	4,7	4,564,011,542	4,711,239,817
Selling expenses	4,21	149,772,231	147,538,274
Administrative expenses	22	161,980,752	155,398,084
Finance costs	4,25	11,657,151	25,496,336
Total expenses		4,887,421,676	5,039,672,511
Profit before income tax expense		1,333,167,637	968,263,206
Income tax expense	26	263,355,264	193,195,834
Profit for the year		1,069,812,373	775,067,372
Other comprehensive income (loss)			
<i>Items that will never be reclassified to profit or loss</i>			
Defined benefit plan actural losses	16	(15,876,077)	(10,513,584)
Income tax on other comprehensive income	26	3,175,215	2,102,715
Other comprehensive loss for the year, net of income tax		(12,700,862)	(8,410,869)
Total comprehensive income for the year		1,057,111,511	766,656,503
Basic earnings per share	27	24.76	17.94

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

Statement of changes in equity

	Note	Issued and paid-up share capital	Share premium	Retained earnings		Total equity
				Legal reserve (in Baht)	Unappropriated	
Year ended 31 December 2015						
Balance at 1 January 2015		431,999,860	254,000,000	43,200,000	3,439,023,846	4,168,223,706
Transactions with owners, recorded directly in equity						
<i>Distribution to owners of the Company</i>						
Dividends to owners of the Company	28	-	-	-	(431,999,860)	(431,999,860)
<i>Total distribution to owners of the Company</i>		-	-	-	(431,999,860)	(431,999,860)
Total transactions with owners, recorded directly in equity		-	-	-	(431,999,860)	(431,999,860)
Comprehensive income for the year						
Profit for the year		-	-	-	775,067,372	775,067,372
Other comprehensive loss		-	-	-	(8,410,869)	(8,410,869)
Total comprehensive income for the year		-	-	-	766,656,503	766,656,503
Balance at 31 December 2015		431,999,860	254,000,000	43,200,000	3,773,680,489	4,502,880,349

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

Statement of changes in equity

	Issued and paid-up share capital	Share premium	Retained earnings		Total equity
			Legal reserve (in Baht)	Unappropriated	
Year ended 31 December 2016					
Balance at 1 January 2016	431,999,860	254,000,000	43,200,000	3,773,680,489	4,502,880,349
Transactions with owners, recorded directly in equity					
<i>Distribution to owners of the Company</i>					
Dividends to owners of the Company	28	-	-	(431,999,860)	(431,999,860)
<i>Total distribution to owners of the Company</i>	-	-	-	(431,999,860)	(431,999,860)
Total transactions with owners, recorded directly in equity	-	-	-	(431,999,860)	(431,999,860)
Comprehensive income for the year					
Profit for the year	-	-	-	1,069,812,373	1,069,812,373
Other comprehensive loss	-	-	-	(12,700,862)	(12,700,862)
<i>Total comprehensive income for the year</i>	-	-	-	1,507,111,511	1,507,111,511
Balance at 31 December 2016	431,999,860	254,000,000	43,200,000	4,398,792,140	5,127,992,000

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

Statement of cash flows

		For the year ended 31 December	
	Note	2016	2015
		(in Baht)	
<i>Cash flows from operating activities</i>			
Profit for the year		1,069,812,373	775,067,372
<i>Adjustments for</i>			
Depreciation	8	522,351,266	504,007,901
Amortisation of intangible assets	9	2,135,894	2,051,004
Recognised deferred income	15	(5,801,661)	(5,785,809)
Interest income		(700,241)	(175,943)
Finance costs	25	11,657,151	25,496,336
Unrealised (gain) loss on exchange		(5,177,419)	3,724,439
Reversal of loss from devaluation of inventories	7	(320,708)	(7,012,138)
Gain on disposal of plant and equipment		(34,002)	(1,691,619)
Provision for employee benefit obligations	16	50,536,472	52,393,091
Income tax expense	26	263,355,264	193,195,834
		1,907,814,389	1,541,270,468
<i>Changes in operating assets and liabilities</i>			
Trade accounts receivable		54,957,363	(107,797,563)
Inventories		(112,751,366)	284,144,871
Refundable value added tax		(9,951,437)	48,012,962
Other current assets		(1,531,145)	(1,327,472)
Other non-current assets		3,359	-
Trade accounts payable		35,093,661	(132,080,165)
Other accounts payable to related parties		129,916	1,014,947
Other accounts payable		8,657,037	(13,587,808)
Other current liabilities		4,516,740	(37,811)
Cash generated from operating activities		1,886,938,517	1,619,612,429
Income tax paid		(230,784,314)	(139,397,312)
Employee benefit obligations paid		(35,080,775)	(81,444,104)
Net cash from operating activities		1,621,073,428	1,398,771,013

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

Statement of cash flows

		For the year ended 31 December	
	Note	2016	2015
		(in Baht)	
Cash flows from investing activities			
Interest received		692,823	176,132
Purchase of plant and equipment		(307,136,226)	(382,607,958)
Sale of plant and equipment		80,180	2,148,060
Purchase of intangible assets		(2,556,160)	(3,034,198)
Net cash used in investing activities		<u>(308,919,383)</u>	<u>(383,317,964)</u>
Cash flows from financing activities			
Finance costs paid		(14,571,130)	(27,426,147)
Dividends paid	28	(431,999,860)	(431,999,860)
Increase (Decrease) in bank overdrafts		2,196	(1,952,637)
Proceeds from short-term loans from related party		-	240,000,000
Repayment of short-term loans from related party		(733,000,000)	(595,000,000)
Proceeds from short-term loans from financial institutions		-	55,603,600
Repayment of short-term loans from financial institutions		(90,826,800)	(105,273,400)
Net cash used in financing activities		<u>(1,270,395,594)</u>	<u>(866,048,444)</u>
Net increase in cash and cash equivalents		41,758,451	149,404,605
Cash and cash equivalents at 1 January		<u>200,025,289</u>	<u>50,620,684</u>
Cash and cash equivalents at 31 December	5	241,783,740	200,025,289

Non-cash transaction

During the year ended 31 December 2016, the Company acquired plant and equipment and intangible assets totalling Baht 307 million (2015: Baht 321 million), and cash payments of Baht 310 million (2015: Baht 386 million) were made to purchase plant and equipment and intangible assets.

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

Notes to the financial statements

For the year ended 31 December 2016

Note	Contents
1	General information
2	Basis of preparation of the financial statements
3	Significant accounting policies
4	Related parties
5	Cash and cash equivalents
6	Trade accounts receivable
7	Inventories
8	Property, plant and equipment
9	Intangible assets
10	Deferred tax
11	Interest-bearing liabilities
12	Trade accounts payable
13	Other accounts payable
14	Other current liabilities
15	Deferred income
16	Employee benefit obligations
17	Share capital
18	Reserves
19	Segment information
20	Other income
21	Selling expenses
22	Administrative expenses
23	Employee benefit expenses
24	Expenses by nature
25	Finance costs
26	Income tax expense
27	Basic earnings per share
28	Dividends
29	Financial instruments
30	Commitments with non-related parties
31	Thai Financial Reporting Standards (TFRS) not yet adopted
32	Events after the reporting period

Notes to the financial statements

For the year ended 31 December 2016

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 23 February 2017.

1 General information

Alucon Public Company Limited, the "Company", is incorporated in Thailand and has its registered office at 500 Moo 1, Soi Sirikam, Sukhumvit 72 Road, North Samrong, Muang, Samut Prakarn. Another plant at Chonburi is located at 272/5, Moo 3, Bor Win, Sriracha, Chonburi.

The Company was listed on the Stock Exchange of Thailand in November 1989 and converted to a public company in May 1994.

The parent company during the financial year was Takeuchi Press Industries Company Limited, incorporated in Japan, which held 66.91% of the paid up share capital.

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

2 Basis of preparation of the financial statements

(a) Statement of compliance

The financial statements are prepared in accordance with Thai Financial Reporting Standards ("TFRS"); guidelines promulgated by the Federation of Accounting Professions ("FAP"); and applicable rules and regulations of the Thai Securities and Exchange Commission.

The FAP has issued new and revised TFRS effective for annual accounting periods beginning on or after 1 January 2016. 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 2017 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 31 to the financial statements.

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis except for the following item.

Items

Defined benefit liability

Measurement bases

Present value of the defined benefit obligation as explained in Note 3 (j)

Notes to the financial statements

(c) *Functional and presentation currency*

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

(d) *Use of judgements and estimates*

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

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Assumptions and estimation uncertainties

Information about assumption and estimation uncertainties that have a significant risk of resulting in a material adjustments to the amounts recognised in the financial statements is included in the following notes:

Note 10	Current and deferred taxation
Note 16	Measurement of defined benefit obligations

Measurement of fair values

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

The Company has an established control framework with respect to the measurement of fair values. This includes a valuation team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and reports directly to the CFO

The valuation team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the valuation team assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of TFRS, including the level in the fair value hierarchy in which such valuations should be classified.

Significant valuation issues are reported to the Company Audit Committee.

When measuring the fair value of an asset or a liability, the Company uses market observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement

Notes to the financial statements

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values of financial statements is included in note 29 to the financial statements.

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

Foreign currency 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) 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.

(c) 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.

(d) Inventories

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

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

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

(e) 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).

Notes to the financial statements

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located, and capitalised borrowing costs. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognised net within profit or loss.

Subsequent costs

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

Depreciation

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

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

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

No depreciation is provided on freehold land or assets under construction.

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

(f) Intangible assets

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

Subsequent expenditure

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

Notes to the financial statements

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.

(g) *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.

(h) *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.

(i) *Trade and other accounts payable*

Trade and other accounts payable are stated at cost.

Notes to the financial statements

(j) *Employee benefits*

Defined contribution plans

Obligations for contributions to defined contribution plans are expensed as the related service is provided.

Defined benefit plans

The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any application minimum funding requirements.

Remeasurements of the net defined benefit liability, actuarial gain or loss are recognized immediately in other comprehensive income ("OCI"). The Company determines the interest expense on the net defined benefit liability for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period, taking into account any changes in the net defined benefit liability during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognized in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Other long-term employee benefits

The Company's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value. Remeasurements are recognized in profit or loss in the period in which they arise.

Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(k) *Provisions*

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

Notes to the financial statements

(l) *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. Service income is recognised as services are provided.

Interest and other income

Interest and other income are recognised in profit or loss as they accrue.

(m) *Finance costs*

Interest expenses and similar costs are charged to profit or loss for the period in which they are incurred, except to the extent that they are capitalised as being directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial year of time to be prepared for its intended use or sale.

(n) *Income tax*

Income tax expense for the year comprises current and deferred tax. Current and deferred tax are recognised in profit or loss except to the extent that they relate to items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

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

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

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

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.

Notes to the financial statements

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.

(o) Earnings per share

The Company presents basic earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period, adjusted for own shares held.

(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.

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, 66.91% shareholding
Key management personnel		Persons having authority and responsibility for planning directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of the Company.

Notes to the financial statements

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

Transactions

Revenue from sale of goods

Pricing policies

The market price or the price based on the memorandum of understanding. The selling price structure with the parent company is based on the actual cost incurred plus gross margin rate including the consideration of size, sale volume, country and transportation

Purchase of raw materials and spare parts

The market price

Purchase of machinery and equipment

The market price

Interest expense

1.25 – 1.55% per annum in 2016 and 1.20 – 1.90% per annum in 2015

License fee

Percentage of sales amount as determined in an agreement

Commission expenses

Percentage of sales amount as determined in an agreement

Key management personnel compensation

Amount approved by the directors and / or the shareholders

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

	2016	2015
	<i>(in thousand Baht)</i>	
Parent		
Revenue from sale of goods	1,140,241	948,657
Purchase of raw materials and spare parts	13,217	11,397
Purchase of machinery and equipment	24,965	5,192
Interest expense	7,799	21,370
License fee	22,757	21,802
Commission expenses	2,828	2,557
Other expenses	217	154
Key management personnel		
Key management personnel compensation		
Short-term employee benefit	61,584	61,351
Retirement benefits	1,670	1,411
Total	63,254	62,762

Notes to the financial statements

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

Trade account receivable from related party

2016 2015
(in thousand Baht)

Parent

Takeuchi Press Industries Company Limited

62,150

64,561

Trade account payable to related party

2016 2015
(in thousand Baht)

Parent

Takeuchi Press Industries Company Limited

53

10

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

Interest rate

2016 2015
(% per annum)

2016 2015
(in thousand Baht)

Short-term loans

Parent

Takeuchi Press Industries Company Limited

1.25

1.25 - 1.55

280,000

1,013,000

Other accounts payable

Parent

Takeuchi Press Industries Company Limited

21,911

44

Accrued license fee

Parent

Takeuchi Press Industries Company Limited

5,414

5,728

Notes to the financial statements

	2016	2015
	<i>(in thousand Baht)</i>	
Accrued commission payable		
Parent		
Takeuchi Press Industries Company Limited	567	666
 Accrued interest expense		
Parent		
Takeuchi Press Industries Company Limited	1,319	4,230
 Accrued management's remuneration and other benefits		
Key management personnel	4,025	4,025
Total	313,236	1,027,693

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

	2016	2015
	<i>(in thousand Baht)</i>	
Short-term loans		
Parent		
At 1 January	1,013,000	1,368,000
Increase	-	240,000
Decrease	(733,000)	(595,000)
At 31 December	280,000	1,013,000

Significant agreement with related party

Technical license agreement

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

Notes to the financial statements

Commitments for purchase of raw materials and spare parts

2016 2015
(in thousand Baht)

Parent

Takeuchi Press Industries Company Limited

1,988

4,338

Significant memorandum of understanding

On 9 February 2016, the Company entered into a memorandum of understanding with Takeuchi Press Industries Company Limited to supply aluminium slugs in quantity of about 6,000 MT for the production of aluminium monobloc aerosol cans and collapsible tubes for a period from April 2016 to March 2017. As at 31 December 2016, the Company has supplied aluminium slugs in quantity of 6,270 MT to the parent company.

5 Cash and cash equivalents

	2016	2015
	(in thousand Baht)	
Cash on hand	63	93
Cash at banks - current accounts	23,288	3,838
Cash at banks - saving accounts	168,433	196,094
Highly liquid short-term investments	50,000	-
Total	241,784	200,025

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

	2016	2015
	(in thousand Baht)	
Thai Baht (THB)	125,079	62,018
United States Dollars (USD)	111,745	129,088
Japanese Yen (YEN)	4,960	8,919
Total	241,784	200,025

6 Trade accounts receivable

	Note	2016	2015
		(in thousand Baht)	
Related party	4	62,150	64,561
Other parties		912,166	960,468
Total		974,316	1,025,029

Notes to the financial statements

Aging analyses for trade accounts receivable were as follows:

	2016	2015
	<i>(in thousand Baht)</i>	
Related party		
Within credit terms	62,150	64,561
	<u>62,150</u>	<u>64,561</u>
Other parties		
Within credit terms	749,629	774,710
Overdue:		
Less than 3 months	162,537	185,758
	<u>912,166</u>	<u>960,468</u>
Total	<u><u>974,316</u></u>	<u><u>1,025,029</u></u>

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:

	2016	2015
	<i>(in thousand Baht)</i>	
Thai Baht (THB)	440,700	480,198
United States Dollars (USD)	425,021	431,995
Japanese Yen (YEN)	62,150	64,561
Australian Dollars (AUD)	39,675	34,874
Others (GBP, HKD and EUR)	6,770	13,401
Total	<u><u>974,316</u></u>	<u><u>1,025,029</u></u>

Notes to the financial statements

7 Inventories

	2016	2015
	<i>(in thousand Baht)</i>	
Finished goods	167,911	159,492
Work in progress	88,127	153,783
Raw materials	548,672	459,977
Packing materials	-	5,556
Spare parts	174,523	159,160
Goods in transit	229,127	157,641
	<u>1,208,360</u>	<u>1,095,609</u>
<i>Less allowance for decline in value</i>	<u>(1,206)</u>	<u>(1,527)</u>
Net	<u>1,207,154</u>	<u>1,094,082</u>
Inventories recognised as an expense in "cost of sales of goods":		
- Cost	4,564,333	4,718,252
- Reversal of write-down	<u>(321)</u>	<u>(7,012)</u>
Total	<u>4,564,012</u>	<u>4,711,240</u>

Notes to the financial statements

8 Property, plant and equipment

	Land and land improvement	Buildings and building improvement	Machinery and equipment	Office equipment (in thousand Baht)	Vehicles	Spare parts	Assets under construction	Total
Cost								
At 1 January 2015	256,005	1,571,431	6,116,305	18,272	28,639	58,647	191,273	8,240,572
Additions	3,756	8,398	64,460	3,691	12,452	41,037	187,223	321,017
Transfers	10,728	37,089	285,008	-	-	(31,405)	(301,420)	-
Disposals	-	-	(40,829)	(869)	(7,892)	-	-	(49,590)
At 31 December 2015 and 1 January 2016	270,489	1,616,918	6,424,944	21,094	33,199	68,279	77,076	8,511,999
Additions	1,539	6,830	44,640	1,614	-	60,787	188,738	304,148
Transfers	-	30,506	208,703	-	-	(40,452)	(198,757)	-
Disposals	-	-	(13,097)	(1,735)	-	-	-	(14,832)
At 31 December 2016	272,028	1,654,254	6,665,190	20,973	33,199	88,614	67,057	8,801,315
Depreciation								
At 1 January 2015	7,623	621,228	3,208,061	15,695	21,001	-	-	3,873,608
Depreciation charge for the year	5,088	51,732	441,563	1,613	4,012	-	-	504,008
Disposals	-	-	(40,372)	(869)	(7,892)	-	-	(49,133)
At 31 December 2015 and 1 January 2016	12,711	672,960	3,609,252	16,439	17,121	-	-	4,328,483
Depreciation charge for the year	5,807	53,971	456,495	1,723	4,355	-	-	522,351
Disposals	-	-	(13,052)	(1,734)	-	-	-	(14,786)
At 31 December 2016	18,518	726,931	4,052,695	16,428	21,476	-	-	4,836,048
Net book value								
At 1 January 2015	248,382	950,203	2,908,244	2,577	7,638	58,647	191,273	4,366,964
At 31 December 2015 and 1 January 2016	257,778	943,958	2,815,692	4,655	16,078	68,279	77,076	4,183,516
At 31 December 2016	253,510	927,323	2,612,495	4,545	11,723	88,614	67,057	3,965,267

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 2016 amounted to Baht 1,621 million (2015: Baht 1,535 million).

9 Intangible assets

Software
licence

(in thousand Baht)

Cost

At 1 January 2015	19,768
Additions	2,899
At 31 December 2015 and 1 January 2016	22,667
Additions	2,371
At 31 December 2016	25,038

Amortisation

At 1 January 2015	11,422
Amortisation charge for the year	2,051
At 31 December 2015 and 1 January 2016	13,473
Amortisation charge for the year	2,136
At 31 December 2016	15,609

Net book value

At 1 January 2015	8,346
At 31 December 2015 and 1 January 2016	9,194
At 31 December 2016	9,429

10 Deferred tax

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

	2016	2015
	(in thousand Baht)	
Deferred tax assets	97,279	92,393
Deferred tax liability	(56,115)	(47,847)
Net	41,164	44,546

Notes to the financial statements

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



	(Charged) / Credited to :			
	At 1 January 2016	Profit or loss	Other comprehensive income	At 31 December 2016
	(Note 26) (in thousand Baht)			
Deferred tax assets				
Inventories (allowance for decline in value)	305	(64)	-	241
Employee benefit obligations	87,364	2,935	3,175	93,474
Deferred income	4,724	(1,160)	-	3,564
Total	92,393	1,711	3,175	97,279
Deferred tax liability				
Property, plant and equipment (depreciation gap)	(47,847)	(8,268)	-	(56,115)
Total	(47,847)	(8,268)	-	(56,115)
Net	44,546	(6,557)	3,175	41,164
	(Charged) / Credited to :			
	At 1 January 2015	Profit or loss	Other comprehensive income	At 31 December 2015
	(Note 26) (in thousand Baht)			
Deferred tax assets				
Inventories (allowance for decline in value)	1,708	(1,403)	-	305
Employee benefit obligations	91,269	(6,008)	2,103	87,364
Deferred income	5,881	(1,157)	-	4,724
Total	98,858	(8,568)	2,103	92,393
Deferred tax liability				
Property, plant and equipment (depreciation gap)	(34,493)	(13,354)	-	(47,847)
Total	(34,493)	(13,354)	-	(47,847)
Net	64,365	(21,922)	2,103	44,546

Notes to the financial statements

11 Interest-bearing liabilities

Current

Bank overdrafts - unsecured

260

258

Short-term loans from financial institutions - unsecured

-

90,827

**Bank overdrafts and short-term loans from
financial institutions**

260

91,085

Short-term loans from related party - unsecured

4

280,000

1,013,000

Total current interest-bearing liabilities

280,260

1,104,085

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

	2016	2015
	<i>(in thousand Baht)</i>	
Within one year	280,000	1,104,085
Total	280,000	1,104,085

As at 31 December 2016, the Company had unutilised credit facilities from financial institutions of approximately Baht 2,539 million (2015: Baht 2,541 million).

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

	2016	2015
	<i>(in thousand Baht)</i>	
Thai Baht (THB)	280,260	1,013,258
Japanese Yen (YEN)	-	90,827
Total	280,260	1,104,085

Notes to the financial statements

12 Trade accounts payable

	Note	2016	2015
		<i>(in thousand Baht)</i>	
Related party	5	53	10
Other parties		272,194	237,538
Total		272,247	237,548

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

	2016	2015
	<i>(in thousand Baht)</i>	
Thai Baht (THB)	95,685	142,340
United States Dollars (USD)	151,336	69,167
Japanese Yen (YEN)	20,805	12,018
Others (CHF, AUD, EUR and GBP)	4,421	14,023
Total	272,247	237,548

13 Other accounts payable

	2016	2015
	<i>(in thousand Baht)</i>	
Construction and machinery payables	27,139	27,413
Accrued operating expenses	37,349	33,448
Factory supplies and spare parts payables	21,047	30,040
Others	19,580	30,596
Total	105,115	121,497

14 Other current liabilities

	2016	2015
	<i>(in thousand Baht)</i>	
Withholding tax payable	14,108	12,824
Advances received from customers	9,783	6,482
Accrued social fund	2,055	2,123
Total	25,946	21,429

Notes to the financial statements

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 2016, such deferred income had outstanding balance of Baht 17.8 million (2015: Baht 23.6 million) and during the year ended 31 December 2016, the Company recognised income in profit or loss of Baht 5.8 million (2015: Baht 5.8 million).

16 Employee benefit obligations

2016 2015
(in thousand Baht)

Statement of financial position obligations for:

Post-employment benefits	386,194	366,566
Other long-term employee benefits	39,768	31,345
	<u>425,962</u>	<u>397,911</u>
Provident fund	70,129	66,848
Total	<u><u>496,091</u></u>	<u><u>464,759</u></u>

Year ended 31 December

2016 2015
(in thousand Baht)

Statement of comprehensive income:

Recognised in profit or loss:

Post-employment benefits	35,832	39,594
Other long-term employee benefits	6,872	5,697
Provident fund	7,832	7,102
Total	<u><u>50,536</u></u>	<u><u>52,393</u></u>

Recognised in other comprehensive income:

Actuarial losses recognised in the year	<u><u>15,876</u></u>	<u><u>10,514</u></u>
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Notes to the financial statements

The Company operate a defined benefit pension plan based on the requirement of Thai Labour Protection Act B.E. 2541 (1998) to provide retirement benefits to employees based on pensionable remuneration and length of service.

The defined benefit plans expose the Company to actuarial risks, such as longevity risk, currency risk, interest rate risk and market (investment) risk.

The statement of financial position obligation was determined as follow:

	2016	2015
	<i>(in thousand Baht)</i>	
Present value of unfunded obligation	<u>425,962</u>	<u>397,911</u>

Movement in the present value of the defined benefit obligations

	2016	2015
	<i>(in thousand Baht)</i>	
Defined benefit obligations at 1 January	397,911	420,755
Include in profit or loss:		
Current service cost	37,988	34,830
Interest on obligation	7,926	10,461
Loss on settlement	(3,210)	-
Included in other comprehensive income		
Actuarial loss	15,876	10,514
Other		
Benefit paid	<u>(30,529)</u>	<u>(78,649)</u>
Defined benefit obligations at 31 December	<u>425,962</u>	<u>397,911</u>

Actuarial losses recognised in other comprehensive income arising from:

	2016	2015
	<i>(in thousand Baht)</i>	
Demographic assumptions	(6,014)	199
Financial assumptions	24,853	5,469
Experience adjustment	<u>(2,963)</u>	<u>4,846</u>
Total	<u>15,876</u>	<u>10,514</u>

Notes to the financial statements

Actuarial assumptions

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

	2016	2015
	%	
Discount rate	2.07	2.91
Future average salary growth	4.00 - 5.80	4.50 - 5.80

Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

	(in thousand Baht)	
Defined benefit obligation 31 December 2016	Increase	Decrease
Discount rate (1% movement)	(28,992)	32,691
Future salary growth (1% movement)	29,203	(26,433)
Future mortality (1 year movement)	(651)	648
Turnover Rate (1% movement)	(13,382)	10,663

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

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

Notes to the financial statements

17 Share capital

	Par value per share (in Baht)	2016 Number	2016 Amount (thousand shares / thousand Baht)	2015 Number	2015 Amount
Authorised					
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
Issued and paid-up					
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.

Segment 1	Can and tube
Segment 2	Slug

Notes to the financial statements

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	
	2016	2015	2016	2015	2016	2015
	<i>(in thousand Baht)</i>					
Revenue from sale of goods	<u>3,756,156</u>	<u>3,625,425</u>	<u>2,295,595</u>	<u>2,144,446</u>	<u>6,051,751</u>	<u>5,769,871</u>
Segment result	<u>1,130,738</u>	<u>862,757</u>	<u>357,001</u>	<u>195,874</u>	<u>1,487,739</u>	<u>1,058,631</u>
Unallocated revenues					168,839	238,064
Unallocated expenses					(311,753)	(302,936)
Finance costs					(11,657)	(25,496)
Profit before income tax					<u>1,333,168</u>	<u>968,263</u>
Segment assets						
Trade accounts receivable	657,019	748,274	317,297	276,755	974,316	1,025,029
Inventories	312,869	275,077	894,285	819,005	1,207,154	1,094,082
Property, plant and equipment	3,036,215	3,227,187	929,052	956,329	3,965,267	4,183,516
Unallocated assets					332,024	281,927
Total Assets					<u>6,478,761</u>	<u>6,584,554</u>
Segment liabilities						
Trade accounts payable	91,683	101,771	180,564	135,777	272,247	237,548
Unallocated liabilities					1,078,522	1,844,126
Total Liabilities					<u>1,350,769</u>	<u>2,081,674</u>
Other material items						
Depreciation and amortization	377,552	368,790	146,935	137,269	524,487	506,059
Capital expenditure	186,636	175,343	119,882	148,573	306,518	323,916

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	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Asia pacific	3,282,830	2,777,741	-	-
Thailand	1,802,107	1,897,342	4,016,160	4,237,560
America	547,470	618,308	-	-
Others	419,344	476,480	-	-
Total	6,051,751	5,769,871	4,016,160	4,237,560

Major customer

Revenues from a customer of the Company's 1 and 2 segments are approximately Baht 648 million (2015: Baht 657.1 million) of the Company's total revenues.

20 Other income

	2016	2015
	<i>(in thousand Baht)</i>	
Sale of scrap	139,224	155,957
Others	23,254	26,414
Total	162,478	182,371

21 Selling expenses

	2016	2015
	<i>(in thousand Baht)</i>	
Freight expenses	76,846	81,586
Employee benefit expenses	34,508	32,610
Others	38,418	33,342
Total	149,772	147,538

22 Administrative expenses

	2016	2015
	<i>(in thousand Baht)</i>	
Employee benefit expenses	132,045	125,302
Depreciation and amortisation	7,015	6,515
Repair and maintenance	3,993	3,976
Transportation expenses	2,897	2,816
Others	16,031	16,789
Total	161,981	155,398

Notes to the financial statements

23 Employee benefit expenses

	2016	2015
	(in thousand Baht)	
Wages and salaries	654,522	640,519
Pension costs - defined benefit plans	42,704	45,291
Contribution to defined contribution plans	7,832	7,102
Director's remuneration	4,796	4,796
Others	46,332	43,075
Total	756,186	740,783

Defined benefit plans

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

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.

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:

	2016	2015
	(in thousand Baht)	
<i>Included in cost of sale of goods:</i>		
Changes in inventories of finished goods and work in progress	57,237	51,953
Raw materials and consumables used	2,722,688	2,906,474
Employee benefit expenses	589,633	582,871
Depreciation and amortisation	516,039	498,450
Utilities expenses	310,393	341,548
<i>Included in selling expenses:</i>		
Freight expenses	76,846	81,586
Employee benefit expenses	34,508	32,610
Depreciation and amortisation	1,433	1,094
<i>Included in administrative expenses:</i>		
Employee benefit expenses	132,045	125,302
Depreciation and amortisation	7,015	6,515

Notes to the financial statements

25 Finance costs

Note	2016	2015
	<i>(in thousand Baht)</i>	
Interest expense:		
Related party	7,799	21,370
Financial institutions	3,858	4,126
Total	11,657	25,496

26 Income tax expense

Income tax recognised in profit or loss

Note	2016	2015
	<i>(in thousand Baht)</i>	
Current tax expense		
Current year	256,798	171,274
Deferred tax expense		
10		
Movements in temporary differences	6,557	21,922
Total	263,355	193,196

Income tax recognised in other comprehensive income

	2016			2015		
	Before tax	Tax (expense) benefit	Net of tax	Before tax	Tax (expense) benefit	Net of tax
	<i>(in thousand Baht)</i>					
Defined benefit plan						
actuarial losses	(15,876)	3,175	(12,701)	(10,514)	2,103	(8,411)
Total	(15,876)	3,175	(12,701)	(10,514)	2,103	(8,411)

Reconciliation of effective tax rate

	2016	2015
	<i>(in thousand Baht)</i>	<i>(in thousand Baht)</i>
	Rate (%)	Rate (%)
Profit before income tax expense	1,333,168	968,263
Income tax using the Thai		
corporation tax rate	20	193,653
Income not subject to tax	(3,632)	(732)
Expenses not deductible for tax purposes	141	104
Others	212	171
Total	20	193,196

Notes to the financial statements

Income tax reduction

Revenue Code Amendment Act No. 42 B.E. 2559 dated 3 March 2016 grants a reduction of the corporate income tax rate to 20% of net taxable profit for accounting periods which begin on or after 1 January 2016.

27 Basic earnings per share

The calculations of basic earnings per share for the years ended 31 December 2016 and 2015 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:

	2016	2015
	<i>(in thousand Baht / thousand shares)</i>	
Profit attributable to equity holders of the Company	<u>1,069,812</u>	<u>775,067</u>
Number of ordinary shares outstanding	<u>43,200</u>	<u>43,200</u>
Basic earnings per share (in Baht)	<u>24.76</u>	<u>17.94</u>

28 Dividends

At the annual general meeting of the shareholders of the Company held on 21 April 2016, the shareholders approved the appropriation of cash dividends of Baht 10 per share, amounting to Baht 432 million. The dividend was paid to shareholders in May 2016.

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

29 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.

Notes to the financial statements

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 0.26:1 in 2016 and 0.46:1 in 2015, the Company has low borrowings and therefore minimal and immaterial exposure to changes of interest rates. To be flexible and able to obtain favorable interest rates, the Company mostly takes short term and on call loans from different financial institutions and a related company who offer the best interest rates.

The effective interest rates of interest-bearing financial liabilities as at 31 December and the periods in which those liabilities mature or re-price were as follows:

	Note	Effective interest rates (% per annum)	Within 1 year (in thousand Baht)	Total
2016				
Current				
Loans from related party	4	1.25	280,000	280,000
Total			<u>280,000</u>	<u>280,000</u>
2015				
Current				
Loans from financial institutions		0.49	91,085	91,085
Loans from related party	4	1.25-1.55	1,013,000	1,013,000
Total			<u>1,104,085</u>	<u>1,104,085</u>

Foreign currency risk

The Company is exposed to foreign currency risk relating to purchases and sales and short-term loans which are denominated in foreign currencies. Most receipts in foreign currencies are credited into foreign currency accounts such as US Dollar, Japanese YEN, etc. with banks in Thailand. The Company foregoes interest earnings on such foreign currency accounts. Foreign currencies obtained from exports are used for payment of raw material purchased, spare parts and machinery and equipment imported, thus the Company saves foreign currency conversion charges.

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

Notes to the financial statements

	Note	2016	2015
		(in thousand Baht)	
<i>United States Dollars (USD)</i>			
Cash and cash equivalents	5	111,745	129,088
Trade accounts receivable	6	425,021	431,995
Trade accounts payable	12	(151,336)	(69,167)
		<u>385,430</u>	<u>491,916</u>
<i>Japanese Yen (YEN)</i>			
Cash and cash equivalents	5	4,960	8,919
Trade accounts receivable	6	62,150	64,561
Interest-bearing liabilities	11	-	(90,827)
Trade accounts payable	12	(20,805)	(12,018)
		<u>46,305</u>	<u>(29,365)</u>
<i>Australian Dollar (AUD)</i>			
Trade accounts receivable	6	39,675	34,874
		<u>39,675</u>	<u>34,874</u>
<i>Others (HKD, SGD, EUR and GBP)</i>			
Trade accounts receivable	6	6,770	13,401
Trade accounts payable	12	(4,421)	(14,023)
		<u>2,349</u>	<u>(622)</u>
Gross statement of financial position exposure		<u>473,759</u>	<u>496,803</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.

Fair values of financial assets and liabilities

Mostly, the Company's financial assets and liabilities are short-term loans and loans with market's interest rate. The Management believes that fair values of such financial assets and liabilities as at 31 December are not materially different from the carrying amounts.

30 Commitments with non-related parties

2016 2015

(in thousand Baht)

Capital commitments

Contracted but not provided for:

Factory, machinery and equipment

67,687

127,863

Other commitments

Purchase orders accepted by suppliers

Within one year

2,035,185

1,364,431

After one year but within five years

444,041

852,015

2,479,226

2,216,446

Bank guarantees

25,799

25,799

Total

2,505,025

2,242,245

Purchase orders accepted by suppliers

As at 31 December 2016, the Company had purchase orders accepted by suppliers for purchase of aluminium ingot in total quantity of 40,200 MT (2015: 42,100 MT), at the price as determined in purchase orders (2015: at the prices in the range of YEN 123,000 - 123,700 per MT and at the price as determined in purchase orders) that will be delivered during 2017-2018 (2015: 2015 to 2016).

Notes to the financial statements

31 Thai Financial Reporting Standards (TFRS) not yet adopted

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

TFRS	Topic
TAS 1 (revised 2016)	Presentation of Financial Statements
TAS 2 (revised 2016)	Inventories
TAS 7 (revised 2016)	Statement of Cash Flows
TAS 8 (revised 2016)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10 (revised 2016)	Events after the Reporting Period
TAS 12 (revised 2016)	Income Taxes
TAS 16 (revised 2016)	Property, Plant and Equipment
TAS 18 (revised 2016)	Revenue
TAS 19 (revised 2016)	Employee Benefits
TAS 21 (revised 2016)	The Effects of Changes in Foreign Exchange Rates
TAS 23 (revised 2016)	Borrowing Costs
TAS 24 (revised 2016)	Related Party Disclosures
TAS 26 (revised 2016)	Accounting and Reporting by Retirement Benefit Plans
TAS 33 (revised 2016)	Earnings per Share
TAS 34 (revised 2016)	Interim Financial Reporting
TAS 36 (revised 2016)	Impairment of Assets
TAS 37 (revised 2016)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38 (revised 2016)	Intangible Assets
TFRS 8 (revised 2016)	Operating Segments
TFRS 13 (revised 2016)	Fair Value Measurement
TFRIC 10 (revised 2016)	Interim Financial Reporting and Impairment

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

32 Events after the reporting period

At the Board of Directors' meeting of the Company held on 23 February 2017, the Company's Board of Directors approved to propose to the annual general meeting of the shareholders of the Company for approval to appropriate of cash dividends of Baht 15 per share, amounting to Baht 648 million. The appropriation of dividend must be approved by the shareholders' meeting of the Company.

บริษัท อลูคอน จำกัด (มหาชน)
แบบยืนยันความถูกต้องครบถ้วนของคำตอบแทนที่จ่ายให้แก่ผู้สอบบัญชี
รอบปีบัญชีสิ้นสุดวันที่ 31 ธันวาคม 2559

คำตอบแทนจากการสอบบัญชี (Audit fee)

รายการที่	ชื่อบริษัทผู้จ่าย	ชื่อผู้สอบบัญชี	ค่าสอบบัญชี*
1	บริษัท อลูคอน จำกัด (มหาชน)	นายบัณฑิต ตั้งภากรณ์ บริษัท เคพีเอ็มจี ภูมิภาค ไทย สอบบัญชี จำกัด	1,110,000
รวมคำตอบแทนจากการสอบบัญชี			1,110,000

ค่าบริการอื่น (Non-audit fee)

รายการที่	ชื่อบริษัทที่จ่าย	ประเภทของงานบริการอื่น (Non-audit service)	ผู้ให้บริการ	คำตอบแทนของงานบริการอื่น	
				ส่วนที่จ่ายไปใน ระหว่างปีบัญชี	ส่วนที่จะต้อง จ่ายในอนาคต
-	-	-	-	-	-
รวมคำตอบแทนจากการสอบบัญชี (Non-audit fee)				-	-

ข้อมูลข้างต้น

- ☒ ถูกต้องครบถ้วนแล้ว ทั้งนี้ ข้าพเจ้ายืนยันว่าไม่มีข้อมูลการให้บริการอื่นที่บริษัทและบริษัทย่อย
 จ่ายให้ข้าพเจ้า สำนักงานสอบบัญชีที่ข้าพเจ้าสังกัดและบุคคลหรือกิจการที่เกี่ยวข้องกับข้าพเจ้า
 และสำนักงานสอบบัญชีที่ข้าพเจ้าสังกัด ที่ข้าพเจ้าทราบและไม่มีเปิดเผยไว้ข้างต้น

- ☐ ไม่ถูกต้อง ไม่ครบถ้วน กล่าวคือ.....

เมื่อปรับปรุงข้อมูลข้างต้น (ถ้ามี) แล้ว ข้าพเจ้ายืนยันว่าข้อมูลทั้งหมดในแบบฟอร์มนี้แสดงคำตอบแทน
 สอบบัญชีและค่าบริการอื่นที่บริษัทและบริษัทย่อยจ่ายให้ข้าพเจ้า สำนักงานสอบบัญชีที่ข้าพเจ้าสังกัด
 และบุคคลหรือกิจการที่เกี่ยวข้องกับข้าพเจ้าและสำนักงานสอบบัญชีดังกล่าว ที่ถูกต้องครบถ้วน

ลงชื่อ.....


(นายบัณฑิต ตั้งภากรณ์)

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

Production, Deliveries and Sales

	2016	2015	2014	2013	2012
Production					
Tubes,Cans &Other containers					
Volume (piece-million)					
Total Production	795.96	786.45	781.51	773.17	745.78
Total Deliveries	786.03	784.68	776.68	776.25	744.22
Domestic	319.29	317.89	310.28	315.82	303.41
Exports	466.74	466.79	466.40	460.43	440.81
Aluminium Slugs					
Volume (Metric-ton)					
Total Production	37,669.00	35,183.00	33,907.40	29,113.30	26,147.30
Volume (Million Baht)					
Sales Revenue	6,051.75	5,769.87	5,625.47	5,027.29	4,813.62
Domestic	1,680.17	1,707.41	1,615.37	1,654.31	1,537.78
Exports	4,371.58	4,062.46	4,010.10	3,372.98	3,275.84



Review of Operating Results and Financial Status for 5 years

For Year 2012 - 2016

(MB)

	2016	2015	2014	2013	2012
<i>Operating</i>					
Gross Revenues	6,220.59	6,007.94	5,820.02	5,199.64	4,938.07
Sales	6,051.75	5,769.87	5,625.47	5,027.29	4,813.62
Other Income	162.48	182.37	189.27	145.32	122.03
Cost of Sales	4,564.01	4,711.24	4,566.78	4,040.05	3,841.08
Gross Profit	1,487.74	1,058.63	1,058.69	987.24	972.54
Sales and Administration Expenses	311.75	302.94	311.14	297.88	287.84
Financial Cost	11.66	25.50	26.27	28.51	31.68
Profit before taxation	1,333.17	968.26	915.83	833.19	777.48
Corporate Income Tax	263.36	193.20	165.11	153.95	177.13
Net Profit / (Loss)	1,069.81	775.07	750.73	679.24	600.35
Earnings per share (Baht)	24.76	17.94	17.38	15.72	13.90
Profit / (Loss) to Revenue	17.20%	12.90%	12.90%	13.06%	12.16%
Dividend	60.58%	55.74%	57.54%	50.89%	50.36%

Financial Status

Total Assets	6,478.76	6,584.55	6,849.20	6,107.81	5,293.96
Total Liabilities	1,350.77	2,081.67	2,680.98	2,344.71	1,907.71
Working Capital	1,625.74	753.70	240.95	166.70	424.43
Current ratio	2.94:1	1.47:1	1.11:1	1.09:1	1.29:1
Debt/ Equity ratio	0.26:1	0.46:1	0.64:1	0.62:1	0.56:1
Return on Equity	20.86%	17.21%	18%	18.1%	17.7%
Return on Assets	16.5%	11.8%	11%	11.1%	11.3%
Shareholders' Equity	5,127.99	4,502.88	4,168.22	3,763.10	3,386.25
Book Value/share (Baht)	118.70	104.23	96.49	87.11	78.39

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 2016 can be detailed as follows:

1. Environmental conservation

Alucon with a focus on the environment as much as in 2016, Alucon has implemented measures to monitor the environmental impacts by focusing on the followings:

1. soil quality
2. water quality
3. air quality
4. noise quality
5. Occupation health and safety standard
6. Community relationship
7. Distinguish of industry waste from production

Besides, Alucon always focuses 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. Alucon has set up 2 safety committees: Samrong and Sriracha to manage, administrate, check and monitor, suggest on any action to lead the safety for employee. These committees last in their position for 2 years.

Besides, Alucon has arranged the activities to campaign the safety to our employee throughout year 2016, 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. For 2016, there were 18 accidents occurred against 18 employees and stop working for 141 days.

Anti-Corruption Policy



As it is passed the resolution by the Board of Directors' Meeting No. 330 on 13th November 2014 and the Company has announced to join the Private Sector Collective Action Coalition against Corruption (CAC) on 18th December 2015.

Alucon conducts its business with fairness based on a philosophy that the Company shall demonstrate a keen sense to social responsibility and the best interests of its stakeholders in alignment with the principle of Business Ethics Guidelines.

To ensure that Alucon has a proper policy determining responsibility, guideline, and regulation as a tool to prevent corruption from all business transactions, Alucon has arranged a written guideline called 'Anti-Corruption Policy' in order to prudently make a decision on any course of action that could possibly lead to corruption and to serve as an apparent guideline in performing business and effectively developing to sustainability organization.

• Anti-Corruption Definition

Corruption means any types of bribery such as an offer, promise, guarantee, inquire, or acquisition on money, asset, or other inappropriate benefits from the government officers, government sectors, private sectors, or responsible person either in direct or indirect action so that such person could proceed or disregard his/her function in order to acquire, retain the business, recommend specific company to the entity, or achieve any improper benefits in business transaction. Exception shall be applied in case of laws, regulation, statement, standard, custom, or business traditions enable to do so.

• Anti-Corruption Policy

Director, Management Team, and Alucon staffs are prohibited from operating or accepting every type of corruption both in direct or indirect manner covering every business and related department in every country. The Anti-Corruption Policy is needed to be reviewed regularly, including with a possible revision of such policy and implementation provision in order to accord with business changes, regulation, standard, and laws.



วันต่อต้านคอร์รัปชัน 2559

กรรมสนอง



องค์กรต่อต้าน
คอร์รัปชัน
(ประเทศไทย)

ANTI-CORRUPTION
ORGANIZATION
OF THAILAND



วันต่อต้านคอร์รัปชัน 2559



CSR After Process

On year 2016, Alucon has arranged CSR activities under the campaign named "Fencing Our Community Surrounding with Happiness with Alucon" about 49 activities, of which there are 5,050 people to be participated with this activities, under the budget in amount of 2,610,627 Baht as detailed below.



Public Health Activities:

- Sponsoring the budget and supporting team on the project of Dental Health to Siracha College
- Blood donation to Thai Red Cross and Samutprakarn Hospital

Education Activities:

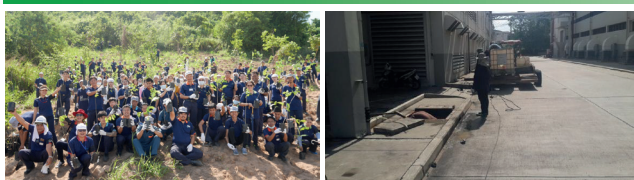
- Arranging the activities on Children Day to Montessori School and Borwin School
- Arranging the education tour for university students of Faculty of Arts and Architecture, of Rajamangkala University of Technology Lanna
- 288 Scholarships to Alucon employees' children
- Sponsoring on renovating the landscape by concreting the stone fence for Baan Bowin School
- Donation on 79 computers and its equipments to Association of Persons with Physical Disability International.



- Donation 1 ton of aluminium to Municipality of Samrong Nue to convert it for youth scholarship
- Renovating the toilets for Bann Pong Saked School
- Sponsoring the sport equipments for sport day of Suankularb Chonburi School

Community Activities:

- Giving the gifts to children at Baan Metta, Bangna, according to the Anti-corruption Policy
- Making merit on New Year Day and giving the gift to students of Montessori School
- Visiting and meeting with surrounding communities to hear their comments 11 times and supporting the
- Providing free internal space for selling the local products in number of 25 times
- Joining the Anti-Corruption Day with CAC



Environment Activities:

- Cleaning drain between Building No. 8 and 9 being connecting to community
- Growing up the 1,000 trees at Yang Deang Hill



ALUCON

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