



ANNUAL REPORT 2015

THE UNION MOSAIC INDUSTRY PUBLIC COMPANY LIMITED

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Message from Chairman of the Board of Directors

The world economy had not seen any improvement for 2015 and probably will not change much for 2016. The low oil price did not seem to have any effects on consumer spending. It did however improve our profit margins by lowering the production costs and cheaper transports. In order to prepare UMI for farther economic slowdown, we decided to streamlined UMI Group by selling off our holding in Royal Ceramic Industry Company at quite a substantial profit, and putting more efforts into T.T Ceramic Company, where we have a much larger stakes than, in Royal Ceramic Company.

Due to construction business at a standstill, UMI has to look for more income not from our core business but from other products that can complement our own. The key word for 2016 will not be so much of “profitability” but “sustainability” or simply putted “ride out the storm”. Because of this slowdown, we took the opportunity to improving our human resources and recruiting more key staffs to accommodate business expansion once the economy recovers. The senior management realized that a new generation of young and aggressive mid level staffs must formed the backbone of our future work force.

The first generation management will eventually have to take more passive role and let the next generation management prove their capabilities and hopefully lead UMI to even greater success.

A handwritten signature in black ink, consisting of several fluid, connected strokes.

Captain Seranee Phenjati

Chairman of the Board of Directors

Message from Chairman of the Executive Board of Directors



This is another challenging year in business administration amid the volatile global economic situation, which is affecting all sectors of the entrepreneur including the UMI group of companies. But with a business plan of versatility and flexibility as well as the cooperation of the employees and the executives that resulting in the company is able to overcome the uncertainties and also has continued to move forward in 2015. Although sales revenues of the Company will be reduced by 7 percent from last year due to economic uncertainty, but the Company still has the ability to make profits.

Throughout the past year, the UMI Group remains committed to develop a more stable business by focusing to grow in CLMV countries to support the opening of ASEAN Economic Community including developing the products with quality that meet the international standards. The UMI Group is currently a leading manufacturer and distributor of tiles in Thailand with products covered both ceramic tiles and porcelain tiles that meet the needs of users at all levels both domestic and abroad. In addition, the Company has also tried to find other business opportunities for diversification together with sustainable growth in the future.

In addition to the commitment to conduct the business, the Company also recognizes and gives priority to society and environment under the Code of Ethics and Guidelines for Good Corporate Governance. In the past year, the Company was awarded the "ESG 100 Certificate" from Thaipat Institute as one of the 100 listed companies with distinguished in business operation to sustainable development on Environmental, Social and Good governance: ESG in construction materials sector, which is one of the pride awards in conducting the business of the Company, adhering to the principles of good governance. The Company conducts business with integrity, transparency, and anti-corruption to provide the customers with maximum satisfaction and for the best interests of all stakeholders.

Finally, on behalf of the Union Mosaic Industry Public Company Limited, I appreciate the trust and confidence of our shareholders, customers and business partners for their kindly support the Company with good relationship all along and would like to thank all employees for their sacrifice dedicated body and mind to work to provide our customers with the best products and services. The Company promises to strive to create well quality products and hold on to corporate governance to having stability and sustainable growth.

A handwritten signature in black ink, reading "L. Paweena".

Miss. Paweena Laowiatwong

Chairman of the Executive Board of Directors

Vision

To be the manufacturer and distributor of the ceramic tiles and the related products, selected as the consumer's first choice, with strong sustainable sales growth.

Mission

1. To build the successful satisfaction for customers, shareholders, employees and the other stakeholders;
2. To maintain the average growth rate of at least not less than the industrial growth with continuous profit;
3. To develop new product and innovation continuously;
4. To focus continuously on developing personnel, product quality, and customer service.

Quality Policy

The company has set the determination to bring in; "the international management system to be applied in the organization, to continue developing and improving quality management system, as to successfully build customer satisfaction."

Report of the Audit Committee

The Audit Committee of the company consists of 3 persons, with Mrs. Nopparat Runguthaisiri as Chairman of Audit Committee, Mr. Krit Phunratanamala and Mr. Suporn Prasardvinitchai are Audit Committee, and each member of the committee is independent, non-executive or non-employee of the company.

In the year 2015, there are 6 Audit Committee's meetings and 3 meetings with the company external auditors without any participating from the executives of the company.

Summary of duties and tasks of the Audit Committee, which are carried out in the previous period is as follows:

The Audit Committee has examined the financial statement of the company as at December 31st, 2015 and for year end the same day, would like to make comment that the financial statement is correct, complete, reliable, and has been prepared in according to the general accepted accounting principles and is in according to the report of certified public accountant that has been submitted to shareholders and the Board of Directors of the company.

The Audit Committee has evaluated the internal control's result and has agreed that it is valid and appropriate.

The Audit Committee has not found any practice that; might violate the law of Securities and Exchange Commission, is not conformed to the terms of Stock Exchange of Thailand or any other law relating to the business of the company. Finally, there is no action contrary to the regulations and policies of the company.

The Audit Committee has verified the related transactions and has not found any transaction by shareholders, the Board of Directors, Executive, the authorized persons in control of the company or the related persons with the aforementioned persons, in addition that was indicated in the Annual Report of the company.

The Audit Committee is of the opinion that the certified public accountants from Karin Audit Co., Ltd Auditor are independent without giving any other service which is non-auditing to the company and performed their duties well for the accounting period ended December 31st, 2015, and would like to recommend that Mr. Jedsada Hangsapruk certified public accountant registration no. 3759; and/or Mr. Jirote Sirirorote certified public accountant registration no. 5113; and/or Ms. Nonglak Pattanabandith certified public accountant registration no. 4713 from Karin Audit Co., Ltd. to be appointed as auditor and preparing auditing report for financial statement of the company for the accounting period ended December 31st, 2016.

The Audit Committee has received the full cooperation from the Executive Board of Directors and the company's employees and that the performance of the company as a whole to be accurate and appropriate.



(Mrs. Nopparat Runguthaisiri)

Chairman of Audit Committee

February 24th, 2016

Report of Board of Directors' Responsibilities for the Financial Statements

According to section 112, 113 and 114 of the Public Company Act B.E. 2535, Board of Directors of the Union Mosaic Industry Public Company Limited has arranged for preparing 2015 Annual Report including financial statements to indicate financial situation and operation result of the previous year of the company and its subsidiaries.

The Board of Directors would like to assure that these financial statements have been prepared with the complete and correct information in accounting and comply with general accepted accounting principles. The company has also employed appropriate accounting policies applied on consistent basis. These financial statements were made with careful and reasonable consideration, which has been audited by certified auditor and verified by the Audit Committee.

On behalf of Board of Directors of the company



Captain Seranee Phenjati
Chairman of the Board of Directors



Miss. Paweena Laowiwatwong
President

1. General Information

Name	: The Union Mosaic Industry Public Company Limited		
Registration Number	: 0107537000777		
Head Office Location	: 65 Chamnan Phenjati Business Center Building, 29 th Floor Rama 9 th Road, Huaykwang Sub-district, Huaykwang District, Bangkok 10320 Tel. 0-2248-7007 Fax: 0-2248-7005-6 Website: www.umi-tiles.com		
Type of Business	: Manufacturing and Distributing of - Mosaic Tiles “UMI” - Ceramic Floor Tiles “DURAGRES” - Ceramic Wall Tiles “DURAGRES LILA”		
Factory Location	: 1 st Site at 54/1 Suwanasorn Road, Tumbon Kokeyae, Nongkhae District, Saraburi 18230 Tel. (036) 387169-171 Fax: (036) 387177 : 2 nd Site at 54 Moo 1, Leab Khlong Rapeepat Road, Tumbon Phaitum, Nongkhae District, Saraburi 18230 Tel. (036) 263840 Fax: (036) 263843 Total Capacity 78,000 Square Meter per Day		
Registered Capital as at December 31 st , 2015	836,504,795.00	Baht	
Issued and Paid-up Capital	836,504,741.00	Baht	
Number of Ordinary Shares	836,504,741.00	Shares	
Par Value per Share	1.00	Baht	

Juristic Entities That the Company Has Hold More Than 10 Percent of Its Stocks

1. T.T. Ceramic Public Co., Ltd.

Location : 136 Moo13, Tumbon Kokeyae, Nongkhae Distric, Saraburi 18230

Tel. (036)305977-8 Fax: (036)305128

Type of Business : Manufacturing and distributing ceramic tiles

Holding in percent 66.58 %

Paid-up share capital 600,808,896 Baht

2. Royal Ceramic Industry Public Co., Ltd.

Location : 65/225 Chamnan Phenjati Business Center 27th Fl., Rama 9th Rd., Huaykwang, Bangkok 10320

Tel. 02-643-0222, 02-643-0753 Fax: 02-643-0948-9

Type of Business : Manufacturing and distributing ceramic tiles

Holding in percent 10.60%

Paid-up share capital 462,629,524 Baht

3. Cermas Co., Ltd.

Location : 65/224 Chamnan Phenjati Business Center 27th Fl., Rama 9th Rd., Huaykwang, Bangkok 10320

Tel. 0-2248-7060-3 Fax: 0-2248-7064

Type of Business : Supplier of domestic raw materials consisting of clays, feldspars, and quartz.

Holding in percent 24.90 %

Paid-up share capital 21,000,000 Baht

4. UMI Property Co., Ltd.

Location : 65/233 Chamnan Phenjati Business Center 30th Fl., Rama 9th Rd., Huaykwang, Bangkok 10320

Tel. 0-2246-7634-6, 0-2247-7090-4 Fax: 0-2247-7346

Type of Business : Real estate.

Holding in percent 37.57 %

Paid-up share capital 150,000,000 Baht

5. Ruampat Ceramic Co., Ltd.

Location : 65/224 Chamnan Phenjati Business Center 27th Fl., Rama 9th Rd., Huaykwang, Bangkok
Tel. 0-2248-7007 Fax: 0-2248-7007 -523 10320

Type of Business : An agent for distributing of ceramics product.

Holding in percent 49.00 %

Paid-up share capital 20,000,000 Baht

6. Duragres Co.,Ltd (Previous Name : UMI International Co., Ltd.)

Location : 65/224 Chamnan Phenjati Business Center, Rama 9th Rd., Huaykwang, Bangkok 10320
Tel. 0-2248-70007

Type of Business : Direct sales.

Holding in percent 40.00 %

Paid-up share capital 25,000,000 Baht

7. Tekno Cer S.R.L.CO., Ltd.

Location : Sede Legale: Piazza Manzoni, 4/1 In Liquidazione 41100 Modena-Italy

Type of Business : Supplier of raw materials and machineries.

Holding in percent 45.00 %

Paid-up share capital 20,000,000 Lira

8. Surf Dynamics Co., Ltd.

Location : 66/2 Soi Sukhumwit 2 Sukhumwit Rd., Khlong Toei Sub-District, Khlong Toei District,
Bangkok 10110
Tel. 0-2656-7891

Type of Business : Manufacturing of water sport equipments.

Holding in percent 14.28 %

Paid-up share capital 14,000,000 Baht

Share Register

Thailand Securities Depository Co., Ltd.
1st Floor, the Stock Exchange of Thailand Building
93 Ratchadapisek Road, Dindaeng, Bangkok 10400
Tel. 0-2009-9000
Fax: 0-2009-9991

Auditors for the Year 2015

Name Mr. Jirote Sirirorote C.P.A. No. 5113; and/or
Name Ms. Nonglak Pattanabandith C.P.A. No. 4713
Auditing Firm: Karin Audit Co., Ltd
6th Floor, Room Number B1, Boonmitr Building
138 Silom Road, Bangrak, Bangkok 10500
Tel: 0-2634-2484-6 Fax: 0-2634-2668

Legal Advisor

The Union Mosaic Industry Public Company Limited has its own legal department.

2. Financial Summary

Financial and Operation Results		2015	2014	2013	2012	2011
Total Assets	(Million Baht)	3,917	5,509	4,756	4,655	2,374
Total Liabilities	(Million Baht)	2,103	3,085	2,881	2,598	1,021
Shareholders' Equity	(Million Baht)	1,814	2,424	1,875	2,057	1,354
Total Revenues	(Million Baht)	3,739	4,213	3,736	3,288	2,703
Gross Profit	(Million Baht)	694	715	647	678	547
Net Profit (Loss)	(Million Baht)	(190)	(72)	28	657	114
Key Financial Ratios						
Number of Shares	(Million Baht)	837	837	836	478	478
Net Profit Margin	(%)	(5.09)	(1.72)	0.75	19.98	4.22
Return on Equity	(%)	(10.49)	(2.99)	1.49	31.94	8.42
Return on Total Assets	(%)	(4.86)	(1.31)	0.59	14.11	4.80
Debt to Equity Ratio	(เท่า)	1.16	1.27	1.54	1.26	0.75
Book Value per Share	(บาท)	2.17	2.90	2.24	4.30	2.83
Net Profit (Loss) per Share	(บาท)	(0.23)	0.04	0.04	1.37	0.24

3. Business Structure

The Union Mosaic Industry Public Company Limited has operated its business in manufacturing and distributing the followings:

1. **“UMI”** mosaic tiles, the Company has already ceased the production of mosaic tiles. At present, this kind of tiles is bought for selling.
2. **“DURAGRES”** ceramic floor tiles, accounted for about 77% of UMI’s total production.
3. **“DURAGRES LILA”** ceramic wall tiles, accounted for about 23% of UMI’s total production.
4. Porcelain floor tiles, the Company have bought this kind of tiles for selling.

Moreover, the Company has also imported some models of products from abroad for distribution and has made the joint investment in two of the companies that manufacture ceramic floor tiles and ceramic wall tiles, which are T.T. Ceramic Public Co., Ltd. And The Royal Ceramic Industry Public Co., Ltd. with the investment rate at 66.58 percent and 10.60 percent of the paid up capital accordingly.

At present, average ceramic tiles consumption in domestic market is only about 2-3 square meters per head per year. There is an opportunity that this market growth rate can go up a lot as compare with many developed countries, which ceramic tiles consumption is 2-4 times higher than Thailand. As ceramics tiles products are very suitable to tropical climate of hot and muggy weather as Thailand. Therefore in the future, the demand in quantity still has a chance to increase more.

Subsidiaries

1. UMI Property Co., Ltd. has operated in real estate and property businesses. At present, the company has managed Chamnan Phenjati Business Center by selling and leasing office space.
2. Ruampat Ceramic Co., Ltd. is a trading company of ceramic tiles and other related products. At present, Ruampat Ceramic Co., Ltd. has acted as a distributor of ceramic tile for UMI and sells the other related products.
3. Cermas Co., Ltd. has run its business in selling mineral and soil which are used as raw material for manufacturing of ceramic tiles, with majority of its sales to UMI.
4. T.T. Ceramic Public Co., Ltd. has run its business in manufacturing and distributing Porcelain tiles.

Income Structure of UMI's Group of Companies for the Past 3 Years

Product and Service	No.of Share	Revenues	2015 (MB)	%	2014 (MB)	%	2013 (MB)	%
The Union Mosaic Industry Public Co.,Ltd. Manufacturer of glazed mosaic, floor and wall tiles		Sale	2,298	97.58	2,425	93.96	2,870	96.45
		Others	57	2.42	156	6.04	106	3.55
		Total	2,355	100.00	2,581	100.00	2,976	100
		% to Total Revenues		61.62		59.04		69.93
UMI Property Co.,Ltd. Property Business	37.57%	Sale	35	96.16	30	97.80	31	97.43
		Others	1	3.84	1	2.20	0.81	2.57
		Total	36	100	31	100	32	100
		% to Total Revenues		0.94		0.70		0.74
Ruampat Ceramic Co.,Ltd. Distributor of ceramic tiles and others	49.00%	Sale	247	99.99	288	99.89	354	99.90
		Others	0.02	0.01	0.31	0.11	0.35	0.10
		Total	247	100	288	100	355	100
		% to Total Revenues		6.48		6.58		8.33
Cermas Co.,Ltd. Selling mineral and soil that used in ceramic tiles production.	24.90%	Sale	46	99.61	48	100.00	152	99.63
		Others	0.18	0.39	0.00	0.00	0.57	0.37
		Total	46	100	48	100	153	100
		% to Total Revenues		1.21		1.10		3.59
TT Ceramic Co.,Ltd. Manufacturer of Ceramic,floor and wall tiles	66.58%	Sale	376	95.19	524	99.81	719	97.03
		Others	19	4.81	1	0.19	22	2.97
		Total	395	100	525	100	741	100
		% to Total Revenues		10.34		12.01		17.41
Royal Ceramic Industry Public Co., Ltd. Manufacturing and distributing ceramic tiles	66.58%	Sale	737	99.33	899	100.00	0	-
		Others	5	0.67	0	0.00	0	-
		Total	742	100	899	100.00	0	-
		% to Total Revenues		19.42		20.57		-
		Total Revenues	3,822	100	4,371	100	4,255	100
Increase (decrease) in income (Percent)			-13%		3%		6%	

4. Risk factors

Risk from Quality of Raw Materials

Main raw materials that use to produce body of tile are mineral and soil, which its properties may be varied according to environmental situation, as the result it will affect the quality of the finished products. Therefore, the company has given precedence to quality control on raw materials throughout the process starting from acquiring the materials until entering into the production process.

Risk from Out-dated Design

As floor and wall tiles have started to become more fashionable products and the demand on new designs is varied according to popularity during each period of time in the market, the ability to launch new design products has to meet the customer demand is crucial. In order to minimize risk from out-dated design, the Company has paid high attention on market research and trend analysis on design that customer require by stressing the improvement in development of new products to be on time to meet the customer demand. Moreover, the company has set up new product development team, which members have passed thru the academic training and studying program from aboard, to keep updating on technology and market trend as guide line in developing the company's new products.

Financial risk

The company has debt by borrowing money from some financial institutions, which most of the Company's interest rate are floating interest rate and this will directly affect the company's finance cost. As a result, the Company has to pay a lot of attention to cash flow management in order to have sufficient cash for the company's normal operation and long-term liabilities payment.

Energy cost risk

One of the main production costs is energy cost especially natural gas. Trend of natural gas price has been increase which shall affect the company's production cost. However, the company has continued to improve the production process including machinery in order to maximize the efficiency of energy usage, and finally, to decrease the impact on the company's production cost factors.

Risk from controlling influence by groups of majority shareholders

The Company has 3 majority groups of shareholders consisting of Phenjati group, Laowiwatwong group and Tantranont group with combined of shareholding proportion at 46 percent of total shares and these 3 majority groups of shareholders have 5 directors from total of 11 directors of the Company, which there might be risk in form of controlling business and having the problem to guard against the rights of minority shareholders. However, the Company has set policy to improve the said problem in accordance with principle of transparency and good corporate governance as the Company has strictly conducted on the rights of shareholders and to treat all shareholders equally. Based on the assessment of corporate governance by Thai Institute of Directors (IOD), the Company always gets excellent mark on these 2 categories on all occasions (score higher than 90 percent). In addition, on the matter of arranging to set the Annual General Meeting of Shareholders the Company also gets full mark of 100 percent for many consecutive years on the quality assessment of organizing the Annual General Meeting of Shareholders by Thai Investors Association.

5. Shareholding Structure and Management

5.1 Shareholding

List of the first 10 largest shareholders as of December 30th, 2015

No.	Name of Shareholders	No. of Shares (Shares)	% as of total shares	Note
1.	Captain Seranee Phenjati	75,514,250	9.027	
	Mrs. Punchalee Phenjiti	63,000	0.008	Spouse of person no.1
	Chamnan Co., Ltd.	39,060,000	4.669	Person no.1 holds shares more than 30%
2.	Mrs. Nongnart Phenjati	67,987,150	8.127	
3.	Mrs. Nipanan Tantranont	58,783,200	7.027	
	Mr. Voravat Tantranont	1,898,750	0.227	Spouse of person no.3
	Chammanard LP	7,140,000	0.854	Person no. 3 is Partnership Manager
4.	Miss. Paweena Laowiwatwong	52,743,600	6.305	
5.	Mr. Natchana Phenjati	34,147,000	4.082	
6.	Miss. Sunee Anantaprakorn	27,250,000	3.258	
7.	Mrs. Kanishtha Makdounghien	21,670,125	2.591	
8.	Mr. Sin Laowiwatwong	21,071,400	2.519	
9.	Miss. Peerapan Laowiwatwong	18,879,000	2.257	
10.	Mr. Methawee Laowiwatwong	18,795,000	2.247	

Note: Paid-up registered capital totally 836,504,741 Baht

5.2 Management

5.2.1 Structure of the Company Management

5.2.1.1 The Board of Directors

The Board of Directors of the company consists of 11 members, which 4 members are independent directors and are not less than one-third of total amount of directors according to Securities and Exchange Commission (SEC) requirement. In performing their duty, the Board of Directors has to be abided by law, under the company's regulations and objectives including the resolution made at the shareholders' meeting.

Qualification of Independent Directors

- (1) Any independent Director must also meet the following requirement holding shares in total not more than 1 percent of all shares that have right to vote in the company, holding company, subsidiary company, associated company, the major shareholder or the authority in control of the company, which shall be inclusive of shares held by his/her related persons.
- (2) Does not be or ever be the executive director, worker, employee or adviser that receive the regular salary or the authority in control of the company, holding company, subsidiary company, associated company, subsidiary company at same level, the major shareholder or the authority in control of the company, except disconnecting from such matter at least 2 years prior to the appointment date. Moreover, the aforementioned prohibit characteristics shall not include the case that independent director, who used to be government officer or advisor of government office that is the major shareholder or the authority in control of the company.
- (3) Does not be a person that has the lineage relation or by registering according to law in the form that is parents, spouse, relatives, and a child: including the spouse of a child of the executive, major shareholders, the authority in control, or a candidate, who will be nominated to be the executive or the authority in control of the company or subsidiary company.
- (4) Does not have or ever have any business relation with the company, holding company, subsidiary company, associated company, the major shareholder or the authority in control of the company in the form the might interfere with the independent decision of each director, including does not ever be the significant shareholder or the authority in control of the company, who have business relation with the company, holding company, subsidiary company, associated company, the major shareholder or the authority in control of the company, except that this person has already been disconnected from the aforementioned characteristics exceeding two years; before the appointed date. The business relation according to the 1st paragraph, include trading transactions that is normally done for engaging in renting business of immovable property, any transactions about the assets or services, or giving or receiving financial assistance by borrowing or lending loan, putting up collateral security, putting up assets as principle as principle assets in debt guarantees, including any same behaviors, which cause the company or, its parties to be responsible to pay debt for the other parties up from three percent of the net tangible assets or from twenty million Baht going up, depend on which amounts are lower. For the aforementioned calculation of debt, it has to be calculated according to the method of value calculation of items that are related according to the Notice of the Securities and Exchange Commission (SEC) about the criterions in handling the compliant connected transactions. But in considering the aforementioned debt, it only counted the debt that was occurred during one year before the date of having connected transaction with the same person.

- (5) Does not be or ever be the auditor of the company, holding company, subsidiary company, associated company, the major shareholder or the authority in control of the company and does not be a significant shareholder, the authority in control, or partner of an auditing firm, which is the auditor of the company, holding company, subsidiary company, associated company, the major shareholder or the authority in control of the company, except the aforementioned characteristics has already been disconnected exceeding two years before the elected date.
- (6) Does not be or ever be the person who provides any professional services, which include the service as legal adviser or financial adviser that receive fee exceeding 2 million Baht a year from the company, holding company, subsidiary company, associated company, the major shareholder or the authority in control of the company, and does not be the significant shareholder, the authority in control or partner of the person who provides any professional services. Except the aforementioned characteristics has already been disconnected exceeding two years before the elected date.
- (7) Does not be director, who has been appointed to be the representative of the company's directors, major shareholders, or shareholders who relate to the major shareholders of the company
- (8) Does not operate the same type of business as to be significantly competed with the business of the company or subsidiary company or does not be significant in partnership or is director, who participate in administrating, employee , advisor, who receive regular monthly salary or holds shares more 1 percent of amount of all shares that have right to vote of the other company that operates in the same business type and significantly compete with the business of the company or subsidiary company.
- (9) Does not have any characteristics that shall not make any free opinion about operation of the company.
After being appointed as an independent director, who have already had the characteristics in line with clause (1) – clause (9), this independent director might receive an assignment from Board of Directors, in making decision in the operation of the company, holding company, subsidiary company, associated company, subsidiary company at same lever, the major shareholder or the authority in control of the company, by being able to have the decision making in the form of the committee (collective decision).

Qualification of Audit Committee

- (1) Be appointed from Board of Directors or the company shareholders' meeting to be audit committee.
- (2) Be independent director, who is in line with the requirement that is specified by the Securities and Exchange Commission and must have the following characteristics:
 - (A) Does not be director, who receive an assignment from Board of Directors, in deciding in operation of the company, holding company, subsidiary company, associated company, subsidiary company at the same level, the major shareholder or the authority in control of the company and;
 - (B) Does not be director of holding company, subsidiary company, or subsidiary company at same level, particularly a listed company.
- (3) Have duties at the same characteristics that are specified in the Notice of Stock Exchange of Thailand about the qualification and scope of work of audit committee.
- (4) Have enough knowledge and experience to perform the duty as audit committee, and must have at least one audit committee, who has enough knowledge and experience to perform his/her duty in auditing the reliability of the financial statement.

The Board of Director's Name as follows

(As of December 31th, 2015)

1. Captain Seranee Phenjati

Position Chairman of the Board of Directors (appointed as director on March 9th, 1994)

Date of Birth November 24th, 1955 Age: 60 years old

Education Background - Bachelor of Sciences in Business Administration, Boston University, USA
- Master of Science in Monetary Economics Northeastern University, USA

Experience - Army Officer Attached to Directorate of the Joint Intelligence,
Supreme Command Headquarter
- Treasurer: The Union Bank of Bangkok
- Assistance to Managing Director: The Union Bank of Bangkok

Number of Shares: Self-own shares at 75,514,250 shares (9.027% of total shares with no trading during the year)

Hold by related persons at 39,123,000 shares (4.667% of total shares with no trading during the year)

Total at 114,637,250 shares (13.704% of total shares)

Training course in role and duty of directors: None

Developing and training during the past year to enhance knowledge on working as director: None

No. attended meeting/ No. total meeting: 4/4

Other Position at Present

Listed Companies: None

Unlisted Companies: - President, UMI Property Co., Ltd
- Director, T.N. Co., Ltd

2. Miss Paweena Laowiwatwong

Position	Chairman of the Executive Board of Directors (appointed as director on March 9 th , 1994)
Date of Birth	June 22 nd , 1946 Age: 69 years old
Education Background	- Bachelor in Accountancy (Costing), Chulalongkorn University - Master of Business Administration (Major: Cost Accounting), Chulalongkorn University
Experience	- Accountant, Bangkok Cigar Co., Ltd - Accountant, the Union Mosaic Industry Public Co., Ltd - Vice President, the Union Mosaic Industry Public Co., Ltd

Number of Shares: Self-own shares at 52,743,600 shares (6.305% of total shares with no trading during the year)

 No shares hold by related persons (no trading during the year)

 Total at 52,743,600 shares (6.305% of total shares)

Training course in role and duty of directors: DAP From Thai Institute of Directors Association (IOD)

Developing and training during the past year to enhance knowledge on working as director: None

No. attended meeting/ No. total meeting: 4/4

Other Position at Present

Listed Companies:	- Chairman of Board of Directors, the Royal Ceramic Industry Public Co., Ltd.
Unlisted Companies:	- Directors, Cermas Co., Ltd - Chairman of the Board of Directors, Siam Art Ceramic Co., Ltd - Chairman of the Board of Directors, Ruampat Ceramic Co., Ltd - President, T.N. Co., Ltd - Director, UMI Property Co., Ltd - Director, Surf Dynamics Co., Ltd - Chairman of the Board of Directors, T.T. Ceramic Public Co., Ltd

3. Mr. Suporn Prasardvinitchai

Position Audit Committee / Independent Director (appointed as director on April 23rd, 2003)

Date of Birth November 24th, 1936 Age: 79 years old

Education Background - Bachelor of Laws,
 Thammasat University

 - Barrister-at-Law, Institution of Legal Education Thai Bar Association

Experience - Director General of Department of Thonburi Criminal Litigation

 - Qualified Public Prosecutor Commissioner in Public Prosecutor Commission Office of the
 Attorney General

 - Honorary Advisor and Vice Chairman of Committee on Independent
 Body Affair Group, Senate

Number of Shares: No self-own shares (no trading during the year)

 No shares hold by related persons (no trading during the year)

Training course in role and duty of directors: DAP From Thai Institute of Directors Association (IOD)

Developing and training during the past year to enhance knowledge on working as director: None

No. attended meeting/ No. total meeting: 4/4

Other Position at Present

Listed Companies: None

Unlisted Companies: None

4. Mrs. Nopparat Runguthaisiri

Position Chairman of Audit Committee /Independent Director
 (appointed as Chairman of Audit Committee on April 28th, 2006)

Date of Birth June 25th, 1951 Age: 64 years old

Education Background - B.S. (Statistics), Chulalongkorn University

 - Master of Science (Statistics), Texas A&M University, USA

Experience - Senior Chair Researcher, Chulalongkorn University Research Center

 - Faculty Staff (retired), Faculty of Commerce and Accountancy,
 Chulalongkorn University

Number of Shares: No self-own shares (no trading during the year)

 No shares hold by related persons (no trading during the year)

Training course in role and duty of directors: DAP From Thai Institute of Directors Association (IOD)

Developing and training during the past year to enhance knowledge on working as director: None

No. attended meeting/ No. total meeting: 4/4

Other Position at Present

Listed Companies: None

Unlisted Companies: - Director, Entire Hygiene Co., Ltd

5. Mr. Sivaporn Dardarananda

Position Independent Director (appointed as director on April 23th, 2004)

Date of Birth February 2nd, 1947 Age: 68 years old

Education Background - MBA in International Business and Finance,
The Wharton School of the University of Pennsylvania, Pennsylvania, USA

Experience - President, TISCO
- Advisor for Governor of Bank of Thailand
- Vice Chairman, Corporate Debt Restructuring Advisory Committee (CDARC)

Number of Shares: No self-own shares (no trading during the year)
No shares hold by related persons (no trading during the year)

Training course in role and duty of directors: DAP and the Role of Chairman from Thai Institute of Directors Association (IOD)

Developing and training during the past year to enhance knowledge on working as director: None

No. attended meeting/ No. total meeting: 3/4

Other Position at Present

Listed Companies: None

Unlisted Companies: - Director, Dole Thailand Co., Ltd

6. Mrs. Nipanan Tantranont

Position Director (appointed as director on March 9th, 1994)

Date of Birth April 25th, 1960 Age: 55 years old

Education Background - Bachelor of Laws, Chulalongkorn University
- Barrister-at-Law, Institution of Legal Education Thai Bar Association
- Master of Public Administration, Saint Louis University, St. Louis, MO, USA

Experience None

Number of Shares: Self-own shares at 58,783,200 shares (7.027% of total shares with no trading during the year)
Hold by related persons at 9,038,750 shares (1.081% of total shares with no trading during the year)
Total at 67,821,950 shares (8.108% of total shares)

Training course in role and duty of directors: DAP From Thai Institute of Directors Association (IOD)

Developing and training during the past year to enhance knowledge on working as director: None

No. attended meeting/ No. total meeting: 3/4

Other Position at Present

Listed Companies: None

Unlisted Companies: - Director, UMI Property Co., Ltd
- Director, T.N. Co., Ltd
- Managing Partnership, Chammanard Ltd., Part

7. Mr. Voravat Tantranont

Position	Executive Vice President /Director (appointed as director on April 28 th , 2006)
Date of Birth	January 10 th , 1959 Age: 56 years old
Education Background	- Bachelor of Laws, Chulalongkorn University - Barrister-at-Law, Institution of Legal Education Thai Bar Association - MBA, Saint Louis University, St. Louis, MO, USA
Experience	- Managing Director, Tantraphan Department Store (Chiangmai)
Number of Shares: Self-own shares at 1,898,750 shares (0.227% of total shares with no trading during the year)	
	Hold by related persons at 65,923,200 shares (7.881% of total shares with no trading during the year)
	Total at 67,821,950 shares (8.108% of total shares)
Training course in role and duty of directors: DAP From Thai Institute of Directors Association (IOD)	
Developing and training during the past year to enhance knowledge on working as director: None	
No. attended meeting/ No. total meeting: 4/4	
Other Position at Present	
Listed Companies:	- None
Unlisted Companies:	- Director, Choice Mini-Store Co., Ltd - Director, CR Chiang Mai (Thailand) Co., Ltd - Director, Tantraphan Supermarket (1994) Co., Ltd - Director, T.T. Ceramic Public Co., Ltd - Director, FN Factory Outlet Co., Ltd. - Director, Choice Training Co., Ltd.

8. Mr. Methawee Laowiwatwong

Position	Executive Director (appointed as director on March 9 th , 1994)
Date of Birth	October 10 th , 1948 Age: 67 years old
Education Background	- Professional Certificate, Panichayakarn Pranakorn College - Mini-MBA, Thammasat University - Bachelor of Thai Traditional Medicine, Ramkhamhaeng University.
Experience	- An Expert in International Marine Service and Transport and Invited Lecturer to give lecture on the topic about Marine Transportation to various government agencies -To consult and be Special Adviser to various universities instructors on the subject of International Transportation Administration

Number of Shares: Self-own shares at 18,795,000 shares (2.247% of total shares with no trading during the year)

No shares hold by related persons (no trading during the year)

Total at 18,795,000 shares (2.247% of total shares)

Training course in role and duty of directors: DAP From Thai Institute of Directors Association (IOD)

Developing and training during the past year to enhance knowledge on working as director: None

No. attended meeting/ No. total meeting: 4/4

Other Position at Present

Listed Companies:	None
Unlisted Companies:	- Director, P.K.R. Group Co., Ltd - Director, T.N. Co., Ltd - Director, C.E.X. Transport Co., Ltd - Director, Chiew Charn Chai Kha Mai Co., Ltd - Director, Transmic Co., Ltd - Director, Cermas Co., Ltd

9. Mr. Krit Phunratnamala

Position Audit Committee, Independent Director (appointed as director on April 28th, 2006)

Date of Birth June 19th, 1968 Age: 47 years old

Education Background - Bachelor of Engineering, Chulalongkorn University
 - Master of Engineering, Imperial College, London
 - MBA, University of Florida, USA

Experience - Managing Director, Thai Prosperity Advisory Co., Ltd

Number of Shares: No self-own shares (no trading during the year)

No shares hold by related persons (no trading during the year)

Training course in role and duty of directors: DCP From Thai Institute of Directors Association (IOD)

Certificate of Completion the Advanced Audit Committee
 Programs from Thai Institute of Directors Association (IOD)

Developing and training during the past year to enhance knowledge on working as director: None

No. attended meeting/ No. total meeting: 4/4

Other Position at Present

Listed Companies: - Director, Diamond Building Products Public Co., Ltd.
 - Independent Director and Audit Committee, Group Lease Public Co., Ltd

Unlisted Companies: - None

10. Mr. Marut Mangklabruks

Position Executive Director (appointed as director on April 23rd, 2004)

Date of Birth October 9th, 1944 Age: 71 years old

Education Background - Bachelor of Engineering, Chulalongkorn University
 - Advanced Management Program Graduate School of Business, Harvard University, USA

Experience - The Siam Cement Public Company Limited

Number of Shares: No self-own shares (no trading during the year)

No shares hold by related persons (no trading during the year)

Training course in role and duty of directors: DAP From Thai Institute of Directors Association (IOD)

Developing and training during the past year to enhance knowledge on working as director: None

No. attended meeting/ No. total meeting: 4/4

Other Position at Present

Listed Companies: - None

Unlisted Companies: - Chairman of the Board of Directors, Cermas Co., Ltd
 - Director, T.T. Ceramic Public Co., Ltd

11. Mr. Somboon Uranukul

Position	Executive Director (appointed as director on April 29 th , 2015)
Date of Birth	December 12 th , 1960 Age: 55 years old
Education Background	- B.E. in Mechanical Engineering, King Mongkut's University of Technology, Thonburi (KMUTT) - Master of Industrial Engineering and Management, Asian Institute of Technology (AIT)
Experience	- The Siam Cement Public Company Limited
Number of Shares: No self-own shares (no trading during the year)	
	No shares hold by related persons (no trading during the year)
Training course in role and duty of directors: DAP From Thai Institute of Directors Association (IOD)	
Developing and training during the past year to enhance knowledge on working as director: None	
No. attended meeting/ No. total meeting: 3/3	
Other Position at Present	
Listed Companies:	- Chief Executive Officer, the Royal Ceramic Industry PLC
Unlisted Companies:	- Chairman of the Board of Directors / Managing Director, The Royal Asia Brick and Tiles Co., Ltd - Director, T.T. Ceramic Public Co., Ltd

Remark: - All Board of Directors can be authorized director to sign, as any two of Directors shall co-signed and stamped with the company seal.

- No independent director who has business relation or provide professional service with the company, holding company, subsidiary company, associated company, or juristic person who may have potential conflict with its value is more than that is specified in the qualifications of independent director.

Scope, Authority, Role and Duty of Board of Directors of the Company as follows:

- (1) To set up policy and direction for the operation of the company including supervising and controlling. To look after management team to make sure that the operation shall be carrying out, in according to the specified policy with efficiency and effectiveness. To maximize value added economics for business and profit of shareholders.
- (2) To be responsible for implementing duty and role in according to the law, objective and regulation of the company including the resolution of shareholders' meeting with loyalty, honesty and carefulness. To keep the company's benefit including consistency responsible for the shareholders.
- (3) To keep on monitoring the operation and performance of management team regularly as to get the effectiveness in operating the company business.
- (4) To operate so that the company has internal audit measurement to make sure that there is efficient internal audit system including risk management and reliable financial report.
- (5) To check and to audit so that there is no conflict of interest and non-conformity action between related person.

The company has also supported every director to get training, building, and developing knowledge and skill in taking the position of Directors. In addition, every new director will be provided with training to get the important and related information.

5.2.1.2 Subcommittee

The Board of Directors has appointed subcommittee to assist in monitoring the operation of the company as follows:

1) The audit committee

The audit committee consists of at least 3 independent members and at least 1 person shall have enough knowledge in accounting and finance to audit the validity of financial statement. The audit committee meeting should be least 1 time per quarter and joined meeting with the company audit shall be least once a year without participating from management team.

The audit committee names are as follows:

No.	Name	Position	No. of Attending Meeting/ No. of Total Meeting
1.	Mrs. Nopparat Runguthaisiri	Chairman of Audit Committee	6/6
2.	Mr. Suporn Prasandvinitchai	Audit Committee	6/6
3.	Mr. Krit Phunratanamala	Audit Committee	6/6

Mr. Krit Phanratanamala is the person, who has knowledge and experience in auditing financial statement. In 2015, the Audit committee has held the joined meeting with the company's auditors 3 times during the year. If necessary, the audit committee shall consult with the independent advisors from outside and the expenses will be paid by the company.

Term of staying in the position: Audit Committee term of staying in the position is 3 years.

Scope, Authority, Role and Duty of the Audit Committee are as the following:

- (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 that they are suitable and efficient, to determine an internal audit unit's independence, as well as to approve the appointment, transfer and dismissal of the chief of an internal audit unit or any other unit in charge of an internal audit;
- (3) To review the company's compliance with the law on securities and stock exchange, the Exchange's regulations, and the laws relating to the company's business;
- (4) To consider, select and nominate an independent person to be the company's auditor, and to propose such person's remuneration, as well as to attend a non-management meeting with an auditor at least once a year;
- (5) To review the connected transactions, or the transactions that may lead to conflicts of interests, to ensure that they are in compliance with the laws and the Exchange's regulations, and are reasonable and for the highest benefit of the company;
- (6) To prepare, and to disclose in the company's annual report, an audit committee's report which must be signed by the audit committee's chairman and consist of at least the following information:
 - (a) An opinion on the accuracy, completeness and creditability of the company's financial report,
 - (b) An opinion on the adequacy of the company's internal control system,
 - (c) An opinion on the compliance with the law on securities and exchange, the Exchange's regulations, or the laws relating to the company's business,
 - (d) An opinion on the suitability of an auditor and nominate auditor,
 - (e) An opinion of the transactions that may lead to conflicts of interests,
 - (f) The number of the audit committee meetings, and the attendance of such meetings by each committee member,
 - (g) An opinion or overview comment received by the audit committee from its performance of duties in accordance with the charter; and
 - (h) Other transaction which, according to the audit committee's opinion, should be known to the shareholders and general investors, subject to the scope of duties and responsibilities assigned by the company's board of director;
- (7) To perform any other act as assigned by the company's board of directors; with the approval of the audit committee.

5.2.1.3 Profile of executive and administrative officers (As of December 31th, 2015)

1. Miss Paweena Laowiwatwong

Position	Chairman of the Executive Board of Directors and President
Date of Birth	June 22 nd , 1946
Education Background	- Bachelor in Accountancy (Costing), Chulalongkorn University - Master of Business Administration (Major: Cost Accounting), Chulalongkorn University
Number of Shares: Self-own shares	at 52,743,600 shares (6.305% of total shares with no trading during the year)
	No shares hold by related persons (no trading during the year)
	Total at 52,743,600 shares (6.305% of total shares)
Position in Other Company	- Chairman of Board of Directors, the Royal Ceramic Industry Public Co., Ltd - Directors, Cermas Co., Ltd - Chairman of the Board of Directors, T.T. Ceramic Public Co., Ltd - Chairman of the Board of Directors, Siam Art Ceramic Co., Ltd - Chairman of the Board of Directors, Ruampat Ceramic Co., Ltd - President, T.N. Co., Ltd - Director, UMI Property Co., Ltd - Director, Surf Dynamics Co., Ltd

2. Mr. Marut Mangklabruks

Position	Executive Director
Date of Birth	October 9 th , 1946
Education Background	- Bachelor of Engineering, Chulalongkorn University - Advance Management Program, Harvard University
Number of Shares: No self-own shares	(no trading during the year)
	No shares hold by related persons (no trading during the year)
Position in Other Company	- Chairman of the Board of Directors, Cermas Co., Ltd - Director, T.T. Ceramic Public Co., Ltd

3. Mr. Voravat Tantranont

Position Executive Vice President /Director

Date of Birth January 10th, 1959

Education Background - Bachelor of Laws, Chulalongkorn University
- Barrister-at-Law, Institution of Legal Education Thai Bar Association
- MBA, Saint Louis University, USA

Number of Shares: Self-own shares at 1,898,750 shares (0.227% of total shares with no trading during the year)

Hold by related persons at 65,923,200 shares (7.881% of total shares with no trading during the year)

Total at 67,821,950 shares (8.108% of total shares)

Position in Other Company

- Director, Choice Mini-Store Co., Ltd
- Director, CR Chiang Mai (Thailand) Co., Ltd
- Director, Tantraphan Supermarket (1994) Co., Ltd
- Director, T.T. Ceramic Public Co., Ltd

4. Mr. Surin Wongkittipat

Position Assistant to the President / Company Secretary

Date of Birth March 12th, 1951

Education Background -Bachelor of Accountancy (Costing), Chulalongkorn University
-Company Secretary Program 15/2006 Intake from Thai Institute of Directors (IOD)

Number of Shares: Self-own shares at 65,100 shares (0.008% of total shares with no trading during the year)

No shares hold by related persons (no trading during the year)

Total at 65,000 shares (0.008% of total shares)

Position in other company

- Director, Cermas Co., Ltd
- Director, UMI Property Co., Ltd
- Directors, Ruampat Ceramic Co., Ltd
- Director, Surf Dynamics Co., Ltd

5. Mr. Somboon Uranukul

Position General Manager

Date of Birth December 12th, 1960

Education Background - B.E. in Mechanical Engineering, King Mongkut's University of Technology,
Thonburi (KMUTT)

-Master of Industrial Engineering and Management
Asian Institute of Technology (AIT)

Number of shares: No self-own shares (no trading during the year)

No shares hold by related persons (no trading during the year)

Position in other company

- Chief Executive officer, The Royal Ceramic Industry Public Co., Ltd
- Chairman and Managing Director, The Royal Asia Brick And Tile Co., Ltd
- Director, T.T. Ceramic Public Co., Ltd

6. Mr. Bandit Woonbamrung

Position Manager, Internal Audit Office

Date of Birth January 23rd, 1968

Education Background -Bachelor of Business Administration (General Management) Sukhothai Thammathirat University

- Fundamentals of Law for Corporate Secretaries. Class 12/2014
Intake from Thai Listed Companies Association

- Fundamental Practice for Corporate Secretary. Class 30/2014
Intake from Thai Listed Companies Association

Number of shares: No self-own shares (no trading during the year)

No shares hold by related persons (no trading during the year)

Position in other company: None

7. Mr. Sutin Youthanavaraporn

Position Sale & Marketing Director

Date of Birth November 9th, 1965

Education Background Bachelor of Science in Economics
Chulalongkorn University (1st Class Honors, Gold Medal)
MBA, Thammasat University

Number of shares: No self-own shares (no trading during the year)

 No shares hold by related persons (no trading during the year)

Position in other company

 -Managing Director: The Royal Ceramic Industry Public Co., Ltd

8. Miss Ratirat Laowiwatwong

Position Finance & Accounting Director

Date of Birth September 5th, 1973

Education Background Bachelor of Accountancy (costing), Chulalongkorn University
MBA (Finance), University of Denver, USA

Number of shares: Self-own shares at 6,881,700 shares (0.823% of total shares with no trading during the year)

 No shares hold by related persons (no trading during the year)

 Total at 6,881,710 shares (0.823% of total shares)

Position in other company

 Director, Cermas Co., Ltd

 Director, T.T. Ceramic Public Co., Ltd

5.2.1.4 Personal

As at December 31st 2015, the company has total employees as the followings:

	Male (Persons)	Female (Persons)	Total (Persons)
Head office employee	96	121	223
Factory employee	521	380	901
Total	617	507	1,124

1. Employee's remuneration

Employees will receive the remuneration in term of wage, allowance, and bonus and overtime payment including welfare in accidental insurance, health insurance, and employee provident fund with total remuneration for the year 2015 equal to 343,435,778 Baht.

2. Policy in employee's development

The company has intention to support the developing of personnel to be a valuable person for society. In the meantime, training and developing program on personnel has been employed continuously to keep up the employee with the modern knowledge and technology.

5.2.2 Selection Process of Directors and Executives

The Nomination committee has not yet been appointed by the company. Therefore, all of the board of directors will consider together in selection and submit for appointing the suitable and qualified person to be Directors and Managing Directors. However on the qualification of nominated director, the board shall also consider the necessity skill that the board is still lack in order to fulfill its need. The shareholders' meeting shall approve the selection of nominated director by majority votes and in voting to elect this director every shareholder's vote shall be counted as 1 share per 1 vote.

5.2.3 Remuneration of the Management

5.2.3.1 Monetary remuneration

Year 2015

(As of December 31th, 2015)

Director of the Company	Meeting Allowance of Directors (Baht)	Meeting Allowance of Audit Committee (Baht)	Annual Bonus (Baht)	Total (Baht)
1 Captain Seranee Phenjati Chairman of the Board of Directors	480,000	-	480,000	960,000
2 Miss. Paweena Laowiatwong Chairman of Executive Committee, President	240,000	-	240,000	480,000
3 Mrs. Nopparat Rungthaisiri Chairman of Audit Committee, Independent Director	240,000	60,000	240,000	540,000
4 Mr. Suporn Prasardvinitchai Audit Committee, Independent Director	240,000	60,000	240,000	540,000
5 Mr. Krit Phunratanamala Audit Committee, Independent Director	240,000	60,000	240,000	540,000
6 Mr. Sivaporn Dardarananda Independent Director	240,000	-	240,000	480,000
7 Mr. Voravat Tantranont Executive Vice President	240,000	-	240,000	480,000
8 Mr. Marut Mangklabruks Executive Director	240,000	-	240,000	480,000
9 Mr. Methawee Laowiatwong Executive Director	240,000	-	240,000	480,000
10 Mrs. Nipnant Tantranont Director	240,000	-	240,000	480,000
11 Mr. Somboon Uranukul Executive Director	160,000	-	240,000	160,000
Total (Baht)	2,800,000	180,000	2,640,000	5,620,000

Year 2015

Executive Board of Directors & Administrative Officers	Persons	Payment (Baht)
Monthly Salary And Bonus	7	16,534,440

5.2.3.2 Other Remunerations

The Board of Directors does not receive other remunerations. But the executives receive other remunerations in total amount of 362,056 Baht from provident fund name “Tisco Master Ruamtun 1, Provident Fund” with TISCO Asset management Co., Ltd. acts as fund manager. And executives, who are the members, have to contribute into fund by deducting from wages at rate of not less than 3 percent of wages but not more than 15 percent of wages. In the meantime, the employer will have commitment to contribute to the fund in the same day that the members contribute to the fund at the rate in percentage of wages as the followings:

Amount of working year	Contribution (%)
0-5 years	3
More than 5 years	4

5.2.4 Good Corporate Governance

The Company has complied with the principles of good corporate governance with details as follows:

5.2.4.1 Shareholders’ Right and Equitable Treatment

In 2015, the Company held 1 shareholders’ meeting as the Annual General Shareholders’ Meeting for the year 2015 which the Company has adopted the policy to provide convenience and promotion for shareholders especially institutional investors to attend the shareholders’ meeting. As during September 9th, 2014 to December 31st, 2014 at least not less than 3 months before the end of the year, which was not less than 6 months before the Annual General Meeting of Shareholders took place, the Company has invited the minority shareholders to submit additional agenda, name of the persons to be elected as directors and to send the advance inquiry to the Company via E-Mail by sending the letter to Chairman of the Board of Director, Board of Directors, President of the Company or Secretary of the Company with details for considering by Directors according to guideline whether the matters shall be brought in for the meeting as to be listed on agenda of the meeting or not. The information including specified criterion is posted on website of the Company and Stock Exchange of Thailand. The meeting has been held at the meeting room, 5th floor, Chamnan Phenjati Business Center Building, Rama 9 Road, Huaykwang District, Bangkok, which located near subway station and many public passenger buses passing by so it is easy for shareholders to travel to attend the shareholders, meeting. All of 10 members of the Board of Directors attended the meeting including executives and the Company’s auditor. The Company has provided enough facility to accommodate the shareholders including the convenience in car parking and registration for attending the meeting. The letter of invitation with information on each agenda item (in Thai and English language) is sent to the shareholders not less than 20 days prior to the meeting. Moreover, all of the previous mentioned (in Thai and English language) information is posted on the Company’s website in advance for 32 days prior to the meeting and the Company has also informed the information through Stock Exchange of Thailand (SET). There are no additional agenda items or any change in the important matters without notifying the shareholders in advance. The right to make an inquiry to Board of Directors in the meeting has been provided, without any limitation to the right to attend the meeting of shareholders in case of the late arrival and there is Board of Directors’ opinion on each agenda item as supporting information. Moreover, the resolution of shareholders’ meeting shall be disclosed including result of voting on the day after shareholders’ meeting date by reporting as News Letter to SET and post it on the Company’s Website. It is a complete and correct minute of meeting as shareholders can check and examine. This minute of meeting will be posted on website of the Company within 14 days. An alternative way has been arranged by the Company for the shareholder by allowing the independent directors to act as proxy to attend the meeting on your behalf in case that the shareholders cannot attend the meeting. During the meeting, the Shareholders have been encouraged to express their opinion on the matter that related to the agenda. The election of each of the Company’s director is by voting and the election card will be used in the important agenda, in case that the unanimous resolution of the meeting cannot be reached.

The Board of Directors of the Company has realized about their duties to take care and to protect every shareholder so that they are treated equally and fairly; such as the right to get share certificate, to transfer share, and to receive sufficient Information on time. It is also included the right to attend the meeting, vote at shareholders' meeting, to elect and to remove directors and to consider the approval of appointing the independent auditor and the right in dividend payment.

To protect against conflict of interest, the Board of Directors has to consider with carefulness when there might be any conflict of interests by following the rule and regulations of Stock Exchange of Thailand (SET) including set up policy and method to prevent management and the related person from using the company's information for their own personal interests as follows.

For any possible conflict of interests, the Board of Directors has acknowledged the possible conflict of interests and all related items and the matter has been properly considered every time by following the rule and regulations specified by Stock Exchange of Thailand (SET). All directors or executives who might have any interests or involvement will not be participated in decision making process to consider these related business transactions as to make sure that the transaction is fairly done according to the market price and the normal business practice.

For supervising of the handling of internal information:

- The management has to report any change of stock ownership to the Office of the Securities and Exchange Commission and to the company every time that there is any change immediately.
- Internal information of the Company shall be disclosed after the information has already been sent to SET. And the Company has strictly abided by this rule all the time.

Everyone in the organization have been informed about the above mentioned principles and policies as guideline for practice with the follow up on the results regularly.

5.2.4.2 Stakeholders' role

The company has given an important to the role of all stakeholders including shareholders, employees, customers, dealers, competitors, community / society and environment. The Company has realized that as a large industrialized company, environmental concern and safety has always been the important matters. Therefore, the Company's policy and guidelines for serving to stakeholders in according to the good governance are as the followings.

1. Shareholders: The Company has set policy to carefully perform the duty with transparency for stable and sustainable growth by taking into consideration the benefit and the maximized satisfaction of every shareholder.
2. Employees: The Company has set policy to equally and fairly treat the employees and has provided the employees with suitable payment for both income and welfare to be in line with the Company's operation results both short term and long term by considering annual salary increase together with paying bonus in accordance with profit by using work values system and the results of the evaluations performed by the supervisor twice a year as information for consider. Employee Provident Fund has been set up as long term welfare. Human resource committee and Welfare committee has been arranged to look after employees and to solve any conflicts between the Company and the employees and among the employees. The Company also arranges to have policy to take care for safety, occupational health in workplace (according to TIS 18000 / OHSAS 18001-2007), and personnel development including arranging training to increase knowledge, skill, safety and occupational health in workplace at every level of employees regularly. In the year 2015, average training in hours equaled to 5.5 hours per head. The statistics record of accident from working all year was kept, in 2015 there were 14 accidents from working. Moreover, the company has set its policy not to relate with human right violation matters, by fighting against the use of child labor and illegal workers; and there is no discrimination against gender, race, and religion.
3. Customers: The Company has set the policy to apply fair treatment with an attention and responsibility to customers by producing quality and standardized products. The information of customers will be kept confidentially. The customers complain procedure has been set up to get the problem corrected as fast as possible.
4. Business partners: The Company has set the policy to apply fair treatment and responsibility to business partners by purchasing raw materials, goods and services from business partners and has complied with condition and agreement according to the contract in every matter. Moreover, there is policy to select business partners by considering doing business with business partners, who have ethic in not doing illegal business and is responsible to social and environment. The company arranges Procurement Department to collect the data records of business partners and to periodically assess business partners.
5. Competitors: The Company has set the policy to apply fair treatment and responsibility to competitors by practicing in according to the fair competitive guide line and has abided by basic rules of competition to avoid using the unethical method in offending the competitors. In addition, the Company has tried to improve on the product standard instead, in order to be benefit to customers.
6. Community / society: The Company has set the policy to be responsibility for the community and the society both from inside and outside of the factory by participating in the support of activities related to community development according to its capability and opportunity (policy and practices of society and environment, as reported in clause 5.2.8), with confidence in democracy; illegal activities have been discouraged including not to violate intellectual property or copyright, counter corruption and not paying bribe to gain advantage on the Company business. Moreover, the Company has set the process in risk assessment of any corruption and has guideline to conduct corporate governance to protect and pay attention to risk from corruption by setting system to investigate and to set the approval authority according to line of command. Internal audit office has been set up to follow up and to evaluate the implementation of the policy and report to the management regularly including arranging for staffs training about policy and practice to counter corruption.

7. Creditors: The Company has set the policy to apply fair treatment and be responsible to creditors by complying with term, condition and agreement of borrowing with fairness and responsibility, especially the terms and condition of guarantee on capital management and on event of the defaulted payment; as the Board of Directors shall always pay closely attention to Debt/Equity Ratio whether it is at properly level. In addition, in order to maintain the ability to repay and if there is any reason that causes the inability to repay debt on schedule, the negotiation with creditors to resolve common problems will be set up.

8. Environment: The Company has set the policy to take the responsibility for the environmental issues both from the impact of direct business involvement and public environment. Efficiency resource consumption has been promoted including employees knowledge and training on environment has also been provided by using TQM system management that helps to train all employees on their contribution to increase productivity, reduce losses, and reduce energy consumption etc. (policy and practices of society and environment, as reported in clause 5.2.8).

If there is any damage from the violation of legal rights by the company, the company arranges to have policy to take responsibility for the compensation of the damage and the Company is pleased to hear comment from the stakeholders as to get efficiently participation. If the stakeholders have any complaints on misconduct or unethical behavior or violation of legal rights, then complaint shall be made in form of letter to the Board of Directors or Managing Director by sending mail via postal to the Company according to the specified Company's address printed in this Annual Report. Finally, the investigation will be taken and be reported to the Board of Directors accordingly, as for the complainants, they shall receive fully protection no matter that complainants are staffs or stakeholders.

5.2.4.3 Information disclosure and transparency

The company had strictly practiced about the disclosure of the Company important information both the financial information and the non-financial information by disclosing correctly, completely, timely, transparently and conforming to the rules and regulations of the Securities and Exchange Commission (SEC) and Stock Exchange of Thailand (SET). Moreover, information disclosure process has also been scrutinized regularly.

In the annual report, there is information about the conduct of Board of Directors and the Subcommittee such as Audit Committee and Executive Board of Directors including the training record of Directors.

The Company has set policy that directors and executives shall report the stock trading, the Company's shareholding, conflict of interest, and the connected transaction to the Company for acknowledgement every time as to be considered in the Board of Directors' Meeting and the essential connected transactions shall be considered and approved by the Board of Directors.

Remuneration for Directors and the Executives, the Board of Directors has set up with the policy to be in line with the principle that link to the performance of the Company and the conduct of Directors and each individual Executive. The remuneration is in the same level with the industry, but high enough to take care and keep Directors and qualified management with the Company. The remuneration in the year 2015 that the company has paid to Directors and Executives including remuneration from conducting as committee and performing other duties in the subsidiaries company with details in cause 5.2.3 of the annual report.

On the environment and social policy, the Company has supported the program to develop the responsibility for community, social and environment including discourage the illegal activities. The company has also assisted and made the donation to various suitable projects with details in cause 5.2.8 of the annual report.

There is the report of responsibility of Board of Directors on financial report signed by the Chairman of Board of Directors and Managing Directors. This report has stated about the conduct according to generally accepted accounting practice suitable to

business and accounting policy with consistently practice. Therefore, there is correctly and completely information according to accounting standard that has already been disclosed in the annual report.

The company has also set up its own website to provide currently details information on Annual Report that can be downloaded together with lasted quarterly report of the company's performance including nature of business, financial statements, corporate governance policy and operation results according to ethical business policy in summary, shareholders' structure, Board of Directors' structure, organization's structure, business group's structure; including proportion of shareholding, information about directors and executives, information on investors relation, vision, mission, policy and operation result on environment and society (all the information are listed in the Annual Report to be presented on the company's Website), published news of the Company, the Company's Articles of Association, and the downloadable letter of invitation to attend the meeting; with all of these information in both Thai and English language.

The work unit to handle investor relation has been established and Miss. Ratirat Laowiwatwong was appointed as a manager to make a contact with institutional investors, shareholders including investment analyst and general public. In addition, there are also a quarterly press conference to media and a meeting with investment analyst periodically.

Investor can make a contact for information by telephone number 0-2248-7007 or at website www.umi-tiles.com or using email address: investor@umi-tiles.com with the executives' cooperation in dealing with investor relation and preparing the annual investor relation plan.

The company has hired an auditor that is independent with recognized qualification as the company's auditor and the aforementioned auditor must be an auditor that has been approved by the Office of the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET) as well.

5.2.4.4 Responsibility of Board of Directors.

A. Structure of Board of Directors

The Board of Directors had set policy to have wide variety of idea in the structure of the Board of Directors by having knowledgeable persons in many fields with no specific on gender and perceived that structure of current Board of Directors is properly as Directors consist of people with many varieties of knowledge capabilities, in accounting, finance, administration, law, engineering, logistics and statistics. The Company Board of Directors consists of 11 persons with the following proportion.

Administrative Broad of Directors	6	Persons
Non-Administrative Broad of Directors	1	Persons
Independent Directors	4	Persons

One of independent director, Mr. Krit Phunratnamala has experience by working in the related business with the Company as director of Quality House Public Company Limited and Diamond Building Products Public Company, which are in the real estate development and construction materials business that shall be benefit to management and every independent director has freedom and not under the influence of the Company's management and major shareholders.

The entire Board of Directors will officially participate in selecting new director with transparency when a director is vacant, as for the characteristics of nominated director; it shall be in line with business operation strategy of the Company and be considered from the necessity skill that is still lack in the Board of Directors by submitting the name to the shareholders' meeting for approval. The names of each Directors, resume, education background, past experience, and number of holding shares have been disclosed in the annual report and website of the Company.

Chairman of Board of Directors is also a shareholder of the company, but he is not the same person as the president. The Board of Directors has approved the definition of Independent Director of the company, which is in according to the minimum requirement of SEC, and number of Independent Directors is more than one – third of total number of Board of Directors. The number of Directors, which does not include Independent Director, is fairly in line with the proportion of the investment from each group accordingly. The information of each Director has been clearly disclosed in the annual report. The term of holding in the position of Director is abided by the Public Company Act that requires one – third of Directors has to retire in each of the annual ordinary shareholders' meeting. It has not been specified about the length of time in consecutive for staying in the position as long as they can perform their work with ease and efficiency. The term of staying in the position of the subcommittee is also the same, as there is no specific period of how long to stay in the position consecutively including number of years in each term except the Audit Committee, which the Board of Directors has specified that Audit Committee shall stay in the position for 3 years

The Board of Directors has set up the policy about holding the position of director at the other company, by abiding with the law and do not limit the number of the company to be this position as long as each director can allocate his/her time and perform the duty of directing the company with efficiency. The information about holding the position of director at the other company has been disclosed in the annual report and there are no any directors, who hold the position of director in the listed company up to 5 companies. Moreover, there is no any executive who holds the position as director in the other listed company for more than 2 companies.

The Board of director had set up the policy to prohibit the managing director and the executives from holding the position of director at the competitor company in the same business, except to take the position of director in the subsidiary company as a representative of the Company and the information about holding the position of directors by each executives has been reported in the annual report. There is no any director or executive of the Company who used to be employee or partner of Audit Company from the outside that the Company has used its service as the Company's auditor for the past 2 years.

The Board of Director has appointed Mr. Surin Wongkittipat, who is also a full-time employee of the Company to be the secretary of the Company with the following duties:

1. To provide the information on legal matter and various regulations that Board of Directors should know in carrying on the duty for the benefit of the company.

2. To look after activities of Board of Directors.

3. To coordinate as to guide the implementation according to the resolution of Board of Directors.

4. To prepare and keep the following documents:

(A) Directors register book

(B) Invitation letter of Board of Directors' meeting, Minute of Board of Directors' meeting, and Annual Report of the company

(C) Invitation letter of shareholders' meeting and Minute of shareholders' meeting

5. To keep records of Gain and Loss Report that reports to by directors or executives.

6. Other operations to comply with the Notice of Securities Exchange Commissions.

However, responsibility duty of the secretary of the Company shall also include supervise the operation of Compliance Unit.

B. Subcommittee

The Board of Directors of the Company has appointed Directors with special skill to be Sub Committee to assist in details studying and work screening for the Board of Directors. However, the responsibility of all activities of the Company to outside persons is still remained with the Board of directors. At present, there is 1 Subcommittee, which is the Audit committee.

Role and scope of responsibility of Subcommittee that has passed the approved of the Board of Directors and the other related details are appeared in the section 5.2.1.2 about Subcommittee in the Annual Report. The Subcommittee has always reported the results of the operation to the Board of Directors. For Audit Committee, the annual auditing report has been prepared for presenting the annual report of the company to the shareholders.

The Board of directors has not yet to set up Remuneration Committee and Nomination Committee but the Board of Directors will together consider the reviewing, and approving the remuneration, including selecting of directors and executives. In addition the nomination of new director when there is a vacancy and the name of eligibility nominator is proposed then the entire Board will jointly consider and making the resolution in the selection of director or proposing to the shareholders' meeting for approving the appointment of the nominator to the position of director, depending on the case.

C. Role and Scope of responsibility of Board of Directors

The Board of Directors has clearly considered the allocations of authority and the duty of Board of Directors and managements. They have also considered the approval of the important matters on the operation of the company such as vision, mission, strategy, plans and budget etc. including to follow up on the operation, and the performance of the management to be in according to specified policy, strategy and plan. In the meantime, for the part about mission, strategy, plan and budget; the Board of Directors shall consider and review for approval every year. The company is in the process of preparing a draft on good corporate governance policy in written form and to be approved by the Board of Directors. Policy has been set as to encourage every person in the organization to carry out the company operation in according to the principle, including communicating and operation follow up has regularly been monitored.

For the part of Chairman of the Board of Directors, the Board of Director has set the duties in leading to good corporate government of the Board of Directors and has duty to support by giving the suggestion and assessing the operation results of the managing director.

In case of, there is any conflict of interests, the Board of Directors has set the policy to consider the matter in appropriate way by taking into account the best interests of the company and by prohibiting the person, who might has any conflict of interest, from participating in the consideration and to disclose complete and accurate information in the annual report and 56-1 form.

D. the Board of Directors' meeting

In 2015, there are 4 Board of Directors' meetings with advance yearly meeting time tables and each Director has already been informed about the schedule of meeting. The Chairman of the Board of Directors and Managing Director will together consider the agenda of the meeting. Directors can submit topics to be put on as agenda by informing to the Secretary of Board of directors. The complete document with significant information for the meeting will be sent to each Director in advance not less than 7 days before each meeting will take place. In case that there are any inquiries from Directors, the additional information can be asked from the Secretary of the Board of Directors.

During the meeting, the Chairman of the Board of Directors will allocate appropriate time for each Director to discuss the importance issues. In the minute of meeting, various information will be completely recorded such as date, starting time, ending time, name of Directors, who attended the meeting, the conclusion of important matters proposed by Directors, the conclusion of important issues that are discussed and commented by Directors, the resolution of the meeting and the objected opinion of the Directors, name of the recorder and name of certified person etc. Minute of meeting has been kept systematically with easily to be retrieved and cannot be revised without the approval of the Board of Directors' meeting. During every meeting when the Board of Directors will make the resolution, policy is set by Board of Directors that at least two-thirds of total directors attend the meeting.

The Board of Directors has found that number of the Board of Directors' meeting is sufficient and suitable for the Board of Directors to perform the duty accordingly. Type of business involved and number of time, that each Director has attended the meeting, has been disclosed in the section 5.2.1.1 of the annual report. The Executive Board of Directors will received report of operation results monthly and other directors will received the reports quarterly. Except that director, who is not executives, think that there is necessary, the meeting can be arranged themselves.

E. Self-evaluation of Board of Directors

Most of Board of Directors and the President of the Company are the representatives from various major groups of shareholders, who have high responsibility for their achievement. Even though annual performance evaluation has not been done officially, discussion has been frequently held among them to improve the efficiency of the operational performance from time to time.

F. Remuneration for Directors and the President

The Board of Directors has set the clear policy and rule for remuneration to director to be based on the performance of the Company and the suitable of role, responsibility and usefulness of each individual director. There is the process in considering remuneration with transparency each year. This remuneration for directors is approved by shareholders at each annual general meeting. Subcommittee may receive appropriately additional remuneration for their additional responsibility in form of money and various types of fee, which have been disclosed for each director in clause 5.2.3 in Annual Report. Board of Directors approves the remuneration of the Executive Director to be equal to other director in performing its duty as Director. The President's remuneration is specified by Board of Directors according to the performance and the evaluation result will be communicated through the Chairman of Board of Directors. Moreover, the President shall receive regular salary, subsidy from provident fund, and bonus; but the compensations that are subsidy from provident fund and annual bonus shall be at the same rate with the other staffs. The salary and bonus which is short term compensation will depend on annual performance, while the contributions to the provident fund which is the long term compensation will depend on the duration of the work.

G. Development for Directors and the Management

The Board of Directors has set the policy and guide line in providing knowledge to new directors and present Directors about role of director and major business attribution of the Company by such as visiting the factory to gain knowledge on manufacturing process. Moreover, each director and the persons involved in managing and supervising the business of the Company will be informed about training and seminar project on new development and improving matters that are organized by SET, IOD etc. as to receive proper training. The plan for successor has been emphasized and established for the persons, who will succeed the present management by continuously training prospectors to be sure that there are persons to fill in when top management cannot perform their duty.

5.2.5 Handling of Internal Information Usage

The Board of Directors of the company should oversee that directors and executives cannot get benefit for themselves or others by using internal information that is confidential of the company or the associated company and especially, the information that has not yet been disclosed to public including the use of internal information for trading securities especially during 1 month before the financial statement are disclosed to public.

In securities trading, directors, executives including spouses and children who reach the legal age and related persons according to Section 258 of Securities Act Por. Sor.2535 of the previous mentioned person has to prepare and send report of securities holding including report of change in security holding in every transaction, transfer to or receiving transfer within 3 day counted from the date of transaction to Securities and Exchange Commission. The directors and executives have acknowledged role, authority and duty in reporting the holding of security according to the announcement of Securities and Exchange Commission and regulation of Stock Exchange of Thailand (SET).

It is the policy of the company that Director and Management have an obligation to report any trading of the company's shares and securities to Board of Directors of the company.

5.2.6 Internal Control and Risk Management

The company has organized to have the system for controlling and making internal audit by having system for operational control on the report of finance, compliance with the rules regulations and policies of the company. The company also has internal audit department with its independent function that shall report directly to the Audit Committee, the Managing Director and the Board of Directors of the company. In addition the Audit Committee has reviewed the appropriateness and the adequacy of the internal control system regularly, at least once a year and gives its opinion on the adequacy of internal controls in the Annual Report.

The Board of Directors has the opinion that the Company has sufficient and suitable internal control system and has enough personals to carry on this task with efficiency including follow up on supervision of the operation of the subsidiaries to make sure that they can protect assets of the Company and subsidiaries from directors or executives with illegally or without authority in using them. No wrong doing has been found about internal control system up to present and the audit committee has the same opinion too.

The Company has Office of Internal Audit with Mr. Bundit Woonbumrung as its manager. The Compliance Unit of the Company is under the supervision of the secretary of the Company; Mr. Surin Wongkittipat, and the appointment of the manager of Office of Internal Audit has already passed the approval by the Audit Committee as his education, experience, and training is suitable enough to perform this task. However, the appointment, dismissal, and transfer of the person who holds the position of manager of Internal Audit Office shall get the approval from the Audit Committee.

The Board's policy on the aspects of risk management is to cover the entire organization with responsible persons for managing of risk in according to policy and regularly report to the Board of Directors. There is a systematic review of risk management including the effectiveness of risk management, as necessary. The company also focuses on early warning signs and irregularity transactions

especially the main risks (Key Risk), for example: D/E ratio, energy costs, total inventories etc. which are reported to the Board of Directors on a quarterly basis. If the Board considers that there is any irregularity, they will get together to find a solution for both short and longer term.

5.2.7 Compliance of Subsidiaries and Affiliates

The Board of Directors has mechanism in good corporate governance that can supervise and responsible for the operation of the subsidiaries and affiliated companies in order to supervise the benefit of the Company's investors by sending person as the representative of the Company to be director, executive or supervisor of the said company at least according to proportion of shareholding which according to normal practice it has to report and get the opinion from the Board of Directors' meeting. Responsibility person shall be set to perform the duty about the disclosure of financial information on operation, the transaction between the said company and the relevant person, the acquisition or disposal of assets, or performing any material transaction of the said company completely and correctly by using rule that is related to disclosure of information and transactions of the said characteristics similarly to the rule of the Company.

5.2.8 Social Responsibility

The Company has set the policy and vision to be manufacturer and distributor of tiles and related products that are the first alternative choice of consumers with sustainable growth. However, the retained obligation for practicing is to build satisfaction to every stakeholder besides keeping growth rate and make profit to shareholders in return including carrying on business with responsibility to social and environment and intent to develop personals, products, and services continuously.

The preparation of this report is based on the guide line of Corporate Social Responsibility Institute which is set up by Stock Exchange of Thailand (SET) and the group of stakeholders was defined by using related criteria to the organization. The stakeholders that the Company considers important to its operation as follows: shareholders, employees, customers, trading partners, competitors, community and social, creditors, and environment. The methods that are used to communicate with the stakeholders are sub-meeting, opinion survey, complaint, and suggestion etc. The Company shall use all the information as guide line to improve the operation as to continuously satisfy every group of stakeholders and it is also guide line for all affiliated company to put into practice.

Since tile production business is related to labor and the use of natural resources consisting of clay and stone as its main raw materials in production, there is a chance to cause pollution from fine dust and there are also the usage of water, fuel energy, and electricity energy in large quantity in production. Therefore, the Company has emphasized the important to these issues in operating the business.

Ethical Business Operation: The Company has set the policy to promote the free trading competition, not applying monopoly power, and not supporting the operation with characteristics in violating intellectual property and infringing a copyright. Besides, there is support for trading partner with social responsibility such as not using child labor or using illegal labor etc.

Anti-corruption: The Company has set the policy that will not involve with any corruption whether it is inquire, acquire, and pay bribe; and oppose to those related to corruption including business partners, advisers, intermediaries or agents in business operation and partners of the Company. The Company shall strictly comply by relevant laws, as the Company has the adequate system in checking and preventing including taking fairly and openly action, if there is any transaction with potential conflicts of interest.

The Company's internal audit department shall have duty on assessing the system of control, prevention, and monitoring risk from corruption and report directly to the Audit Committee. The Company has specified guideline about good governance by having checking system and set approval authority according to hierarchy. Training is provided to the Company's employees to get knowledge about policy and practical guideline on anti-corruption. In addition, the Audit Committee shall have a quarterly meeting

with internal audit department and a meeting with external auditors at least once a year as to follow up the operation results and acknowledge that there might be unusual transactions including corruption. If any wrongdoing is found, there shall be a report to the Board of Directors.

In case that there is any complaint, the complainant shall file a verbal complaint or sending the complaint letter to supervisors or upper level management. The complainant shall receive fully safeguard and fairness. As the result the Company shall set up the fact finding committee to investigate such a matter.

For the past year, no complaint has been reported and the Company has no such case about any corruption that is under investigated, prosecuted or convicted.

Respect on Human Right: The Company has set the policy that will not involve in violating the human right, no forced labor and anti-using child labor. On policy level and practical guideline, there is no discrimination on employment against gender, race, and religious etc.

Fair Treatment to Labor: The Company has set up Personnel Administration Committee and Welfare Committee consisting of both the representatives of employers and employees. The meeting has been taken place regularly as to encourage the workers participation and to be the channel for making better understanding between the Company and its workers. The Company has also received commemorative certificate in good labor relation administration from Saraburi Province.

The Company does not restrict the right to set up Labor Union. At present, Labor Union of the Union Mosaic Industry Public Company has already been officially set up by workers.

On development and promotion of workers: the Company has set guideline in developing skill and training for equally opportunity to get promotion with course of study for workers in each level as on the job training and classroom training both inside and outside factory such as teamwork building with walk rally activities etc. For the year 2015, average hours in training is equally 5.5 hours per head and the quality management system has been brought in and adapting to be used all over the organization which are as follows: TQM, 5Ss, QCC, ISO 9001: 2008(certified by Lloyd's Register Quality Assurance Limited).

On health and safety the company has set the policy to promote health and safety by arranging for annual health check-up for employees providing health insurance and after work accidental insurance that is in addition to those specified by law. The company also provides vaccination against diphtheria and tetanus for its employees. Sport club of employees has been supported to set up such as football, badminton, and water sport etc. including organizing annual competition to build unity and for good health. Campaign on project to reduce the amount of accidents and safety week at work has been employed including establishing of Occupation Health and Safety System Management (TISI 18001/OHSAS18001-2007). In the year 2015 there was accident at work 14 times compared to the year 2014 which had accident at work 14 times; and the award for the campaign on 90 days of non-accident at work was presented. There are also the implement of safety and delicious food including assessing food stalls in the factory cafeteria according to standard of Health Ministry. Courses on basic and serious fire prevention drill are trained yearly and the Company staff team was sent to visit employees who are sick and cannot go to work as usual.

On welfare Besides wage, salary, allowance, bonus and overtime the Company has provided its employees with provident fund name “Tisco Master Ruamtun 1, Provident Fund” with TISCO Asset Management Co., Ltd acts as fund manager. The employees who are fund members have to contribute counterpart funds by letting the Company to deduct from wage at rate of not less than 3 percent of wage but not more than 15 percent of wages. In the meantime, the employer has to make the counterpart fund in the same day that fund member make the counterpart fund at the rate in percentage of wage as the followings:

Amount of working years	Contribution (in Percent)
0-5 years	3
More than 5 years	4

Furthermore the Company has also supported youth education by providing yearly 100 scholarships to children of low income employees at 1,500 Baht per scholarship. Welfare store has been set up to provide the employees at the factory with low price goods. Certificates are given annually to employees with the Annual Employee Award Certificate of Excellence, Runner-up and Honorable Mentioned. Presents are given to retired employees. On National Labor Day, presents are given to employees in the form of consumable goods.

Consumer responsibilities: the Company has set the policy to create products and services that are worthy to social and environment with the acceptance of International Standard as certified product industrial standard by Thai Industrial Standard Institute, Ministry of Industry. Products are continuity developed to serve the consumer satisfaction. There are wide variety of products with neutral price and many price levels for every group of customers. The wide channel of distribution thru distributors that cover all around the country and the export of tiles have been established to many countries in Asia, Australia, America and Europe etc.

The corrected and appropriated information of products and services: It has to be disseminated to consumers with details of products and manual of usage printing on packing. There are products categories, products guarantee and problem solving for customer when quality problems arise. But no complaint has been reported about the impact or any danger from using the products.

Customer rights protection the Company has set the policy to keep the information of customer privately and training its employees to better understand the rights of customer private.

Fair marketing: the Company has carried on fair marketing practice with no exaggerated advertisement or unethical action.

Environment preservation: the Company has set the policy to develop production process and service that are environmentally friendly by keeping on developing process which emphasizes on the continuity of negative impact to social and environment. TQM: Administration management system has been brought in as to make every employee to participate in increasing productivity, reducing cost, reducing loss, reducing energy usage etc. The activities that have already been done are as follows:

To install waste water treatment system in the factory to bring back water for recycling and using in the production process;

To implement project about recycling all scrapped tiles by re-crushing and reused in new tile production;

To move crushing plant to mine to reduce the problem of dust that might have any effect to the communities around factory;

To set up energy management policy and energy saving committee to support energy saving policy and to participate in energy saving activities by every level of employees and the implementation of an energy management system ISO50001: 2011 was improved and put to use;

To set up energy saving project by campaigning to switch off electricity and air conditioning system in the office during lunch break. Cooling tower and air compressors at the factory have been moved to save energy. The motors in production lines totally 73 units

were changed from 0.75 KW to high efficient motor of 0.4 KW with the cost reduction result of 311,747 Baht annually; and totally 148 electrical light bulbs were changed to LED bulbs with the cost reduction of 49,728 Baht annually etc.

To minimize paper usage project by promoting recycle of used paper and electronics system has also been employed in office work to substitute for paper;

To receive Carbon Reduction Label from Thailand Environment Institute (TEI), for the product with control standard, and efficiency in reducing carbon dioxide gas by manufacturing environmentally friendly products and reducing the global warming problem at present;

To improve on keeping environment as a whole according to Green Factory Policy;

To strictly implement Zero Waste Policy by using 3Rs principle, which is Reduce, Reuse / Recycle, and Replenish;

To participate in the Environmental Good Governance Project by corporate with Ministry of Industry;

To campaign for saving water and to join anti-drought crisis in the mid of 2015 by making the invitation and announcement thru signboards and posters that are placed at the office;

Participation in the development of community and social: the Company has set the policy and has participated with various sectors such as government, local organization, and community etc. in social development. Some projects have implemented in 2015 and some projects have carried on continuously with details as follows:

To join sustainable white factory project and receive the certification of preventing and solving the problems of drugs in work place;

To arrange for blood donation by the company's workers at 3 times a year, in 2015 with 89 persons take part in blood donors;

To donate money to Tambon Phai Tam Municipal, Amphoe Nong Khae, Saraburi Province for supporting the organization of; the National Children's Day, Moving Municipal Project on Meet the People, and the Songkran Day;

To donate books to Public Library at Pra Buddhabat District, Saraburi Province;

To donate money at the amount of 10,000 Baht to Srinakarin Day Fund, Faculty of Medicine, Khon Kaen University to support the teaching of medical students and help the poor;

To donate money at the amount of 200,000 Baht to raise funds to develop the public library "Chalerm Racha Kumari" at Wat Prabatnampu School;

To join activity on project of clean street and accident-free event, organized by the public sector Saraburi Province;

To donate ceramic tiles at the amount of 500 square meters for restoration of the area around the Ubosot of Wat Ratsathatham, Nongkhae District, Saraburi Province;

To donate ceramic tiles worth 200,000 Baht for renovating provincial police training center region 1, Saraburi Province.

Social Innovation: the Company has set the policy to develop innovation from the operation with social responsibility to add value and continuity to business and social. Production formula to reuse scrapped tiles has been developed in production as raw material. Co-Generator has been installed to reduce the use of outside electricity in order to save energy. Production system using Digital Printing Machinery has been developed to manufacture tiles with various designs including natural design such as marble design and wooden design etc. with reality look that this kind of tiles shall be used to replace natural products is the result to reduce the use of natural products. There is "One Person One Idea for Our UMI" project by encouraging the employees to participate in proposing the improving method to develop their works including cost and loss reduction. There is also reward each month for proposer, whose suggestion has

been chosen for practice. Monthly magazine naming “Interesting Story for Telling and Listening” (Rueng Na Roo Lao Soo Kan Fang) is distributed within the organization with the information about the Company’s operation, safety in working, quality promotion and other social information that promote labor relation.

5.3 Dividend payment policy

The company has set up dividend payment policy by specifying that payment shall be not less than 50 percent of the net annual profit of the company. The dividend payment policy of subsidiary companies to pay dividend to the company has not yet been specified.

6. Parties with Shared Interests and Transactions

Ruampat Ceramic Co., Ltd.	:	49 percent of its registered capital is invested by UMI and there is management including related persons, who hold shares more than 10%. Ruampat Ceramic Co., Ltd. serves as up country agent for UMI, with the same price and condition are applied as same as those for other agents.
Inter-Company Transaction	:	About 139 million Baht
Cermas Co., Ltd.	:	24.90 percent of its registered capital is owned by UMI. Main business of Cermas is to manufacture and to serve raw material such as clay and feldspars that are used in producing ceramic tiles as to be confident that the domestic raw materials will not be shortage for continuing production. And to make sure that the price of raw material will not be expensive together with consistency quality.
Inter-Company Transaction	:	About 26 million Baht
UMI Property Co., Ltd.	:	37.57 percent of its registered capital is owned by UMI. The company is in real estate business that owns Chamnan Phenjati Business Center. Up to 70 percent of 30 floors Chamnan Phenjati Business Center building space, has been sold. The remaining space of 30 percent is for rent. UMI has onwer three and a half floors of the building to be the company's office on the 27 th , 28 th , 29 th floors and half of the 30 th floor. And showroom at 1 st floor.
Inter-Company Transaction	:	UMI Property Co., Ltd. has borrowed money from Directors and the related company to use in debt restructuring with creditors, with an amount about 31 million Baht using interest rate equal to MLR and deposit rate of fixed account of leading commercial banks plus 2 percent per year.
Siam Art Ceramics Co., Ltd.	:	<p>The executive of the company holds major shares of this company, which do business in manufacturing natural granite, decor tile, and distributing building construction products, which the company does not have the policy in making direct investment. And the company has the policy to prevent the conflict of interest, as the company has been hired to produce ceramic tiles to Siam Art Ceramics Co., Ltd. for distributing or making additional production process to be Premium products, which are in the different segment of the market with the products of the company, in order to support and promote the company's normal business operation. Moreover, management team of Siam Art Ceramics Co., Ltd. is the management team that is independent from the company.</p> <p>The inter-company transaction as being disclosed in Note to Financial Statement is the same as using with the other company with fair general trading condition and is properly considered by management team, which the involved executive does not participate in the process of making the decision in these transactions.</p>
Inter-Company Transaction	:	About 241 million Baht per year.

The Company has set the policy on inter-related company transactions by mainly taking into account the best interests of the Company; prices and conditions must be equal or better than the transactions with outsiders and this transaction shall not; result in individual stakeholders gain on the other financial benefits apart from the normal compensation, or cause damages to the Company, or be actions that are significantly conflict of interests to the Company.

Trend of future transactions shall are keep on going continuously at the rate closely to the previous year, on the condition that the said transactions are reasonable and can generate benefits to the Company including being able to help the Company to reduce the risk from business operation.

7. Management Discussion and Analysis of Financial Condition and Results of Operations

The overall performance of the past

The Company manufactures and sells ceramic floor tiles, ceramic wall tiles and porcelain tiles by selling the products both domestic and export. The past year is another challenging year in managing business amid the volatile global economic situation, which is affecting all sectors of the entrepreneur including the UMI group of companies. But with a business plan of versatility and flexibility as well as the cooperation of the employees and the executives that resulting in the Company is able to overcome the uncertainties and its business continues to grow steadily in 2015. Although sales revenues of the Company was reduced by 7 percent from last year due to economic uncertainty, but the Company still has the ability to make profits.

Throughout the past year, the UMI Group remains committed to develop a more stable business by focusing to grow in CLMV countries to support the opening of ASEAN Economic Community including developing the products with quality that meet the international standards in order to meet the needs of users at all levels both domestic and abroad. In addition, the Company has also tried to find other business opportunities for diversification of risk together with sustainable growth in the future. The Company has recognized the importance of organizational development together with participating in social and environmental responsibility by laying down policy, plan, and defined guideline so that the operation of Company is more efficient including reviewing the operation to achieve continuous improvement and sustainability. The Company is also taking care of the environment and the community by setting community relations activities, exploring the needs and preferences of the community, having hearing and exchanging opinions. The Company operates according to corporate governance as to achieve maximum benefit and to conduct value added product continuously; working by compliance with the occupational health and safety standards is strictly done by the Company.

The Company has sold its investment in one of its subsidiaries resulting in shareholding proportion reduced from 32.26 percent down to 10.59 per cent, and changing the status of this subsidiary to an associated company.

Throughout the year 2015, the Company gradually bought back bonds totally 250 million Baht to reduce the interest burden of bonds, which was issued at July 18, 2014 as the Company issued unsubordinated, unsecured bond with Bond's holders' name registered of 1 million shares at the value of 1,000 Baht per share totally 1,000 million Baht, interest rate of 5.2 percent, term of maturity 3 years having maturity date July 18th, 2017 and as at December 31st, 2015 the balance of bonds was at 650 million Baht.

7.1 Performance of the Union Mosaic Industry Public Company Limited and its subsidiaries

Performance for the year 2015 compared to 2014 for the year ended December 31, 2015 and 2014 are as follows:

(Unit: in Baht)

Details	2015	2014	Increase (Decrease)	% increase (Decrease)
-Revenue from sales	3,739	4,213	(474)	(11)
-Cost of goods sold	3,045	3,498	(453)	(13)
-Gross profit margin	694	715	(21)	(3)
-Other incomes	83	159	(76)	(48)
-Selling expense	460	497	(38)	(8)
-Administration expense	525	323	203	63
-Financial cost	69	93	(24)	(26)
-Profit before income taxes	(277)	(40)	(238)	600
-Income taxes	113	33	80	245
-Profit (loss) sharing for the year, attributable to the equity holders of the parent company	(190)	30	(220)	(735)

Revenues from operations, the main business operation of the Company; are from manufacturing and selling ceramic floor tiles, ceramic wall tiles and porcelain tiles under brand name “Duragres”, “Lila”, “Arte”, and “Cergres”. Revenues from sales of products come mainly from domestic sales accounted for 94 percent, exported to foreign countries of 6 percent.

Revenue from sales in the year 2015, downed from the end of the year 2014 by 474 million Baht or 11 percent due to economic slowdown and high competition in the market which resulted in reducing prices in order to compete in the market and maintain existing customer base; and expanding its customer base according to marketing plan including proactive sales promotion together with intention to build customer satisfaction on products and services. The main income of the Company can be divided as follows: 62 percent from the floor tiles, 28 percent from wall tiles and 9 percent from the others.

Gross profit increased by 2 percent from the production planning and use of resources to achieve maximum efficiency in order to reduce production costs. The other incomes decreased by 76 million Baht or 48 percent, came from the year 2014 there were the sales of properties for investment at 100 million Baht and loss of profit sharing from the associated companies was increased by 15 million Baht.

Cost of sales decreased by 38 million baht or 8 percent; the decline caused by decreasing in promotion expenses. Administrative expenses increased by 203 million Baht or 63 percent as there was cost of idle capacity from closing kiln at 102 million Baht for the maintenance of machines and inventories control and from the impairment of assets of a subsidiary company of 99 million Baht. Finally, production utilization which was not operated at the level of full capacity was resulted in loss for the year attributable to equity holders of the parent company for the year 2015 was increased from the year 2014 by 220 million Baht

7.2 Analysis of the financial position of the Union Mosaic Industry Public Company Limited and its subsidiaries as at December 31st, 2015 as compared to December 31st, 2014

Financial position of the Company and its subsidiaries as at December 31st, 2015 as compared to December 31st, 2014

(Unit: in million Baht)

Details	Consolidated Statements			
	Dec. 31 st , 2015	Dec. 31 st , 2014	Increase (Decrease)	Percent
Assets				
Current assets	1,447	2,034	(587)	(29)
Investment in associated company – net	94	0	94	100
Property, plant and equipment – net	2,321	3,430	(1,109)	(32)
Other non-current assets	55	45	10	22
Total assets	3,917	5,509	(1,593)	(29)
Liabilities				
Current liabilities	429	821	(392)	(48)
Non-current liabilities	1,674	2,264	(590)	(26)
Total liabilities	2,103	3,085	(982)	(32)
Shareholders' equity				
Paid-up share capital	837	837	0	0
Parent company shareholders' equity	783	789	(6)	(1)
Non – controlling interest	194	799	(605)	(76)
Total shareholders' equity	1,814	2,424	(610)	(25)
Total liabilities and shareholders' equity	3,917	5,509	(1,593)	(29)

Assets

As at December 31st, 2015 the Company and subsidiaries had total assets of 3,917 million Baht, decreased from the end of the year 2014 by 1,593 million Baht or 29 percent with part of decrease came from the termination of control in one of subsidiaries worth 1,237 million Baht. Total net assets decreased by 355 million Baht from cash and cash equivalents increased by 157 million Baht. Accounts receivable and other receivables - net decreased by 76 million Baht. Inventories decreased by 209 million Baht. Property, plant and equipment - net decreased by 453 million Baht from the depreciation and impairment of property, plant and equipment at 161 million Baht.

Liabilities and Shareholders' Equity

As at December 31st, 2015 the Company and subsidiaries had total liabilities of 2,103 million Baht decreased from the end of year 2014 by 982 million Baht or 32 percent with part of decrease came from the termination of control in one of subsidiaries worth 353 million Baht. Total net liabilities decreased by 630 million Baht from accounts payable decreased by 230 million Baht. Other liabilities decreased by 149 million Baht and there was bonds buy back at 250 million Baht to reduce the interest burden resulted in equity ratio decreased from 1.27 times to the balance of 1.16 times.

The shareholders' equity at the end of 2015 amounted to 1,814 million Baht, a decrease of 610 million Baht or 25 percent as the result of the dividend payment from performance of the parent company at the rate of 0.11 Baht per share totally 92 million Baht together with the decrease of net loss for the year at 390 million Baht and a decrease from changes in equity for the termination of one of its subsidiaries.

Liquidity

The liquidity of the Company and subsidiaries as at December 31st, 2015 had net cash increased by 174 million Baht as net cash brought forward from the beginning of the year 2014 of 50 million Baht, resulting in net cash at the end of the year increase to 216 million Baht with details of each cash activities as follows:

Details	Unit : in Baht
-Net cash came from (using in) operation activities	319
-Net cash came from (using in) investment activities	268
-Net cash came from (using in) funding activities	(414)
-Cash and cash equivalents increase (decrease) – net	174
-Cash and cash equivalents at the beginning date of period	50
-Cash and cash equivalents at the ending date of period	216

Net cash from operation was worth 319 million Baht came from loss attributable to part of the parent company based on the income statement of 277 million Baht adjusted by net profit in cash received (paid) from operation activities with main transactions that increased cash flow consisted of the following: depreciation and amortization at the amount of 362 million Baht, allowances for impairment of assets 161 million Baht, accounts receivable and other receivables decreased by 83 million Baht, inventories reduced by 226 million Baht, interest expense payment of 69 million Baht, accounts payable and other payables payment at 230 million Baht, making payment of other debts at 20 million Baht and income taxes at 56 million Baht.

Net cash that spent in investment activities was worth 268 million Baht with details as follows: cash received from sale of investments in subsidiaries at 405 million Baht: cash received from selling property, plant and equipment at the amount of 58 million Baht and cash paid for temporary investments at 84 million Baht

Net spending cash used in funding activities was worth 414 million Baht with details as follows: repayment of loans from financial institutions worth 194 million Baht, dividend payment of 92 million Baht, other debts repayment of 54 million Baht, payment of interest expenses at 69 million Baht, and during the year bonds of 250 million Baht was bought back.

Financial ratios and profit per share of the company and subsidiaries

Financial ratio and profit per share	Unit	2015	2014	2013
Liquidity ratio				
Current ratio	Times	3.37	2.48	1.47
Quick ratio	Times	1.99	1.11	0.70
Account receivable turnover	Days	69	74	80
Inventory turnover	Days	103	120	118
Account payable turnover	Days	51	59	66
Financial ratio				
Debt to equity ratio	Times	1.16	1.27	1.36
Profitability ratio				
Gross profit margin	%	18.56	16.97	17
Net profit margin	%	-10.44	-1.72	0.23
Return on assets	%	-9.97	-1.31	0.15
Return on equity	%	-21.52	-2.99	0.34
Profit per share				
Profit per share	Baht/Share	(0.23)	0.04	0.04

Liquidity ratio

Current ratio for the year 2015 as compared to the previous year worth 3.37 times and 2.48 times respectively, increase from the previous year. While quick ratio was at 1.99 times in 2015 and 1.11 times in 2014 respectively, an increase from the previous year. Current ratio is improved due to the increase in current assets from cash receipts from disposal of investment in one of subsidiaries and the issuance of bonds while current liabilities decreased. Days account receivable turnover was decreased to 69 days from 74 days from planning debt collection effectively. Inventory turnover remained the same as compared to the previous year of 103 days due to economic slowdown.

Financial ratio

Debt to equity ratio in 2015 compared with the previous year was decreased to 1.16 times from 1.27 times. Although the Company's revenue was declined but the Company continued to manage liquidity by having enough cash to repay debt on schedule and buy back the bonds before maturity, making debt significantly reduced.

Profitability ratio

Gross profit margin in 2558 increased to 18.56 percent from 16.97 percent from a focus on reducing costs and managing human resources effectively.

Operating efficiency ratio

Profit per share decreased as compared to the year 2014 by reporting loss at 0.23 Baht per share due to adjusted revenues from sale of investment in one of subsidiaries at 405 million Baht to the shareholders' equity because the Company has maintained the power to control according to financial reporting standard clause 10 on consolidated financial statements.

Obligations and liabilities that may arise

Obligation and liabilities that may arise as at December 31st, 2015; the Company and its subsidiaries have an obligation under operating lease from 1-5 years at the amount of 9 million Baht which was normal operating leases.

Executive Perspectives

Although the Company was affected by the economic slowdown together with having the interim government, but the Company has confidence in the products and services that the Company and its subsidiaries have strengths that can compete in the market. The Company is focused on developing products to enhance the image and add value to the product. The Company also emphasize on the personnel development to maximize quality and efficiency together with having human resources management and fair evaluation including the development of knowledge and potential of employees at every level continuously. The Company aims at to retain existing customer's base and to be able to increase new customers. The Company also focuses on reducing the cost and use of resources to achieve maximum efficiency for sustainable development. In addition to the commitment to conduct the business, the Company also recognizes and gives priority to society and environment under the Code of Ethics and Guidelines for Good Corporate Governance. In the past year, the Company was awarded the "ESG 100 Certificate" from Thaipat Institute as one of the 100 listed companies with distinguished in business operation to sustainable development on Environment, Social and Good governance: ESG in construction materials sector, which is one of the pride awards in conducting the business of the Company, adhering to the principles of good governance. The Company conducts business with integrity, transparency, and anti-corruption to provide the customers with maximum satisfaction and for the best interests of all stakeholders.

8. Remuneration of the Company's Auditors

The company's auditor for the year 2015 was Mr. Jirote Sirirorote, a certified public account registration no. 5113 from Karin Audit Co., Ltd which has been received the remuneration as follows:

Audit fee: 1,614,000.- Baht

Non-Audit fee: None

The company does not make any payment to persons or operations associated with the acquisition auditor and the audit office under auditor.

Investors can study information of the Company that issue additional securities from Annual Registration Statement (Form 56-1) of the Company that has been posted on www.sec.or.th or website of the Company www.umi-tiles.com.

REPORT OF AUDITOR

To The Shareholders of The Union Mosaic Industry Public Company Limited

I have audited the accompanying consolidated and separate financial statements of the Union Mosaic Industry Public Company Limited and its subsidiaries, and of the Union Mosaic Industry Public Company Limited, respectively, which comprise the consolidated and separate statements of financial position as at December 31, 2015, the consolidated and separate statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated and separate financial statements in accordance with Thai Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In my opinion, the consolidated and separate financial statements referred to above present fairly, in all material respects, the financial position as at December 31, 2015 and the financial performance and cash flows for the year then ended of the Union Mosaic Industry Public Company Limited and its subsidiaries and the Union Mosaic Industry Public Company Limited, respectively, in accordance with Thai Financial Reporting Standards.

Emphasis of Matter

Without qualifying my opinion, I draw attention to Note 5 to the financial information describing the effect of the Company's adoption from January 1, 2015 of certain new accounting policies. The Company has restated the consolidated financial statement for the year ended December 31, 2014, presented herein as comparative information, to reflect such adjustment. The Company has also presented the consolidated statement of financial position as at January 1, 2014 as comparative information, to reflect such adjustment also.

Other matters

The consolidated financial statements of The union mosaic industry Public Company Limited and its subsidiaries and the separate financial statement of The union mosaic industry Public Company Limited for the year ended December 31, 2014 (before restatement) and December 31, 2013 (which have been used for preparing the consolidated and separate statements of financial position as at January 1, 2014 as described in preceding paragraph were audited by other auditor, who expressed unqualified opinions on those statements, under her reports dated February 25, 2015 and February 24, 2014, respectively.



(Mr. Jirote Sirirorote)

Certified Public Accountant

Registration No. 5113

Karin Audit Company Limited

Bangkok, Thailand.

February 24, 2016

THE UNION MOSAIC INDUSTRY PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

AS AT DECEMBER 31, 2015

ASSETS

		(Unit : Baht)				
		Consolidated			Separate	
		As at	As at	As at	As at	As at
		December 31, 2015	December 31, 2014	January 1, 2014	December 31, 2015	December 31, 2014
Notes			(Revised)	(Revised)		
Current assets						
Cash and cash equivalents	6	215,703,539	50,216,418	111,554,145	191,689,425	23,859,486
Current investments - net	7	19,903,853	27,131,108	53,716,027	-	-
Trade accounts receivable and other accounts receivable - net	8,30.1.1	608,576,112	809,120,428	894,221,336	553,144,783	564,334,150
Inventories - net	9	595,383,976	1,127,170,373	1,174,447,806	381,389,663	508,965,732
Account receivable under hire purchase agreement						
with a related company - current portion	30.1.2	-	-	-	2,066,770	1,810,370
Receivables loan to related parties	30.1.3	-	-	-	45,043,010	-
Other current assets		7,408,311	20,773,118	23,590,785	897,317	2,895,587
Total current assets		1,446,975,791	2,034,411,445	2,257,530,099	1,174,230,968	1,101,865,325
Non-current assets						
Fixed deposits pledged as collateral		-	-	5,505,536	-	-
Account receivable under hire purchase agreement						
with a related company - net from current portion	30.1.2	-	-	-	6,285,146	8,351,916
Investments in securities available for sale		13,643,901	-	-	13,643,901	-
Investments in associated company - net	10.1	93,790,923	192,600	192,600	61,267,131	192,600
Investments in subsidiaries	10.2	-	-	-	371,369,684	627,208,130
Other long-term investment	10.3	2,000,000	2,000,000	2,314,300	2,000,000	2,000,000
Investment property - net	12	49,594,870	58,703,407	140,650,199	824,277	824,277
Property, plant and equipment-net	11	2,271,650,750	3,371,243,362	3,403,255,937	1,002,884,753	1,056,807,306
Construction in progress and install - net	14	-	-	-	-	-
Intangible assets - net	15	2,761,139	3,474,218	768,027	-	-
Deferred tax asset	16	2,854,005	2,854,005	3,736,633	-	-
Other non-current assets	13	33,389,566	36,378,336	42,719,264	888,200	888,200
Total non-current assets		2,469,685,154	3,474,845,928	3,599,142,496	1,459,163,092	1,696,272,429
Total assets		3,916,660,945	5,509,257,373	5,856,672,595	2,633,394,060	2,798,137,754

THE UNION MOSAIC INDUSTRY PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION (CONT.)

AS AT DECEMBER 31, 2015

LIABILITIES

(Unit : Baht)						
	Notes	Consolidated			Separate	
		As at	As at	As at	As at	As at
		December 31, 2015	December 31, 2014	January 1, 2014	December 31, 2015	December 31, 2014
			(Revised)	(Revised)		
Current liabilities						
Bank overdrafts and short-term loans from financial institutions	17	21,230,586	73,784,857	247,858,090	18,921,148	32,399,671
Trade accounts payable and Other accounts payable	18, 30.1.4	284,967,639	558,920,636	570,972,708	182,148,195	284,165,407
Long-term loans from financial institutions - current portion	19	1,680,000	44,160,000	486,310,000	-	-
Liabilities under debt rehabilitation plan - current portion	21	19,758,818	43,548,684	15,264,055	-	-
Liabilities under financial leasing agreements - current portion		3,790,004	6,997,868	1,170,666	3,172,561	4,826,427
Short-term loans and accrued interest-related parties	30.1.5	-	15,000,000	103,137,503	-	-
Other current liabilities		97,352,064	78,600,939	113,697,536	85,178,552	55,459,073
Total current liabilities		428,779,111	821,012,984	1,538,410,558	289,420,456	376,850,578
Non-current liabilities						
Long-term loans from financial institution-net from current portion	19	-	250,380,000	725,590,000	-	-
Debentures	20	648,405,849	897,434,073	-	648,405,850	897,434,073
Liabilities under rehabilitation plan - net from current portion						
from current portion	21	814,262,596	820,124,320	863,798,462	-	-
Liabilities under financial leasing agreements - net from						
current portion		4,844,517	12,324,038	3,699,767	3,868,229	6,545,388
Long-term loans, net from current portion	30.1.6	30,890,000	33,990,000	35,131,250	-	-
Deferred tax liabilities	16	98,964,231	132,271,123	104,280,080	10,661,134	10,188,674
Estimated liability - employee benefit	22	66,590,319	110,992,518	91,353,620	59,580,735	61,187,385
Other non-current liabilities		10,035,755	6,657,817	14,819,267	-	-
Total non-current liabilities		1,673,993,267	2,264,173,889	1,838,672,446	722,515,948	975,355,520
Total liabilities		2,102,772,378	3,085,186,873	3,377,083,004	1,011,936,404	1,352,206,098

THE UNION MOSAIC INDUSTRY PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION (CONT.)

AS AT DECEMBER 31, 2015

SHAREHOLDERS' EQUITY

		(Unit : Baht)				
		Consolidated			Separate	
		As at	As at	As at	As at	As at
		December 31, 2015	December 31, 2014	January 1, 2014	December 31, 2015	December 31, 2014
Notes			(Revised)	(Revised)		
Shareholders' equity						
Share capital	24					
Authorized share capital						
836,504,795 ordinary shares of Baht 1.00 each		836,504,795	836,504,795	836,504,795	836,504,795	836,504,795
Issued and paid-up share capital						
836,504,741 ordinary shares of Baht 1.00 each		836,504,741	836,504,741	836,504,741	836,504,741	836,504,741
Paid-in share capital						
Premium on ordinary share		15,500,685	15,500,685	15,500,685	15,500,685	15,500,685
Retained earnings						
Appropriated						
Legal reserve	25	80,612,404	67,235,365	47,800,274	80,612,404	67,235,365
Unappropriated		546,950,361	566,088,143	672,496,210	574,851,092	412,702,131
Other components of shareholders' equity		140,163,122	140,047,801	142,485,917	113,988,734	113,988,734
Total shareholders' equity of parent company		1,619,731,313	1,625,376,735	1,714,787,827	1,621,457,656	1,445,931,656
Non-Controlling interests		194,157,254	798,693,765	764,801,764	-	-
Total shareholders' equity		1,813,888,567	2,424,070,500	2,479,589,591	1,621,457,656	1,445,931,656
Total liabilities and shareholders' equity		3,916,660,945	5,509,257,373	5,856,672,595	2,633,394,060	2,798,137,754

THE UNION MOSAIC INDUSTRY PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED DECEMBER 31, 2015

		(Unit : Baht)			
		Consolidated		Separate	
		2015	2014	2015	2014
	Notes		(Revised)		
Sales	30.2	3,739,487,008	4,213,314,743	2,467,855,230	2,645,066,910
Cost of sales	30.2	(3,045,365,837)	(3,498,378,720)	(1,941,374,844)	(2,145,542,306)
Gross (loss) profit		694,121,171	714,936,023	526,480,386	499,524,604
Other income	30.2	82,619,141	158,501,500	408,341,977	188,976,744
Share of income (expense) from investment in associated company	10.1	-	-	-	-
Profit (loss) before expenses		776,740,312	873,437,523	934,822,363	688,501,348
Selling expenses		(459,615,252)	(497,490,924)	(277,751,914)	(315,374,569)
Administrative expenses		(505,696,444)	(301,907,112)	(233,175,644)	(94,831,427)
Director and management benefit expenses	30.2	(19,577,280)	(20,693,194)	(19,577,280)	(20,693,194)
Total expenses		(984,888,976)	(820,091,230)	(530,504,838)	(430,899,190)
Profit (loss) before financial costs and corporate income tax		(208,148,664)	53,346,293	404,317,525	257,602,158
Finance costs	30.2	(68,995,506)	(92,930,906)	(44,774,190)	(64,616,327)
Profit (loss) before corporate income tax		(277,144,170)	(39,584,613)	359,543,335	192,985,831
Income tax expenses	28	(113,242,476)	(32,791,753)	(92,002,551)	(9,585,498)
Profit (loss) for the years		(390,386,646)	(72,376,366)	267,540,784	183,400,333
Other comprehensive income (loss);					
Surplus on revaluation of land in associates		-	66,240,000	-	-
Actuary assumption charges		-	(12,384,612)	-	(12,488,695)
Fair value changes on investments	26	115,321	57,624	-	-
Total other comprehensive income (loss) for the years		115,321	53,913,012	-	(12,488,695)
Total comprehensive income (loss) for the years		(390,271,325)	(18,463,354)	267,540,784	170,911,638
Profit (loss) for the years attributable to:					
Equity holders of the Parent		(190,335,771)	29,973,705	267,540,784	183,400,333
Non-controlling interests		(200,050,875)	(102,350,071)	-	-
		(390,386,646)	(72,376,366)	267,540,784	183,400,333
Total comprehensive income (loss) attributable to:					
Equity holders of the Parent		(190,258,201)	38,987,453	267,540,784	170,911,638
Non-controlling interests		(200,013,124)	(57,450,807)	-	-
		(390,271,325)	(18,463,354)	267,540,784	170,911,638
Basic earnings (loss) per share					
Net profit (loss) (Baht : Shares)	27	(0.23)	0.04	0.32	0.22
Weighted average number of ordinary share (shares)	27	836,504,741	836,504,741	836,504,741	836,504,741

FOR THE YEAR ENDED DECEMBER 31, 2015

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THE UNION MOSAIC INDUSTRY PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2015

(Unit : Baht)

		SEPARATE					
		Share capital issued	Premium on	Retained earnings		Other components of	Total
		and paid-up	ordinary shares			shareholders' equity	
Notes				Appropriated	Unappropriated	Revaluation surplus of lands	
Ending balance as at January 1, 2014		836,504,741	15,500,685	47,800,274	365,787,655	142,485,917	1,408,079,272
Actuary assumption charges	22	-	-	-	(12,488,695)	-	(12,488,695)
Legal reserved		-	-	19,435,091	(19,435,091)	-	-
Cash dividend	25	-	-	-	(104,562,071)	-	(104,562,071)
Total comprehensive income (loss) for the year		-	-	-	183,400,333	(28,497,183)	154,903,150
Ending balance as at December 31, 2014		836,504,741	15,500,685	67,235,365	412,702,131	113,988,734	1,445,931,656
Legal reserved		-	-	13,377,039	(13,377,039)	-	-
Cash dividend	25	-	-	-	(92,014,784)	-	(92,014,784)
Total comprehensive income (loss) for the year		-	-	-	267,540,784	-	267,540,784
Ending balance as at December 31, 2015		836,504,741	15,500,685	80,612,404	574,851,092	113,988,734	1,621,457,656

THE UNION MOSAIC INDUSTRY PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2015

	(Unit : Baht)			
	Consolidated		Separate	
	2015	2014	2015	2014
		(Revised)		
Cash flows from operating activities				
Profit (loss) before corporate income tax for the year	(277,144,170)	(39,584,613)	359,543,335	192,985,831
Items to reconcile net profit (loss) to cash receipt				
(disbursement) from operating activities				
Dividend from subsidiaries	-	-	(1,378,335)	(1,372,350)
Depreciation and amortization expenses	361,809,343	330,971,321	104,811,533	95,641,038
Employee benefit expense	10,151,308	24,199,502	5,142,646	12,517,843
Interest expenses	68,995,506	92,930,906	44,774,190	64,616,327
Doubtful debt (Reverse)	(7,036,218)	(2,705,630)	666,801	1,190,620
Allowance for impairment of asset (Reverse)	161,393,939	(12,928,834)	-	(27,991,649)
Unrealized (gain) loss on exchange rate	191,917	(929,737)	275,530	(169,153)
(Gain) loss sales of fixed assets	4,560,241	(104,236,399)	(1,498,789)	(101,481,960)
Loss from impairment of investment	192,600	-	99,700,916	-
Loss inventory valuation decrease (Reverse)	(17,093,648)	(8,372,226)	(1,398,452)	(5,483,939)
(Gain) loss on disposal of investment and warrants				
in subsidiaries	-	-	(359,993,913)	-
Profit (loss) from operations before changes in				
operating assets and liabilities	306,020,818	279,344,290	250,645,462	230,452,608
Changes in operating assets (increase) decrease				
Trade accounts receivable and other accounts receivable	82,753,084	87,498,746	10,564,075	56,219,729
Inventories	225,581,712	55,649,659	128,974,520	62,414,507
Other current assets	9,875,021	2,263,081	1,998,271	1,989,116
Other non-current assets	740,472	2,221,589	-	-
Changes in operating liabilities increase (decrease)				
Trade accounts payable and Other accounts payable	(229,834,975)	(62,588,068)	(102,334,250)	(62,716,112)
Other current liabilities	(14,278,484)	(30,895,340)	(8,479,790)	(16,515,548)
Other non-current liabilities	3,377,939	(1,942,720)	-	-
Income tax paid	(56,350,409)	(41,565,525)	(53,330,823)	(42,030,256)
Cash paid for - employee benefit obligations	(9,056,645)	(16,944,608)	(6,749,296)	(7,883,457)
Net cash provided by (used in) operating activities	318,828,533	273,041,104	221,288,169	221,930,587

THE UNION MOSAIC INDUSTRY PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CASH FLOWS (CONT.)

FOR THE YEAR ENDED DECEMBER 31, 2015

(Unit : Baht)

	Consolidated		Separate	
	2015	2014 (Revised)	2015	2014
Cash flows from investing activities				
(Increase) decrease in restricted deposits at financial institution	-	5,505,536	-	-
Proceeds from sales of current investment	-	26,660,449	-	-
Cash paid for purchase of current investment	(20,230,708)	-	-	-
Proceeds from sales of investment and warrants in subsidiaries	-	-	455,311,606	-
Cash paid for purchase of long-term investment	-	314,300	-	-
Cash paid for purchase of associates investment	(254,694)	-	(254,694)	-
Cash paid for purchase of investments in securities available for sale	(64,092,942)	-	(13,643,901)	-
Asset under hire purchase agreements-subsiary company	-	-	1,810,370	950,461
Proceeds from sales of property, plant and equipment	5,650,128	15,477,198	1,697,686	12,711,759
Cash received from invesments in subsidiaries	405,039,778	-	-	-
Cash received from sales of land-investment property	-	140,000,000	-	140,000,000
Cash paid for purchase of property, plant and equipment	(57,779,643)	(176,250,877)	(51,087,876)	(76,291,093)
Cash paid for purchase of intangible asset	-	(3,418,427)	-	-
Cash loans to related parties	-	-	(45,043,010)	-
Proceed for Dividend	-	-	1,378,335	1,372,350
Net cash provided by (used in) investing activities	268,331,919	8,288,179	350,168,516	78,743,477
Cash flows from financing activities				
Dividends from subsidiaries	(2,971,665)	-	-	-
Cash received from non-controlling interest				
subscription in share capital	221,674,866	150,000,000	-	-
Interest paid	(69,185,477)	(83,486,781)	(44,774,190)	(54,992,611)
Increase (Decrease) in bank overdrafts and short-term loans				
from financial institutions	26,588,879	(174,073,233)	(13,478,523)	(206,277,477)
Cash paid for redemption of bonds	(249,028,224)	(100,000,000)	(249,028,224)	-
Cash received of short-term loan form director	-	10,000,000	-	-
Cash received from long-term loans	-	1,888,303	-	-
Cash received issued bonds	-	997,434,073	-	897,434,073
Payment of loan from directors and related company	-	(261,250)	-	-
Payment of loan from financial institution and other accounts payable	(29,651,589)	(15,389,513)	-	-
Payment of short-term loan from directors	-	(481,310,000)	-	-
Payment of long-term loan from directors	(3,100,000)	(880,000)	-	-
Payment of short-term loans from other parties	(15,000,000)	-	-	-
Payment of long-term loan	(194,160,000)	(536,075,806)	-	(815,000,000)
Cash paid for dividend	(92,014,784)	(107,539,720)	(92,014,784)	(104,562,070)
Cash paid for liabilities under financial leasing	(6,732,712)	(2,973,083)	(4,331,025)	(3,564,601)
Net cash provided by (used in) financing activities	(413,580,706)	(342,667,010)	(403,626,746)	(286,962,686)

THE UNION MOSAIC INDUSTRY PUBLIC COMPANY LIMITED AND SUBSIDIARIES

**STATEMENTS OF CASH FLOWS (CONT.)
FOR THE YEAR ENDED DECEMBER 31, 2015**

(Unit : Baht)

	Consolidated		Separate	
	2015	2014 (Revised)	2015	2014
Net increase (decrease) in cash and cash equivalents	173,579,746	(61,337,727)	167,829,939	13,711,378
Decrease in cash from lost in control subsidiaries	(8,092,625)	-	-	-
Cash and cash equivalents, at beginning of years (note 6)	50,216,418	111,554,145	23,859,486	10,148,108
Cash and cash equivalents, at ending of years (note 6)	215,703,539	50,216,418	191,689,425	23,859,486

Supplemental disclosures of cash flows information :

1. For the purpose of preparing the statement of cash flows, cash and cash equivalents items include cash in hand and cash at banks and short-term investment in promissory notes which are due within 3 months.
2. In 2014, the Company has repayment from one debtor by land amounting by baht of 0.82 million.
3. In 2014, the Company has lease hire purchase on machine to the related parties amounting by Baht of 16.35 million.
4. In 2014, a subsidiaries have entered into hire purchase agreements to purchase of vehicles amounting by Baht of 2.57 million.
5. In 2015, the Parent company lost control of the subsidiary. Details that the statement of cash flows as follows:

	(Unit : million)
Current investments	(27.46)
Trade accounts receivable and other accounts receivable	(124.87)
Inventories	(323.30)
Other current assets	(4.28)
Investments in associated company	125.27
Investments in securities available for sale	(50.45)
Property, plant and equipment	(662.91)
Intangible assets	(0.03)
Other non-current assets	(2.25)
Bank overdrafts and short-term loans from financial institutions	79.14
Trade accounts payable and Other accounts payable	44.16
Long-term loans from financial institutions - current portion	48.00
liabilities under debt rehabilitation plan - current portion	1.61
Other current liabilities	4.52
Long-term liabilities - net from current portion	50.70
Deferred tax liabilities	51.05
Liabilities under financial leasing agreements - net from current portion	2.34
Estimated liability - employee benefit	45.50
Non-controlling interests	751.35
Cash and cash equivalents	8.09

THE UNION MOSAIC INDUSTRY PUBLIC COMPANY LIMITED AND SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015

1. GENERAL INFORMATION

1.1 The Company registered the conversion into a Public Company Limited on March 11, 1994. The Company's head office is located at 65 Chamnan Phenjati Business Center, 29th Fl., Rama 9 Rd., Huaykwang and Bangkok. The location of two branches are as follows :

Branch : 1st site at 54/1 Suwannasorn Road, Tumbol Kokeyae, Nongkhae District, Saraburi.

2nd site at 54 Moo 1, Tumbol Phaitum, Nongkhae District, Saraburi.

1.2 The Company engages in producing and distributing of floor and wall tile.

2. BASIS FOR PREPARATION OF CONSOLIDATED FINANCIAL STATEMENT

2.1 The consolidated financial statements include the financial statements of the Union Mosaic Industry Public Company Limited and subsidiaries as follows:

			Percentage of holding (% of share capital)	
			As at	As at
	Type of Business	Head office	December 31, 2015	December 31, 2014
Direct Investment :				
Cermas Co.,Ltd.*	Sales of mineral and soil	Bangkok	24.90	24.90
UMI Property Co.,Ltd.*	Real estate	Bangkok	37.57	37.57
Ruampat Ceramic Co.,Ltd.*	Ceramic Agent	Bangkok	49.00	49.00
T.T. Ceramic Public Co.,Ltd.**	Manufacturer and			
	Ceramic Agent	Bangkok	66.58	66.58
The Royal Ceramic Industry Public Company Limited***	Manufacturer and Ceramic Agent	Bangkok	10.60	32.26
Indirect Investment :				
By the associated company				
T.T. Ceramic Public Co.,Ltd.**	Manufacturer and			
	Ceramic Agent	Bangkok	0.88	2.68
Cermas Co., Ltd.	Sales of mineral and soil	Bangkok	0.16	0.48

* The Company has prepared for the consolidated financial statement by included such three subsidiaries although holding percentage less than 50%, but due to the Company has the control in such three companies.

** Formerly name is T.T. Ceramic Co.,Ltd.

THE UNION MOSAIC INDUSTRY PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2015

*** In 2015, the Company adjusted retroactively overall consolidated financial statements of The Royal Ceramic Industry Public Company (Limited) is a subsidiary of one another. Financial Reporting Standards No. 10 (revised 2014) Consolidated Financial Statements.

2.2 These consolidated financial statements are prepared by including the financial statements of its subsidiaries under control by the Union Mosaic Industry Public Company Limited after eliminating significant balance and inter-company transactions between the Union Mosaic Industry Public Company Limited and its subsidiaries.

3. Basis of Financial Statement Preparation

3.1 Statement of compliance

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

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

3.2 Thai Financial Reporting Standards (TFRS) new effective

Effective from January 1, 2015 the interim financial statements are prepared on new and revised TFRS issued by FAP as follows :

TAS	Topic
TAS 1 (revised 2014)	Presentation of Financial Statements
TAS 2 (revised 2014)	Inventory
TAS 7 (revised 2014)	Statement of Cash Flows
TAS 8 (revised 2014)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10 (revised 2014)	Events After The Reporting Period
TAS 11 (revised 2014)	Construction Contracts
TAS 12 (revised 2014)	Income Taxes
TAS 16 (revised 2014)	Property, Plant and Equipment
TAS 17 (revised 2014)	Leases
TAS 18 (revised 2014)	Revenue Recognition
TAS 19 (revised 2014)	Employee Benefits
TAS 20 (revised 2014)	Accounting for Government Grants and Disclosure of Government Assistance
TAS 21 (revised 2014)	The Effects of Changes in Foreign Exchange Rates
TAS 23 (revised 2014)	Borrowing Costs
TAS 24 (revised 2014)	Related Party Disclosures

THE UNION MOSAIC INDUSTRY PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2015

TAS	Topic
TAS 26 (revised 2014)	Accounting and Reporting by Retirement Benefit Plans
TAS 27 (revised 2014)	Separate Financial Statements
TAS 28 (revised 2014)	Investments in Associates and Joint Ventures
TAS 29 (revised 2014)	Financial Reporting in Hyperinflationary Economies
TAS 33 (revised 2014)	Earnings Per Share
TAS 34 (revised 2014)	Interim Financial Reports
TAS 36 (revised 2014)	Impairment of Assets
TAS 37 (revised 2014)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38 (revised 2014)	Intangible Assets
TAS 40 (revised 2014)	Investment Property
TFRS 2 (revised 2014)	Share-based Payment
TFRS 3 (revised 2014)	Business Combinations
TFRS 4 (revised 2014)	Insurance Contracts
TFRS 5 (revised 2014)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 6 (revised 2014)	Exploration for and Evaluation of Mineral Resources
TFRS 8 (revised 2014)	Operating Segments
TFRS 10	Consolidated Financial Statements
TFRS 11	Joint Arrangements
TFRS 12	Disclosure of Interests in Other Entities
TFRS 13	Fair Value Measurement
TSIC 10 (revised 2014)	Government Assistance - No Specific Relation to Operating Activities
TSIC 15 (revised 2014)	Operating Leases - Incentives
TSIC 25 (revised 2014)	Income Taxes - Changes in the Tax Status of an Entity or its Shareholders
TSIC 27 (revised 2014)	Evaluating the Substance of Transactions Involving the Legal Form of a Lease
TSIC 29 (revised 2014)	Service Concession Arrangements: Disclosures
TSIC 31 (revised 2014)	Revenue - Barter Transactions Involving Advertising Services
TSIC 32 (revised 2014)	Intangible Assets - Web Site Costs
TFRIC 1(revised 2014)	Changes in Existing Decommissioning, Restoration and Similar Liabilities
TFRIC 4 (revised 2014)	Determining whether an Arrangement contains a Lease
TFRIC 5 (revised 2014)	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
TFRIC 7 (revised 2014)	Applying the Restatement Approach under TAS 29 Financial Reporting in Hyperinflationary Economies
TFRIC 10 (revised 2014)	Interim Financial Reporting and Impairment

THE UNION MOSAIC INDUSTRY PUBLIC COMPANY LIMITED AND SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015

TAS	Topic
TFRIC 12 (revised 2014)	Service Concession Arrangements
TFRIC 13 (revised 2014)	Customer Loyalty Programmes
TFRIC 14	TAS 19 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
TFRIC 15 (revised 2014)	Agreements for the Construction of Real Estate
TFRIC 17 (revised 2014)	Distributions of Non - cash Assets to Owners
TFRIC 18 (revised 2014)	Transfers of Assets from Customers
TFRIC 20	Stripping Costs in the Production Phase of a Surface Mine

Management has considered above new interpretations in accordance with the FAP's announcement that there has no material impact on the financial statements for current year.

3.3 Financial reporting standard that became effective in the current period

The Company has adopted the revised (revised 2014) and new financial reporting standards issued by the Federation of Accounting Professions which become effective for fiscal years beginning on or after January 1, 2015. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of standards. The adoption of these financial reporting standards does not have any significant impact on the Company's financial statements. However, some of these standards involve changes to key principles, which are summarised below:

3.4 TAS 19 (revised 2014) Employee Benefits

This revised standard requires that the entity recognise actuarial gains and losses immediately in other comprehensive income while the former standard allowed the entity to recognise such gains and losses immediately in either profit or loss or other comprehensive income, or to recognise them gradually in profit or loss.

This revised standard does not have any impact on the financial statements as the Company already recognise actuarial gains and losses immediately in other comprehensive income.

3.5 TFRS 13 Fair Value Measurement

This standard provides guidance on how to measure fair value and stipulates disclosures related to fair value measurement. Entities are to apply the guidance under this standard if they are required by other financial reporting standards to measure their assets or liabilities at fair value. The effects of the adoption of this standard are to be recognised prospectively.

THE UNION MOSAIC INDUSTRY PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2015

Financial Reporting Standard No. 13 is intended to improve. And reducing the duplication of the definition of fair value. By definition And resources to measure fair value. And disclosure standards for financial reporting. Standards, the impact on the financial statements of the Group. Except for disclosures

3.6 Significant accounting policies

The Company and subsidiaries used significant accounting policies in the preparation of the annual financial statements are as follows:

Revenues and Expenses Recognition

Sales of goods are recognized when the significant risks and rewards of ownership of the goods have passed to the buyer. Sales are the invoiced value, excluding value added tax, of goods supplied after deducting discounts and allowances.

Rental and service income are recorded on an accrual basis by follow the contract period.

Interest income and other income is recognized as accrual basis.

Expense is recognized as accrual basis.

Trade accounts receivable

Trade accounts receivable are carried in the statements of financial position at the amount expected to be collectible. Allowance for doubtful receivables are estimated by percentage of accounts receivable which is assessed primarily on analysis of payment histories and review of all outstanding amounts at statements of financial position date. The amount of the allowance is the difference between the carrying amount of the receivable and the amount expected to be collectible. Bad debts are written off during the year in which they are identified.

Allowance for doubtful accounts

The Company and subsidiaries provides an allowance for doubtful accounts. For the amount of debt that is expected to save money. Based on the ability to liquidate the debtor's income, according to management.

Inventory Valuation

Inventories are stated at the lower of cost and net realizable value.

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

The Company and some subsidiaries valued their finished goods and work in process at the lower of cost or net realizable value. Raw materials and supplies are valued at cost on the average basis.

A subsidiary valued its office condominium units for sales at the lower of cost or net realizable value.

THE UNION MOSAIC INDUSTRY PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2015

Property, plant, and equipment

The Company and subsidiary lands are valued at appraised value. The revaluation increment in land is shown under “Equity” in the statement of financial position. Plant and equipment are stated at cost less accumulated depreciation and allowance for impairment asset (if any).

Property, plant and equipment are depreciated on a straight-line method over the estimated useful lives of the assets as follows:

Building and structure	15-20	Years
Office improvements and fixture	20	Years
Machinery and Tools	5-20	Years
Furniture and office equipment	5	Years
Vehicles	5	Years

Investment properties

Investment property, defined as property owned to earn rentals; capital appreciation; or both, is disclosed in the financial statements separately from property, plant and equipment.

The Company has selected the cost model for accounting for its investment properties under the revised TAS

Deferred charges

Deferred charges are suspended based on the basis of benefit to the Company and subsidiaries and amortized on a straight-line basis within 1 – 5 years.

Concession fee is stated at net cost of amortization on a concession period.

Impairment of Assets

The Company has considered the impairment of assets - land, building, equipment, investment and intangible assets whenever events or change indicated that the book value of assets exceeded its net realizable value. The Company will consider the impairment of each asset item or each asset unit generating cash flows, whichever is practical.

In case that the book value of an asset exceeds its net realizable value, the Company will recognize as impairment loss in the statements of comprehensive income for the years. The Company will reverse the impairment loss whenever there is an indication that there is no longer impairment or reduction in impairment by recording as “other income”.

Foreign Currency Transactions

The Company and subsidiaries recorded the transactions in foreign currencies throughout the year at the rates prevailing at the date of transactions. Assets and liabilities denominated in foreign currencies at the statement of financial position date are translated into Thai Baht at the prevailing rates at those dates. Gains or losses from exchange rate are credited or charged to current operations.

THE UNION MOSAIC INDUSTRY PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2015

Investments

Investments in subsidiaries and associated companies under the company only financial statements are stated in statements of financial position at cost less allowance for impairment in value. The devaluation of investment is presented as impairment loss of investment, which reflected in the statement of comprehensive income.

Investments in subsidiaries and associated companies under the consolidated financial statements are stated in statements of financial position by equity method.

Investment securities available for sales are carried at fair value less allowance for impairment of investments. The differences between book value and fair value are presented as unrealized gain or loss in the equity.

Other investments are stated in Statement of financial position at cost less allowance for impairment in value. The devaluation of investment is presented as impairment loss of investment, which reflected in the statement of comprehensive income.

Cost of short-term and long-term investments sold during the period were computed by the weighted average method. Gain or loss of those investment sales are stated in the Statement of comprehensive income.

Capitalization of Interest

Borrowing cost is capitalized as cost of assets that the Company has incurred borrowing cost on assets that required a period of time to get them ready for use. Capitalization of borrowing cost will be stopped when such assets are ready for their intended use.

Provision for employees' benefits

Short-term employee benefits

The Company and its subsidiaries record salaries, wages, bonuses and contributions to the social security fund are recognised as expenses when incurred.

Post-employment benefits

Defined contribution plans

The Company and its subsidiaries and employee have set up a provident fund. the provident fund is funded by payments from employees and by the Company. the monthly payments, of which the assets are held in a separate trust fund. the Company contributions to the provident fund are charged to profit or loss in the years to which they relate.

Defined benefit plans

The Company and its subsidiaries have obligations in respect of the severance payments it must make to employees upon retirement under labor law. The Company and its subsidiaries treat these severance payment obligations as a defined benefit plan.

THE UNION MOSAIC INDUSTRY PUBLIC COMPANY LIMITED AND SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS
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The obligation under the defined benefit plan is determined by a professionally qualified independent actuary based on actuarial techniques, using the projected unit credit method.

Actuarial gains and losses arising from other long-term benefits are recognised immediately in profit or loss.

For the first-time adoption of TAS 19 Employee Benefits, the Company and its subsidiaries elected to recognise the transitional liability, which exceeds the liability that would have been recognised at the same date under the previous accounting policy, through an adjustment to the beginning balance of retained earnings in the current year.

Corporate Income Tax

Corporate income tax for four subsidiaries is calculated based on net income of the non-promoted activity after adding back certain expenses and allowances which are forbidden expenses in tax computation at 20 percent of net profit before income tax. (For the year 2014 : Income tax rate by 20 percent of net income before tax).

Finance Lease

Leases of assets that substantially transfer to the Company all the rewards and risks of ownership of assets and that the Company intends to exercise the option of the leases to purchase the assets at the expiration of the lease term, are accounted for as finance leases.

At the inception of a finance lease, the cost of the asset is recorded together with the obligation to pay future rent, excluding the interest element. Finance charges are recorded to the current period operations by the effective interest rate basis.

Operating Lease

Lease of assets under which all the risks and rewards of ownership are effectively retained by the lessor are classified as operating leases. Lease payments under an operating lease are recognized as expense on a systematic basis over the lease term.

Related party transactions

Related parties comprise enterprises and individuals that control, or are controlled by, the Company, whether directly or indirectly, or which are under common control with the Company.

They also include associated companies and individuals which directly or indirectly own a voting interest in the Company that gives them significant influence over the Company, key management personnel, directors and officers with authority in the planning and direction of the Company's operations.

THE UNION MOSAIC INDUSTRY PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2015

Segment information

Business segments provide products and services that are subject to risks and returns that are different from those of other business segments. Geographic segments provide products or services within a particular economic environment that is subject to risks and returns that are different from those of components operating in other economic environments.

Segment information is presented by business segments of the Group's operations and divided into domestic and foreign.

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 a business combination, or 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. Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill; the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; and differences relating to investments in subsidiaries and jointly-controlled entities to the extent that it is probable that they will not reverse in the foreseeable future.

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 at the reporting date.

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

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

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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.

4. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles at times requires management to make subjective judgments and estimates regarding matters that are inherently uncertain. These judgments and estimates affect reported amounts and disclosures and actual results could differ. The significant accounting judgments and estimates are as follows:

Finance leases/ Operating leases

The Company and subsidiaries have entered into lease agreements for the rental of motor vehicles. The Company and subsidiaries have determined, based on an evaluation of the terms and conditions of the arrangements, that the less or retains all the significant risk and rewards of ownership of these properties, and so accounts for the contracts as operating leases.

Allowance for doubtful accounts

Allowances for doubtful accounts are intended to adjust the value of receivables for probable credit losses. The management uses judgment to establish reserves for estimated losses for each outstanding debtor. The allowances for doubtful accounts are determined through a combination of specific reviews, collection experience, and analysis of debtor aging, taking into account changes in the current economic conditions. However, the use of different estimates and assumptions could affect the amounts of allowances for receivable losses and adjustments to the allowances may therefore be required in the future.

Impairment of investments

The Company and subsidiaries treat investments as impaired when there has been a significant or prolonged decline in the fair value below their cost or where other objective evidence of impairment exists. The determination of what is “significant” or “prolonged” requires judgment.

Depreciation

In calculating depreciation of plant and equipment, the management estimates useful lives and salvage values of the plant and equipment and reviews estimated useful lives and salvage values if there are any changes.

The estimated fair value

The Group estimates the fair value of investments available for sale. Investment Property And long-term loans The fair value estimate can be classified according to different levels of information are as follows.

- Bid trading (No improvement) in liquid assets or liabilities of the same (level 1).

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- Data other than the purchase price, which is included in Level 1 that are observable either directly (ie prices) or indirectly (ie data derived from prices) for the asset or liability. (Level 2)
- Data for assets or liabilities which are not derived from observable market data. (Information that can not be observed) (Level 3).

The Group has disclosed the estimated fair value of the items listed above in the notes to the financial statements related.

Intangible assets

Intangible assets are systematically amortized over their estimated useful lives, and are subject to impairment if there is an indication they may be impaired.

Impairment of Inventory

In order that financial statements report present value of inventory and performance. The company has reviewed and revised policy for impairment of inventory to cover all inventories, which include finished goods, raw material, spare part and supply. The impairment is considered when book value of inventory is higher than its net realizable value and when the inventory has no movement for a certain period, whichever is practical.

Employees benefit

Note 22 Discount rate, salary increase rate.

5. CHANGES IN ACCOUNTING POLICIES

From January 1, 2015, consequent to the adoption of new and revised TFRS as set out in note 3, the Group/Company has adopted the following new and revised TFRS 10 Consolidated Financial Statements having a material effect on the Group's financial statements.

A description of the nature and effect of the changes in accounting policy consequent to the adoption of these new and revised TFRS is included in notes to interim financial statement below:

Subsidiaries

As a result of TFRS 10, the Group has changed its accounting policy for determining whether it has control over and consequently whether it consolidates its investees. TFRS 10 introduces a new control model that is applicable to all investees, by focusing on whether the Group has power over an investee, exposure or rights to variable returns from its environment with the investees and ability to use its power to affect those returns. In particular, TFRS 10 requires the Group to consolidate investees that it controls on the basis of de facto circumstances.

In accordance with the transitional provisions of TFRS 10, the Group reassessed the control conclusion for its investees at January 1, 2015. As a consequence, the Group has changed its control conclusion in respect of its investment in The Royal Ceramic Industry Public Company Limited, which was previously accounted for as an associate using the equity method.

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Although the Group owns less than half of the voting power of the investee, management have determined that the Group has acquired de facto control over the investee since it acquired the investment June 21, 2012. This is because the Group has held significantly more voting rights of the investee than any other vote holders or organized group of vote holders, and the other shareholdings of the investee are widely dispersed. Accordingly, the Group applied acquisition accounting to the investment at June 21, 2012, as if the investee had been consolidated from that date. Further details of the effect of the change are set out in note 4 below.

Summary of quantitative impact

The following tables summarize the material impacts resulting from the above changes in accounting policies on the Group's financial position, comprehensive income and cash flows.

As the Group has taken advantage of the transitional provisions of TFRS 10 Consolidated Financial Statements, the following tables do not include the effect of the change in accounting policy for subsidiaries on the current period.

	Effect of changes in accounting policies		
	As previously reported	Subsidiaries (in million Baht)	As restated
Consolidated statement of financial position			
At January 1, 2014			
Current assets	1,666	592	2,258
Non-current assets	3,090	509	3,599
Total assets	4,756	1,101	5,857
Current liabilities	1,096	442	1,538
Non-current liabilities other	1,785	54	1,839
Total liabilities	2,881	496	3,377
Non-controlling interests	161	604	765
Retained earnings	720	-	720
Others	994	1	995
Total equity	1,875	605	2,480

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	Effect of changes in accounting policies		
	As previously		
	reported	Subsidiaries	As restated
	(in million Baht)		
Consolidated statement of financial position			
As at December 31, 2014			
Current assets	1,517	517	2,034
Non-current assets	2,929	546	3,475
Total assets	4,446	1,063	5,509
Current liabilities	633	188	821
Non-current liabilities other	1,936	329	2,264
Total liabilities	2,569	517	3,085
Non-controlling interests	251	548	799
Retained earnings	633	-	633
Others	992	-	992
Total equity	1,876	548	2,424

	Effect of changes in accounting policies		
	As previously		
	reported	Subsidiaries	As restated
	(in million Bath)		
Consolidated statement of comprehensive income			
For the year ended December 31, 2014			
Total revenue	3,475	897	4,372
Total cost and expenses	(3,492)	(952)	(4,444)
Net income	(17)	(55)	(72)
Other comprehensive income for the periods	9	45	54
Comprehensive income for the periods	27	(12)	15
Other comprehensive income for the periods	(8)	(10)	(18)

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	Effect of changes in accounting policies		
	As previously		
	report	Subsidiaries	As restated
	(in million Baht)		
Consolidated statement of cash flows			
Cash flows from operating activities	172	101	273
Cash flows from investing activities	215	(206)	9
Cash flows from financing activities	(399)	56	(343)
Increase (decrease) in cash and cash equivalents	(12)	(49)	(61)

6. CASH AND CASH EQUIVALENTS

Consist of:

	(Unit : Baht)			
	Consolidated		Separate	
	As at	As at	As at	As at
	December 31, 2015	December 31, 2014	December 31, 2015	December 31, 2014
Cash on hand	70,896	367,037	21,363	66,612
Cash in bank - current	10,196,078	27,019,860	9,061,459	21,425,860
Cash in bank - saving	205,237,735	22,549,364	182,407,773	2,086,856
Checks due but have not led to more	198,830	280,157	198,830	280,158
Total	215,703,539	50,216,418	191,689,425	23,859,486

7. CURRENT INVESTMENTS - NET

Consist of:

	(Unit : Baht)			
	Consolidated		Separate	
	As at	As at	As at	As at
	December 31, 2015	December 31, 2014	December 31, 2015	December 31, 2014
Fixed deposit				
(Over 3 months to 1 year)	15,661,446	10,608,682	-	-
Temporary investments - available				
for - sales equity securities	4,242,407	13,394,399	-	-
Temporary investments – Funds	-	3,128,027	-	-
Total	19,903,853	27,131,108	-	-

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As at December 31, 2015, investment in one listed security has cost of Baht 1.48 million and market price of Baht 0.03 million.

(As at December 31, 2014 : investment in one listed security has cost of Baht 1.48 million and market price of Baht 0.04 million)

The fair value of temporary investments in marketable securities - equity as at December 31, 2015 the fair value of investments available for sale. The trading price on the market with liquidity for the asset, which is the first level (note 3.5).

8. TRADE - ACCOUNTS RECEIVABLE AND OTHER – ACCOUNTS RECEIVABLE – NET

Consist of:

	(Unit : Baht)			
	Consolidated		Separate	
	As at	As at	As at	As at
	December 31, 2015	December 31, 2014	December 31, 2015	December 31, 2014
Trade accounts receivable				
- Related parties	80,094,544	85,965,094	137,334,067	134,236,172
- Others	540,173,544	743,200,145	414,017,845	424,462,017
Total Trade accounts receivable	620,268,088	829,165,239	551,351,912	558,698,189
<u>Less</u> Allowance for doubtful account	(26,724,112)	(34,508,574)	(10,873,029)	(10,206,228)
Trade accounts receivable – net	593,543,976	794,656,665	540,478,883	548,491,961
Other accounts receivable	15,032,136	14,463,763	12,665,900	15,842,189
Total trade accounts and Other accounts receivable - net	608,576,112	809,120,428	553,144,783	564,334,150

As at December 31, 2015 and 2014, accounts receivable classified by aging are as follows:

	(Unit : Baht)			
	Consolidated		Separate	
	As at	As at	As at	As at
	December 31,	December 31,	December 31,	December 31,
	2015	2014	2015	2014
Related parties				
Not yet due	55,906,492	54,499,814	96,727,516	87,139,694
Overdue				
Less than 3 months	24,188,052	31,317,126	40,606,551	28,365,246
Over 3 months to 6 months	-	-	-	18,731,232
Over 6 months to 12 months	-	148,154	-	-
Over 12 months	-	-	-	-
Total	80,094,544	85,965,094	137,334,067	134,236,172

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	(Unit : Baht)			
	Consolidated		Separate	
	As at	As at	As at	As at
	December 31,	December 31,	December 31,	December 31,
	2015	2014	2015	2014
Others				
Not yet due	281,368,011	491,552,045	235,456,877	287,110,517
Overdue				
Less than 3 months	222,177,099	209,675,871	166,845,627	124,592,892
Over 3 months to 6 months	7,370,664	8,821,429	94,152	2,014,586
Over 6 months to 12 months	4,479,579	3,643,148	1,377,113	898,606
Over 12 months	24,778,191	29,507,652	10,244,076	9,845,416
Total	540,173,544	743,200,145	414,017,845	424,462,017
Total	620,268,088	829,165,239	551,351,912	558,698,189
Allowance for doubtful accounts	(26,724,112)	(34,508,574)	(10,873,029)	(10,206,228)

Consolidated

During the year 2015, a subsidiary has reversed allowance for doubtful debt accounts by Baht of 7.94 million. because receiving from clients.

During the year 2014, a subsidiary has reversed allowance for doubtful debt accounts by Baht of 2.89 million. because receiving from clients.

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9. INVENTORIES - NET

As at December 31, 2015, and 2014 consist of:

	(Unit : Baht)			
	Consolidated		Separate	
	As at	As at	As at	As at
	December 31,	December 31,	December 31,	December 31,
	2015	2014	2015	2014
Finished goods	541,302,378	985,839,337	331,283,410	452,208,281
Work in process	9,546,831	41,776,801	641,477	10,673,056
Raw materials	25,986,842	67,745,085	17,701,038	17,197,073
Spare part and supplies	44,329,382	94,969,457	24,181,574	26,504,855
Goods in-transit	25,878,387	22,066,998	25,063,194	21,261,949
Total	647,043,820	1,212,397,678	398,870,693	527,845,214
<u>Less allowance for declining in value of inventory</u>	<u>(51,659,844)</u>	<u>(85,227,305)</u>	<u>(17,481,030)</u>	<u>(18,879,482)</u>
Net	595,383,976	1,127,170,373	381,389,663	508,965,732

Allowance for declining in value of inventory have changed during the year as follows:-

	(Unit : Baht)			
	Consolidated		Separate	
	As at	As at	As at	As at
	December 31,	December 31,	December 31,	December 31,
	2015	2014	2015	2014
Beginning balance	(85,227,305)	(93,599,243)	(18,879,482)	(24,363,420)
Increase	(3,568,258)	-	(713,862)	-
Decrease	20,661,906	8,371,938	2,112,314	5,483,938
The decrease end of control in a subsidiary	16,473,813	-	-	-
Ending balance	(51,659,844)	(85,227,305)	(17,481,030)	(18,879,482)

In during year 2015 and 2014, decreasing in allowance for declining in value of inventory due to sales for such inventory allowed.

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10. INVESTMENTS

Consist of:

10.1 Investments in associated companies-net

10.1.1 Details of Investments in associated companies consist of :

				(Unit : Baht)			
				Consolidated / Separate			
				Cost Method		Equity Method	
				As at	As at	As at	As at
				December 31,	December 31,	December 31,	December 31,
				2015	2014	2015	2014
Company's name	Type of Business	Paid-up Capital	Holding Portion				
Marketable securities							
The Royal Ceramic Industry Public Company Limited	Manufacturer and Ceramic Agent	462,629,524 (Baht)	10.60%	61,267,131	-	93,790,923	-
Non-marketable securities							
Tekno Cer S.R.L. Co., Ltd.*	Raw material Supply	20,000,000 (Iir)	45.00%	192,600	192,600	192,600	192,600
Duragres Co., Ltd.	Consumer products	25,000,000 (Baht)	40.00%	10,000,000	10,000,000	10,000,000	10,000,000
Total				10,192,600	10,192,600	10,192,600	10,192,600
Less Allowance for impairment investment				(10,192,600)	(10,000,000)	(10,192,600)	(10,000,000)
Net				61,267,131	192,600	93,790,923	192,600

* Stop operation and during the settlement process.

The Company accounts for the investment in ordinary shares of an associate (Royal ceramic industry public Co., Ltd.), which is a listed company in the Stock Exchange of Thailand, in the consolidated financial statements by the equity method. As at December 31, 2015 and 2014 the fair value of this investment was Baht 2.82 per share and Baht 3.88 per share, respectively,

In 2015, the Company sold a part of subsidiaries its investment in subsidiaries (the Royal Ceramic Industry Public Co., Ltd.) at the amount of Baht 405.04 million with a gain of Baht 309.72 million. which is presented as other in the Company's statements of comprehensive income and presented the gain in change in ownership interest in subsidiaries of Baht 263.76 million and gain in change in ownership interest from unused warrant to convert to be ordinary share amounted to Baht 12.83 million, in the shareholders' equity in the consolidated financial statement because the Company has still controlled such subsidiaries.

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In the fourth quarter of 2015, the Royal Ceramic Industry Public Company Limited changed member of the Board of Directors. The other persons has joined in such Board. Additional, such company has changed the signing check by the outside directors will be 1 of 2 of signing check Thus, the Company has not control over such company. As at December 31, 2015, the Company presented the investment in such company as investment in associated company and prepared its consolidated financial statement up to December 31, 2015. The Company transferred the gain in change in ownership interest as above of Baht 276.59 directly to retained earnings because the Company has not control over such company.

10.2 Investments in subsidiaries consist of:

(Unit : Baht)										
Paid-up Capital							Separate			
							Cost Method		Dividends income	
							As at	As at	As at	As at
							December	December	December	December
Company's name	Type of Business	As at December 31, 2015	As at December 31, 2014	As at December 31, 2015	As at December 31, 2014	Relationship	31, 2015	31, 2014	31, 2015	31, 2014
Subsidiaries										
T.T. Ceramic Plc Co.,Ltd.**	Manufacturer and Ceramic Agent	600,809	600,809	66.58%	66.58%	The same Shareholder and director	400,000,000	400,000,000	-	-
Cermas Co., Ltd ***	Sales of mineral and soil	21,000	21,000	24.90%	24.90%	The same Shareholder and director	4,728,000	4,728,000	784,350	784,350
UMI Property Co., Ltd.	Real estate	150,000	150,000	37.57%	37.57%	The same Shareholder and director	56,350,000	56,350,000	-	-
Ruampat Ceramic Co., Ltd.	Ceramic Agent	20,000	20,000	49.00%	49.00%	The same Shareholder and director	9,800,000	9,800,000	588,000	588,000
Royal Ceramic Industry Plc Co., Ltd.	Manufacturer and Ceramic Agent	-	314,286	-	32.26%	The same Shareholder and director	-	156,330,130	-	-
Total							470,878,000	627,208,130	1,372,350	1,372,350
Less Allowance for impairment investment							(99,508,316)	-	-	-
Total							371,369,684	627,208,130	1,372,350	1,372,350

As the resolution of the board of director of a subsidiary (T.T. Ceramic co.,Ltd) held on March 31, 2014, has approved the significant transactions as the following ;

- to convert into the public company.
- to revise the memorandum of associate as the subsidiary's company name "T.T. Ceramic Public Company Limited"
- to increase the share capital by Baht of 150,000,000. Issuing the new common shares by 150,000,000, par value by Baht of 1, totally by Baht of 600,808,896.

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- allocate the increasing shares capital by 150,000,000 shares to the three private person; are a related person (the Company's director and major shareholder) a prior shareholder of such subsidiary, and an associated company, 50,000,000 shares by each.

Transactions as described above, have been approved the schedule of EGM of Shareholders 2014 to be held on April 23th, 2014. The Company registered with the Department of Business Development on May 12, 2014.

The associated company (Royal Ceramic Industry Public Company Limited) has purchased in shares capital increase of a subsidiary** amounting to Baht 50 million, with the percentage of holding by 8.32% and the Company did not purchase in such increasing shares capital of a subsidiary. Such associated company has reserved the right to sell all ordinary shares in TTC to UMI or to Miss Paweena Laowiwatwong at the same price that RCI invested in the first place, or at the book value price as of the latest year of such sale. The Company's management believe that there has no any significant damage or loss for the financial statement of the Company. Until these financial statement has published, there has no any commitment signing by with the percentage of holding by 0.88%

And such associated company has purchased in shares capital increase of a subsidiary*** with the percentage of holding by 0.16% by invested in 14,937 ordinary shares with a par of Baht 100 each, at a price of Baht 1.49 million, in order to maintain its proportionate shareholding in that company following a capital increase.

10.3 Investment in other company presented as long-term investment in equity securities consist of :

Company's name	Type of Business	Paid-up Capital		(Unit : Baht)	
		portion (In Thousand Baht)	Holding portion	Consolidated / Separate	
				Cost Method	
				As at December 31, 2015	As at December 31, 2014
<u>Other companies</u>					
Surf Dynamics Co., Ltd.	Water Sport equipment	14,000	14.28%	2,000,000	2,000,000

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11. PROPERTY, PLANT AND EQUIPMENT – NET

	Consolidated (In Thousand Baht)										
	Cost				Accumulated Depreciation				The decrease end of control in a subsidiary	Net-Book Value	
	As at	Increase	Decrease	As at	As at	Increase	Decrease	As at		As at	As at
	December 31, 2014			December 31, 2015	December 31, 2014			December 31, 2015		December 31, 2014	December 31, 2015
			Transferred In/(Out)								
<u>Appraise value</u>											
Land of plant – at cost	170,017	-	-	-	170,017	-	-	-	(46,931)	170,017	123,086
Appraisal surplus of land of plant	253,470	-	-	-	253,470	-	-	-	(81,858)	253,470	171,612
Improvement of land of plant	62,694	-	-	-	62,694	-	-	-	-	62,694	62,694
Land of plant-appraise value	486,181	-	-	-	486,181	-	-	-	(128,789)	486,181	357,392
<u>Cost</u>											
Condominium units	442,311	-	-	-	442,311	(344,232)	(9,951)	-	(354,183)	-	88,128
Plant and construction	1,916,809	8,242	(16,896)	9,756	1,917,911	(1,214,779)	(63,966)	16,896	(1,261,849)	(87,685)	568,377
Building the publication added.	695,217	71	-	465	695,753	(74,867)	(57,830)	-	(132,697)	(263,324)	299,732
Office improvement and fixture	74,169	-	-	-	74,169	(68,447)	(1,968)	-	(70,415)	-	3,754
Machinery	6,286,852	14,454	(149,709)	93,448	6,245,045	(4,918,948)	(209,496)	141,859	(4,986,585)	(193,503)	1,064,957
Tools and office equipment	230,360	305	(5,960)	4,215	228,920	(206,558)	(6,825)	5,195	(208,188)	-	20,732
Furniture and office equipment	229,525	2,181	(1,647)	5,234	235,293	(209,338)	(7,998)	1,647	(215,689)	(5,204)	14,400
Vehicles	55,142	182	(1,014)	-	54,310	(28,780)	(7,070)	1,014	(34,836)	(7,895)	11,579
Machinery in process	93,880	59,113	(4,674)	(113,118)	35,201	-	-	-	-	(31,208)	3,993
Total	10,510,446	84,548	(179,900)	-	10,415,094	(7,065,949)	(365,104)	166,611	(7,264,442)	(717,608)	2,433,044
<u>Less</u> Allowance for impairment building and machine									73,254	(73,254)	(161,394)
Property, plant and equipment-net									(644,354)	3,371,243	2,271,650

Depreciation for the year ended 2015, amount of Baht 365 Million. (Baht 333 million included in cost of sales, and Baht 32 million included in selling and administrative expenses).

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	Consolidated (In Thousand Baht)										
	Cost				Accumulated Depreciation					Net-Book Value	
	As at	Increase	Decrease	As at	As at	Increase	Decrease	As at	The decrease	As at	As at
	December 31,			December 31,	December 31,			December 31,	end of control in	December 31,	December 31,
	2013			In/(Out) 2014	2013			2014	a subsidiary	2013	2014
Appraise value											
Land of plant – at cost	170,017	-	-	-	170,017	-	-	-	-	170,017	170,017
Appraisal surplus of land of plant	304,093	-	(50,623)	-	253,470	-	-	-	-	304,093	253,470
Improvement of land of plant	62,694	-	-	-	62,694	-	-	-	-	62,694	62,694
Land of plant-appraise value	536,804	-	(50,623)	-	486,181	-	-	-	-	536,804	486,181
Cost											
Condominium units	442,311	-	-	-	442,311	(332,852)	(11,380)	-	(344,232)	-	109,459
Plant and construction	1,905,241	8,820	-	2,748	1,916,809	(1,160,708)	(54,071)	-	(1,214,779)	-	744,533
Building the publication added.	491,663	202,492	-	1,062	695,217	(61,762)	(13,105)	-	(74,867)	-	429,901
Office improvement and fixture	74,169	-	-	-	74,169	(63,170)	(5,277)	-	(68,447)	-	10,999
Machinery	6,244,579	40,218	(43,281)	45,336	6,286,852	(4,715,991)	(224,986)	22,029	(4,918,948)	-	1,528,588
Tools and office equipment	216,198	1,257	(206)	13,111	230,360	(197,171)	(9,390)	3	(206,558)	-	19,027
Furniture and office equipment	219,509	2,571	(329)	7,774	229,525	(202,999)	(6,665)	326	(209,338)	-	16,510
Vehicles	50,375	6,051	(8,323)	7,039	55,142	(31,388)	(5,386)	7,994	(28,780)	-	18,987
Machinery in process	91,505	105,408	(25,963)	(77,070)	93,880	-	-	-	-	-	91,505
Total	10,272,354	366,817	(128,725)	-	10,510,446	(6,766,041)	(330,260)	30,352	(7,065,949)	-	3,506,313
Less Allowance for impairment building and machine										-	(103,057)
Property, plant and equipment-net										-	3,403,256
											3,371,243

Depreciation for the year ended 2014, amount of Baht 330 Million. (Baht 297 million included in cost of sales, and Baht 33 million included in selling and administrative expenses).

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	Separate (In Thousand Baht)											
	Cost					Accumulated Depreciation					Net-Book Value	
	As at	Increase	Decrease	Transferred	As at	As at	Increase	Decrease	Transferred	As at	As at	As at
	December 31,			In/(Out)	December 31,	December 31,			(In)/Out	December 31,	December 31,	December 31,
	2014				2015	2014				2015	2014	2015
<u>Appraise value</u>												
Land of plant – at cost	74,245	-	-	-	74,245	-	-	-	-	-	74,245	74,245
Appraisal surplus of land of plant	142,485	-	-	-	142,485	-	-	-	-	-	142,485	142,485
Improvement of land of plant	5,430	-	-	-	5,430	-	-	-	-	-	5,430	5,430
Land of Plant-appraise value	222,160	-	-	-	222,160	-	-	-	-	-	222,160	222,160
<u>Cost</u>												
Condominium units	53,751	-	-	-	53,751	-	-	-	-	-	53,751	53,751
Plant and Construction	867,358	-	(1,570)	9,756	875,544	(651,377)	(18,461)	1,570	-	(668,268)	215,981	207,276
Office improvement and fixture	42,498	-	-	465	42,963	(37,546)	(1,757)	-	-	(39,303)	4,952	3,660
Machinery	2,767,315	-	(80,611)	93,448	2,780,152	(2,327,237)	(63,248)	80,611	-	(2,309,874)	440,078	470,278
Tools and office equipment	199,878	-	(3,202)	4,215	200,891	(173,153)	(10,345)	3,142	-	(180,356)	26,725	20,535
Furniture and office equipment	122,144	-	(860)	5,234	126,518	(108,117)	(6,671)	860	-	(113,928)	14,027	12,590
Vehicles	22,806	-	(1,014)	-	21,792	(10,386)	(3,703)	1,014	-	(13,075)	12,420	8,717
Machinery in process	66,713	50,323	-	(113,118)	3,918	-	-	-	-	-	66,713	3,918
Total	4,364,623	50,323	(87,257)	-	4,327,689	(3,307,816)	(104,185)	87,197	-	(3,324,804)	1,056,807	1,002,885
<u>Less</u> Allowance for impairment asset											-	-
Property, plant and equipment-net											1,056,807	1,002,885

Depreciation for the year ended 2015, amount of Baht 104 Million. (Baht 83 million included in cost of sales, and Baht 21 million included in selling and administrative expenses)

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	Separate (In Thousand Baht)											
	Cost					Accumulated Depreciation					Net-Book Value	
	As at	Increase	Decrease	Transferred	As at	As at	Increase	Decrease	Transferred	As at	As at	As at
	December 31,			In/(Out)	December 31,	December 31,			(In)/Out	December 31,	December 31,	December 31,
	2013				2014	2013				2014	2013	2014
<u>Appraise value</u>												
Land of plant – at cost	74,245	-	-	-	74,245	-	-	-	-	-	74,245	74,245
Appraisal surplus of land of plant	142,485	-	-	-	142,485	-	-	-	-	-	142,485	142,485
Improvement of land of plant	5,430	-	-	-	5,430	-	-	-	-	-	5,430	5,430
Land of Plant-appraise value	222,160	-	-	-	222,160	-	-	-	-	-	222,160	222,160
<u>Cost</u>												
Condominium units	53,751	-	-	-	53,751	-	-	-	-	-	53,751	53,751
Plant and Construction	864,610	-	-	2,748	867,358	(633,588)	(17,789)	-	-	(651,377)	231,022	215,981
Office improvement and fixture	41,436	-	-	1,062	42,498	(36,189)	(1,357)	-	-	(37,546)	5,247	4,952
Machinery	2,737,950	-	(15,971)	45,336	2,767,315	(2,272,731)	(59,337)	4,831	-	(2,327,237)	465,219	440,078
Tools and office equipment	186,973	-	(206)	13,111	199,878	(164,522)	(8,634)	3	-	(173,153)	22,451	26,725
Furniture and office equipment	114,400	-	(30)	7,774	122,144	(103,291)	(4,853)	27	-	(108,117)	11,109	14,027
Vehicles	19,439	-	(3,672)	7,039	22,806	(10,107)	(3,671)	3,392	-	(10,386)	9,332	12,420
Machinery in process	74,223	69,560	-	(77,070)	66,713	-	-	-	-	-	74,223	66,713
Total	4,314,942	69,560	(19,879)	-	4,364,623	(3,220,428)	(95,641)	8,253	-	(3,307,816)	1,094,514	1,056,807
<u>Less</u> Allowance for impairment asset											(27,992)	-
Property, plant and equipment-net											1,066,522	1,056,807

Depreciation for the year ended 2014, amount of Baht 96 Million. (Baht 88 million included in cost of sales, and Baht 8 million included in selling and administrative expenses)

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(Unit : Baht)

	Consolidated statements of		Separate statements of	
	comprehensive income for		comprehensive income for	
	the years ended December 31,		the years ended December 31,	
	2015	2014	2015	2014
Depreciation	365,134,280	330,260,500	103,940,454	95,641,038

In 2015, the Company and a subsidiary assessed the impairment of their assets and recorded the allowance for impairment of building and machinery amounted to Baht 47 million and Baht 113 million, respectively.

As at December 31, 2015 and 2014, the Company and a subsidiary's land are stated at appraised value (the land of plant), reports of the independent appraiser in year 2013, valued by market value method. The excess of appraised value on the consolidated financial statements over cost by amount of Baht 113.99 million and Baht 113.99 million, respectively, (the Company financial statements by amount of Baht 113.99 million and Baht 113.99 million, respectively), are shown as "Revaluation surplus of land" under "Shareholders' Equity" in the statement of financial position. The revaluation surplus of land is not available for dividend distribution.

As at December 31, 2015 and 2014, the Company has mortgaged of land, building and part of machineries by cost in consolidated amount of Baht 2,312.20 million and Baht 4,525.32 million, respectively, and in separate amount of Baht 404.17 million and Baht 404.17 million, respectively, and in the net from accumulated depreciation and provision for impairment in consolidated amount of Baht 1,324.56 million and Baht 1,696.19 million, respectively, and in consolidated amount of Baht 232.43 million and Baht 233.95 million, respectively, as collateral Bank overdrafts and short-term and long-term loans from banks. (Notes 17 and 19)

In 2014, the Company has reversed impairment of asset amount by Baht of 27.99 million due to the increasing of asset fair value.

In 2014, A Company approved the change in the Company's measurement method of land and buildings from cost model to revaluation model in order to recognize their land and buildings at fair value, effective September 30, 2014 onward. The Company and its subsidiary recorded land and buildings at the appraised values (based on reports of American Appraisal (Thailand) Ltd., an independent appraisal firm, dated September 30, 2014). The appraisal report was using the Cost Approach which is Market Approach for land and Replacement Cost Approach for buildings. The revaluation increment of buildings increased in the associates company under statements of changes in shareholders' equity amounting to Baht 66.24 million

As at December 31, 2015, the fair value of the land by the report of the appraisal assessed using the market approach. By selling price of comparable land nearby to improve. The fair value is in the second level of the hierarchy of fair value (note 3.5).

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As at December 31, 2015 and 2014, the Company and subsidiaries have fully depreciated but still use the assets as follows:-

(Unit : Baht)				
	Consolidated		Separate	
	As at	As at	As at	As at
	December 31, 2015	December 31, 2014	December 31, 2015	December 31, 2014
Machinery	1,904,485,886	3,312,163,825	1,791,271,441	1,785,383,098
Plant and construction	468,664,206	592,956,072	451,235,396	451,235,396
Tools and Office				
Equipment	302,681,326	382,956,445	254,435,549	251,587,672
Office Building	55,413,103	71,506,654	31,606,980	31,606,980
Vehicle	12,214,990	18,786,214	5,298,579	1,098,579

12. INVESTMENT PROPERTY - NET

As at December 31, 2015 and 2014, the Company and a subsidiary's investment property, presented at cost, depreciated by straight line method as the useful life, and partly has been used as collateral for short-term loans from financial institutions. (Note 17)

Investment Property as follow :

(Unit : Baht)				
	Consolidated		Separate	
	As at	As at	As at	As at
	December 31, 2015	December 31, 2014	December 31, 2015	December 31, 2014
Land	824,277	824,277	824,277	824,277
Office building - net	48,770,593	57,879,130	-	-
	<u>49,594,870</u>	<u>58,703,407</u>	<u>824,277</u>	<u>824,277</u>

On March 26, 2014, the Company has entered into land sales agreement with a non-related party by Baht of 140 million. (Fair value of land of the Company, reports of the independent appraiser by market value method of February 2012, amount by Bath of 103.60 million). The Company transfered the right to the buyer on May 29, 2014, and recognised gain on sales of asset by Baht of 100.40 million in comprehensive income statement for the year.

Depreciation of office building units for the year ended December 31, 2015 and 2014, amount of Baht 9.11 million. and Baht 10.54 million, respectively.

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13. OTHER NON - CURRENT ASSETS

Consist of:

	(Unit : Baht)			
	Consolidated		Separate	
	As at	As at	As at	As at
	December 31, 2015	December 31, 2014	December 31, 2015	December 31, 2014
Deposits with commitment	4,011,728	3,949,963	-	-
Guarantee and deposit	29,263,500	29,476,450	888,200	888,200
Others	114,338	2,951,923	-	-
Total	33,389,566	36,378,336	888,200	888,200

As at December 31, 2015 and 2014, the fixed deposits of subsidiaries companies are used as collateral for bank overdrafts and loans from banks (Note 17) and bank's issuance of letter of guarantee to the Metropolitan Power Authority for electricity usage. (Note 32.2) of subsidiaries.

As at December 31, 2015 and 2014, a subsidiaries companies had marginal deposit of Baht 16 million and Baht 16 million respectively, and Baht 12 million and Baht 12 million, to guarantee for natural gas use and electric use, respectively.

14. CONSTRUCTION IN PROGRESS AND INSTALL-NET

As at December 31, 2015 and 2014, are as follows:

	(Unit : Baht)	
	Consolidated	
	2015	2014
Cost	267,217,384	267,217,384
<u>Less</u> : Allowance for impairment of assets	(267,217,384)	(267,217,384)
Net book value	-	-

As at December 31, 2015 and 2014, the subsidiary company's management has reclassified non used of fixed assets by book value amount by to Baht of 267.22 million consists of machinery and equipment cannot used by Baht of 68.48 million and work in progress which have no the continuing construction plan by Baht of 198.74 million.

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15. INTANGIBLE ASSETS-NET

As at December 31, 2015 are as follows :-

					(Unit: Baht)
	Consolidated				
	January 1, 2015	Increase	Decrease	The decrease in the loss of control	December 31, 2015
Computer software	23,444,674	-	-	(10,573,917)	12,870,757
<u>Less</u> Accumulated amortization	<u>(19,970,456)</u>	<u>(695,552)</u>	<u>-</u>	<u>10,556,390</u>	<u>(10,109,618)</u>
Net	<u>3,474,218</u>	<u>(695,552)</u>	<u>-</u>	<u>(17,527)</u>	<u>2,761,139</u>

Amortization expenses included in the statement of comprehensive income for the year ended December 31, 2015 and 2014 amount of Baht 0.70 million and 0.01 million, respective.

16. DEFERRED TAX ASSETS AND DEFERRED TAX LIABILITIES

As at December 31, 2015 and 2014, the components of deferred tax asset are as follows:

					(Unit : Baht)
	Consolidated		Separate		
	December 31, 2015	December 31, 2014	December 31, 2015	December 31, 2014	
Total	2,854,005	2,854,005	-	-	
Set off of tax	-	-	-	-	
Net deferred tax assets	<u>2,854,005</u>	<u>2,854,005</u>	<u>-</u>	<u>-</u>	

					(Unit : Baht)
	Consolidated		Separate		
	December 31, 2015	December 31, 2014	December 31, 2015	December 31, 2014	
Total	98,964,231	132,271,123	10,661,134	10,188,674	
Set off of tax	-	-	-	-	
Net deferred tax liabilities	<u>98,964,231</u>	<u>132,271,123</u>	<u>10,661,134</u>	<u>10,188,674</u>	

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The movement on the deferred income tax is as follows:

	(Unit : Baht)			
	Consolidated		Separate	
	2015	2014	2015	2014
Deferred tax assets				
Beginning	2,854,005	3,736,633	-	-
Income tax recognized in statement of income	-	(882,628)	-	-
Ending	2,854,005	2,854,005	-	-
Deferred tax liabilities				
Beginning	132,271,123	104,280,080	10,188,674	9,150,297
Income tax recognized in statement of income	(931,115)	27,991,043	472,460	1,038,377
The decrease end of control in a subsidiary	(32,375,777)	-	-	-
Ending	98,964,231	132,271,123	10,661,134	10,188,674
Income tax recognized in statement of income	(931,115)	27,991,043	472,460	1,038,377

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

	(Unit : Baht)				
	Consolidated				
	(Charged) / credited to:				
		Other	The decrease		
	January 1,	comprehensive	end of control in	December 31,	
	2015	Profit or loss	income / Equity	a subsidiary	2015
Deferred tax assets					
Allowance for doubtful account – Receivabal	2,517,274	-	-	-	2,517,274
Allowance impairment of investment	277,507	(277,507)	-	-	-
Accumulated employees benefit	941,852	(605,121)	-	-	336,731
Total	3,736,633	(882,628)	-	-	2,854,005

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	(Unit : Baht)			
	Consolidated			
	(Charged) / credited to:			
	Other	The decrease		
January 1,	comprehensive	end of control in	December 31,	
2015	Profit or loss	income / Equity	a subsidiary	2015
Deferred tax (liabilities)				
Allowance for doubtful account – receivable	2,295,136	128,560	-	2,423,696
Provision obsolete stock	3,775,896	(279,690)	-	3,496,206
Impairment of assets	-	9,518,612	-	9,518,612
Accumulated employees benefit	12,237,476	(321,329)	-	11,916,147
Difference in depreciation for tax and accounting	(40,568,710)	(10,170,946)	-	(46,119,460)
Appraisal surplus of Land-Factory	(28,497,183)	-	-	(28,497,183)
Gain on a bargain purchase	(81,513,738)	2,055,906	-	(51,702,069)
Total	(132,271,123)	931,115	-	(98,964,231)

	(Unit : Baht)			
	Separate			
	(Charged) / credited to:			
	Other			
January 1,	comprehensive			December 31,
2015	Profit or loss	income	Equity	2015
Deferred tax (liabilities)				
Allowance for doubtful account - Receivable	2,295,136	128,560	-	2,423,696
Provision obsolete stock	3,775,897	(279,690)	-	3,496,206
Accumulated employees benefit	12,237,476	(321,330)	-	11,916,147
Appraisal surplus of Land-Factory	(28,497,183)	-	-	(28,497,183)
Total	(10,188,674)	(472,460)	-	(10,661,134)

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17. BANK OVERDRAFTS AND SHORT-TERM LOANS FROM FINANCIAL INSTITUTIONS

Consist of:

	(Unit : Baht)			
	Consolidated		Separate	
	As at	As at	As at	As at
	December 31, 2015	December 31, 2014	December 31, 2015	December 31, 2014
Bank overdrafts	2,309,437	1,385,186	-	-
Promissory note	-	40,000,000	-	-
Trust Receipt	18,921,149	32,399,671	18,921,148	32,399,671
Total	21,230,586	73,784,857	18,921,148	32,399,671

Consolidated

The Company bears interest for overdraft of a bank in 2015 and 2014 at the rate of MOR -1.87% per annum.

The Company bears interest for Short-term loans from financial institutions in 2014 at the rate of 5.68% per annum.

Separate

The Company bears interest for overdraft of a bank at the rate of MOR -1.87% per annum.

Bank overdrafts and short-term loans from financial institutions were guaranteed by the mortgage of land, building and part of machineries as collateral (Note 11) and investment property (Note 12).

18. TRADE ACCOUNTS PAYABLE AND OTHER ACCOUNTS PAYABLE

Consist of:

	(Unit : Baht)			
	Consolidated		Separate	
	As at	As at	As at	As at
	December 31, 2015	December 31, 2014	December 31, 2015	December 31, 2014
Trade accounts payable	225,898,265	480,426,184	143,483,432	258,630,965
Other - accounts payable	59,069,374	78,494,452	38,664,763	25,534,442
Total	284,967,639	558,920,636	182,148,195	284,165,407

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Other account payable consist of:

	(Unit : Baht)			
	Consolidated		Separate	
	As at	As at	As at	As at
	December 31, 2015	December 31, 2014	December 31, 2015	December 31, 2014
Advance payment for goods	2,113,420	7,838,247	957,122	1,678,602
Accrued sales promotion	95,000	-	95,000	-
Accrued transportation	22,059,762	18,354,928	10,900,000	9,450,000
Accrued expense	34,801,191	52,301,277	26,712,641	14,405,840
Total	59,069,374	78,494,452	38,664,763	25,534,442

19. LONG-TERM LOANS

Consist of:

	(Unit : Baht)			
	Consolidated		Separate	
	As at	As at	As at	As at
	December 31, 2015	December 31, 2014	December 31, 2015	December 31, 2014
<u>A subsidiary</u>				
Loans from banks	1,680,000	294,540,000	-	-
Total	1,680,000	294,540,000	-	-
<u>Less</u> Portion due within one year	(1,680,000)	(44,160,000)	-	-
Net	-	250,380,000	-	-

Movements in the long-term loans account for the year ended December 31, 2015 and 2014 are summarized below.

	(Unit : Baht)	
	Consolidated	Separate
Balance as at January 1, 2015	294,540,000	-
Addition loan	-	-
Repayment	(192,000,000)	-
The decrease end of control in a subsidiaries	(100,860,000)	-
Balance as at December 31, 2015	1,680,000	-

In the second quarter of year 2014, the company has early repayment such long-term loan amount by Baht of 100 million by using source of money from sales of loan-investment property (note 12), with no early repayment fee.

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In the third quarter of year 2014, the company has early repayment such long-term loans by the whole amounts by using source of money from debentures issued, with early repayment fee (Account closed) amount by Baht of 6.61 million, and records on administrative expense for the year (note 20).

20. DEBENTURES

As on the resolutions of the Extraordinary General Meeting of Shareholders No. 1/2014 held on May 12, 2014, approved the issuance and offering of the debentures up to Baht of 2,000 million. And on July 18, 2014, the Company has issued the debentures amount by Bath of 1,000 million, by the specify the name of debenture holder, unsecured, unsubordinated, with a par value of Baht 1,000 each. The Company appointed a debenture holders' representative and must comply with terms and conditions relating to not selling a property and payment of dividend.

As at December 31, 2015, the Company with having registered and bond holders representative debentures as follow:

Debenture No.	No. of units (Million unit)	Principle (Million Baht)	Interest rate per annum (% p.a.)	Term of interest payment	Maturity Date	Outstanding balance as at December 31, 2015 (in million Baht)
UMI177A	1.0	1,000	5.20%	Quarterly	July 18, 2017	1,000.00
Repurchase Debentures						(350.00)
Less Debentures issuing expenses						(1.59)
Net						648.41

In 2015, the Company repurchase debentures by 250,000 units, per value Baht 1,000 total amount of Baht 250 million.

In 2014, the Company repurchase debentures by 100,000 units, per value Baht 1,000 total amount of Baht 100 million.

As at December 31, 2015 and 2014, the Company's director has held a debenture by 20,000 units, par value Baht 1,000 total amount of Baht 20 million.

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21. LIABILITIES UNDER DEBT REHABILITATION PLAN

On April 10, 2012, the meeting of creditors passed resolution to approve the plan. On July 4, 2012, the Central Bankruptcy Court ordered a subsidiary company to rehabilitate its business and was summarized as follows;

Debt allocation and capital structure

A Subsidiary company defines the payment date as at September 19, 2012.

CREDITOR	PRINCIPLE	NEW INTEREST	ACCRUED INTEREST
Creditor Group 1 st Financial institution creditors – secured – chose to repay by option 1	Amount of Baht 195,135,401.62 to be repaid in cash at the payment date. The remaining of Baht 780,541,606.48 will be forgiven at the payment date.	-	Accrued interest amount of Baht 938,616,032.61 will be forgiven at the payment date.
Creditor Group 1 st and 2 nd Financial institution creditors – secured and non secured – chose to repay by option 2	Amount of Baht 253,991,977.56 to be converted from debt to equity in an amount of 50,798,396 shares from its value of Baht 1 each to Baht 5 each. The debt amount of Baht 753,349,693.79 will be repaid within 8 years by 6-months period.	interest rate at 0.01% per annum with monthly repayment.	Accrued interest amount of Baht 708,078,761.44 will be forgiven at the payment date.
Creditor Group 3 rd Trade payable and services –chose to repay by option 1	Amount of Baht 23,186,395.69 to be repaid in cash at the payment date, the remaining of principle amount of Baht 139,687,225.59 will be forgiven at the payment date.	-	-
Creditor Group 3 rd Trade payable and services – chose to repay by option 2	Amount of Baht 37,555,850.81 will be repaid within 8 years by 6-months period.	-	-
Creditor Group 4 th – Professional service provider of debt restructuring	Cash payment in the amount of Baht 647,350 at the date of payment. The remaining of principle in the amount of Baht 1,284,000 will be forgiven in full amount at the date of payment.		
Creditor Group 5 th Payable – directors and related person	Cash repayment in an amount of Baht 756,952.50 within 30 days after the maturity date of 8-year. The remaining of principle and its accrued interest amount of Baht 6,833,685.51 will be forgiven in full amount at the payment date.		

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CREDITOR	PRINCIPLE	NEW INTEREST	ACCRUED INTEREST
Creditor Group 6 th Company's secured creditor.	Amount of Baht 12,121,326.08 is the creditors that secure the company's debt from the original creditors who had already applied for debt settlement in the case. However, the more Creditor Group 6 repay to the company's original creditor, the more right in company's debt they will have. Creditor Group 6 will have the same right as original creditor to receive from the company but not over the right under the rehabilitation plan.		

Capital increasing by debt to equity conversion

Whereas, a subsidiary company has been approved on the Rehabilitation Plan from the Central Bankruptcy Court on July 4, 2012. Such Rehabilitation Plan, it is specified that a subsidiary company would operate on registered capital decrease unpaid as amount of Baht 1,050,000,000 divided into common stocks of 10,500 shares with par value for each Baht 100,000 by dividing into the registered capital issued and paid up already as of amount 10,500 Baht or 10,500 shares in order to reduce the company's deficit.

When the capital has been decreased already, a subsidiary company would increase the registered capital as amount of Baht 500,000,000 with par value each of Baht 1 ; by allocating as follows:

- (1) Allocated to Union Mosaic Industry Public Company Limited for 400,000,000 shares with par value each of Baht 1 as amount of Baht 400,000,000.
- (2) Debt conversion to common stocks as of amount 51,800,264 shares with par value for each 1 Baht to the conversion value for each of Baht 5 for Creditor Group 1st.
- (3) Debt conversion to common stocks as of amount 48,199,736 shares with par value for each 1 Baht to the conversion value for each of Baht 5 for Creditor Group 2nd.

A subsidiary company has registered of the amendment of Memorandum of Incorporation, the reduction of share capital and registration of the amendment of Memorandum of Incorporation increment of share capital to issue ordinary shares under this rehabilitation plan with ministry of Commerce and transferred its shares to Union Mosaic Industry Public Company Limited on August 14, 2012. After that, a subsidiary company has transferred its shares to Creditor Group 1st and Group 2nd on September 25, 2012 with ministry of Commerce. Subsequently, on December 21, 2012, the management plan of the subsidiary. Company filed a petition with the Court to reduce the amount of registered capital of Baht 49,201,604 (49,201,604 ordinary shares of Baht 1 each) for the balance. The plan does not specify how to allocate the remaining debt to creditors in any groups. A subsidiary company has registered capital and the amendment of Memorandum of Incorporation of Association at the ministry of Commerce on January 21, 2013.

In addition, a subsidiary company has to complete the implementation of the rehabilitation plan within a period of 5 years from the date the court approved the plan, and is able to file petition to amend the plan and request to extend period.

On August 13, 2013, the Central Bankruptcy court has assigned "Group of person – MR Planner" being the planner.

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On February 11, 2014, the Central Bankruptcy court has canceled a petition of rehabilitation plan. So, the Company has to repayment as the condition in the rehabilitation plan, and The Company has reclassified Liabilities under debt rehabilitation plan.

On November 11, 2015, the creditor, bank only, approved to change the repayment schedule. By postponing the payment of principal the original pay principal since 2015 - 2020 move to settle a 2017 - 2020 instead.

As at December 31, 2015 and 2014, a subsidiary's debts under restructuring plan are as follow;

	(Unit : Baht)	
	Consolidated	
	December 31, 2015	December 31, 2014
Liabilities under debt restructuring plan	834,021,414	863,673,004
<u>Less</u> due within one year	(19,758,818)	(43,548,684)
Liabilities under debt restructuring plan-net	814,262,596	820,124,320

Debts under restructuring plan of a subsidiary are secured by the assets of a subsidiary which are indicated in the original loan agreement before the restructuring, as the mortgage of the subsidiary's land and buildings, the pledge of machineries.

22. PROVISION FOR EMPLOYEES BENEFITS

An independent actuary carried out an evaluation of the Company's obligations for employees' long-term benefits using the projected unit credit method. The Company has provided the provision for employees' long-term benefits as follows:

	(Unit : Baht)			
	Consolidated		Separate	
	As at December 31, 2015	As at December 31, 2014	As at December 31, 2015	As at December 31, 2014
Provision for employee benefits - beginning	110,992,518	91,353,620	61,187,385	44,064,304
<u>Add</u> Charges in actuarial estimates recognized amount	- 10,151,308	12,488,695 17,455,458	- 5,142,646	12,488,695 12,517,843
<u>Less</u> liability decrease from actual paid	(9,056,645)	(10,305,255)	(6,749,296)	(7,883,457)
The decrease end of control in a subsidiary	(45,496,862)	-	-	-
Provision for employee benefits - ending	66,590,319	110,992,518	59,580,735	61,187,385
Present value of unfunded obligation as at December 31	66,590,319	110,992,518	59,580,735	61,187,385

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	(Unit : Baht)			
	Consolidated		Separate	
	As at	As at	As at	As at
	December 31,	December 31,	December 31,	December 31,
	2015	2014	2015	2014
Expense recognized in profit or loss				
Current service cost	7,924,413	12,873,572	2,665,359	9,815,193
Interest cost	2,226,876	4,581,886	2,477,287	2,702,650
Total – recognized in the statement of income	10,151,289	17,455,458	5,142,646	12,517,843
Principal actuarial assumptions				
	Consolidated		Separate	
	As at	As at	As at	As at
	December 31,	December 31,	December 31,	December 31,
	2015	2014	2015	2014
Discount rate (%)	4.23 – 4.75	4.23 – 4.75	4.52 - 4.75	4.52 – 4.75
Retirement age (year old)	55 - 60	55 - 60	60	60
Salary increase rate (%)	4.7 – 8.18	4.7 – 8.18	4.70 – 5.00	4.70 – 5.00

23. PROVIDENT FUND

The Company established a contributory registered provident fund covering all permanent employees in accordance with the Provident Fund Act A.D. 1987.

Under the provident fund plan, employees and Company's contributions are equivalent pay to certain percentages of employees' basic salaries. The employees are entitled to the Company's contributions in accordance with the rules and regulations of the fund and on the length of service with the Company. The Company appointed a fund manager to manage the fund in accordance with the terms and conditions prescribed in the Provident Fund Act. A.D. 1987.

The Company and its subsidiary have contributed to provident fund for the years ended December 31, 2015 and 2014 were as follows:

	(Unit : Baht)			
	Consolidated		Separate	
	2015	2014	2015	2014
For the years ended December 31,	15,673,047	7,557,348	15,460,742	7,343,480

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24. SHARE CAPITAL

At the annual general meeting of the shareholders of the Company held on April 29, 2013 the Company's shareholders approved:

- A) To decrease the Company's authorized share capital from Baht 576,000,000 (576,000,000 shares at Baht 1 par value) to Baht 478,002,740 (478,002,740 shares at Baht 1 par value) by cancellation the remaining registered ordinary shares totaling 97,997,260 shares with a par value of Baht 1 per share.
- B) To increase the Company's authorized share capital from Baht 478,002,740 (478,002,740 shares at Baht 1 par value) (after reduction the above registered capital) to Baht 836,504,795 (836,504,795 shares at Baht 1 par value).

The Company has registered on Ministry of Commerce on 7 May 2013.

25. DIVIDEND

In the year 2015, two subsidiaries company declared a dividend of baht 15 per share. and baht 6 per share. Total amount of Baht 3.15 million. and Baht 1.20 million.

In accordance with the minutes of the Annual Board of directors' Meeting No. 1/2015 held on February 25, 2015, it was unanimously resolved as the reservation amount of 9,170,016.65 Baht, and pay dividend in the rate per share by Baht of 0.11 in number 836.50 million shares totaling amount of Baht 92.01 million. The dividend payment date May 28, 2015. The 2014 ordinary shareholders approved to pay such dividend on April 29, 2015.

In accordance with the minutes of the Annual Board of directors' Meeting held on February 26, 2014, it was unanimously resolved to the allocation as the reservation in compliance with the law at 5 percent of net profit at the amount of 10,265,074 Baht, and pay dividend in the rate per share by Baht of 0.125 in number 836.50 million shares totaling amount of Baht 104.56 million. The dividend payment date May 28, 2014. The 2014 ordinary shareholders approved to pay such dividend on April 29, 2014.

26. UNREALIZED GAIN (LOSS) FROM CHANGING IN FAIR VALUE OF INVESTMENTS

Movements during the years are as follows:

	(Unit : Baht)			
	Consolidated		Separate	
	As at December 31, 2015	As at December 31, 2014	As at December 31, 2015	As at December 31, 2014
Beginning of the year	(395,480)	(453,104)	-	-
Changes during the year	115,321	57,624	-	-
Ended of the year	(280,159)	(395,480)	-	-

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27. EARNINGS PROFIT (LOSS) PER SHARE

The calculation of basic earnings per share for the year ended December 31, 2015 and 2014 was based on the profit for the year attributable to equity holders of the Company and the weighted average number of ordinary shares outstanding during the years as follows:

	for the year ended December 31			
	Consolidated		Separate	
	2015	2014	2015	2014
Profit (loss) attributable to equity holders of the Company (Thousand Baht)	(190,336)	(29,974)	267,541	183,400
Number of ordinary shares outstanding at January 1, (Thousand shares)	836,505	836,505	836,505	836,505
Effect of shares issued on the years	-	-	-	-
Weighted average number of ordinary shares (Thousand shares)	836,505	836,505	836,505	836,505
Basic loss per share (Baht : share)	(0.23)	0.04	0.32	0.22

28. INCOME TAX

Income tax recognized in profit or loss

For the years ended December 31, 2015 and 2014, income tax expense consisted of the following:

	(Unit : Baht)			
	For the year ended December 31			
	Consolidated		Separate	
	2015	2014	2015	2014
Income tax :				
Income tax for the year	92,647,217	60,782,796	91,530,091	37,044,304
Deferred tax :				
Relating to origination and reversal of temporary differences	20,595,259	(27,991,043)	472,460	(27,458,806)
Income tax in statements of comprehensive income	113,242,476	32,791,753	92,002,551	9,585,498

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Income tax recognized directly in equity

	(Unit : Baht)			
	Separate			
	Rate		Rate	
	(%)	2015	(%)	2014
Profit before income tax expense		359,543,335		192,985,831
Income tax using the Thai corporation tax rate	20	71,908,667	20	38,597,166
Income not subject to tax		(2,482,690)		(11,413,942)
Expenses not deductible for tax purposes		22,104,114		9,861,080
Loss carry forward, from five years		-		-
Total		91,530,091		37,044,304

For the years ended December 31, 2015 and 2014, the Company has tax profit as follows;

	(Unit : Baht)	
	2015	2014
Net profit	267,540,784	183,400,333
Income tax expense	92,002,551	9,585,498
Profit before corporate income tax	359,543,335	192,985,831
<u>Plus(less)</u> add back expenses	(12,413,450)	(57,069,708)
Add back income	110,520,570	49,305,397
<u>Less</u> Loss carry Forward, from five years	-	-
Tax profit	457,650,455	185,221,520
Income Tax Rate	20%	20%

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29. EXPENSES BY NATURE

Significant expenses by nature as follows:

	(Unit : Million Baht)			
	Consolidated		Separate	
	for the years ended December 31,		for the years ended December 31,	
	2015	2014	2015	2014
Salary and wages and other employee benefits	601.14	689.32	337.04	376.09
Depreciation and amortization expenses	247.24	242.80	92.73	96.34
Rental expenses	71.13	69.07	29.03	29.03
Electricity and water expenses	134.62	155.54	128.92	148.72
Natural gas expenses	352.47	602.84	275.50	447.74
Transportation expenses	158.10	194.67	125.54	150.08
Grinding and chamfering expenses	12.82	18.32	-	-
Raw materials and consumables used	844.99	1,120.07	554.24	685.58
Changes in inventories of finished goods and work in progress	(114.99)	(9.09)	(147.35)	(59.69)

30. TRANSACTIONS WITH RELATED PARTIES

A portion of the Company's and subsidiaries assets, liabilities, revenues and expenses of the Company and subsidiaries was derived from its related companies. Those companies have connection with the Company and subsidiaries through the co-shareholders and/or co-directors. The financial statements reflect the effects of these transactions on the basis determined by the companies concerns as follows:

Relationship

Company	Relationship
Cermas Co., Ltd.	Subsidiaries company
UMI Property Co.,Ltd.	Subsidiaries company
Ruampat Ceramic Co., Ltd.	Subsidiaries company
T.T.Ceramic Public Co., Ltd.**	Subsidiaries company
Siam Art Ceramic Co.,Ltd.	Related company
T.N. Co., Ltd.	Related company
Imex International Co.,Ltd.	Related company
Royal Ceramic Industry Public Co., Ltd.	Associated company
S & P Corporate Communications of Salt Limited.	Management of the Company and director of subsidiary
Mr. Pichit Pholpanichrasamee	Director of subsidiary
Miss Paweena laowiwatwong	Director of the Company and subsidiary
**Formerly name is T.T.Ceramic Co.,Ltd.	

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Pricing Policy

Related Transactions	Pricing Basis
Purchase of raw material and finished goods	
Cermas Co.,Ltd.	Cost plus margin
T.T. Ceramic Public Co. Ltd.**	As determined by the parent company, and competitive price in the market
Royal Ceramic Industry Public Co., Ltd.	The price agreed upon
Siam Art Ceramic Co., Ltd.	The price agreed upon
Sales of finished goods	
Siam Art Ceramic Co., Ltd.	Cost plus margin
Ruampat Ceramic Co., Ltd.	Cost plus margin
T.T.Ceramic Public Co., Ltd.**	Cost plus margin
Imex International Co.,Ltd.	Cost plus margin
Royal Ceramic Industry Public Co., Ltd.	Cost plus margin
Short-term loans and accrued interest- related parties	No interest charged
Long-term loan from related company	Interest rate 5% per annum
Rental income	Per agreement (basis by area), which approximately market price.
Royal Ceramic Industry Public Co., Ltd.	Rental rate of 270,000 per month.
Ruampat Ceramic Co., Ltd.	Rental rate of 85,000 per month.
Cermas Co., Ltd.	Rental rate of 57,000 per month.
Sales management	
T.T.Ceramic Public Co., Ltd.**	By the rate of 2% of sales by the Company
Interest income	
T.T.Ceramic Public Co., Ltd.**	7.5% per annum
Expense	
Rental	
T.T.Ceramic Public Co., Ltd.**	Agreed price, as discussed on the agreement (Rental rate of 60,000 per month.)
Consultant expenses	
S & P Corporate Communications of Salt Limited	Per agreement (Baht 149,000 per month)

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Related Transactions	Pricing Basis
Mr. Pichit Pholpanichrasamee	Baht 40,000 per month
Director remuneration expenses	As approved in the shareholders' meeting.
Management remuneration are a meeting premium paid to directors, salaries and benefit for the management directors.	

30.1 As at December 31, 2015 and 2014 the Company has transactions with its related parties as follows:

30.1.1 Account receivable

	(Unit : Baht)			
	Consolidated		Separate	
	As at	As at	As at	As at
	December 31, 2015	December 31, 2014	December 31, 2015	December 31, 2014
Trade Account Receivable				
<u>Subsidiaries companies</u>				
Ruampat Ceramic Co., Ltd.	-	-	33,708,366	30,806,983
T.T.Ceramic Public Co., Ltd.**	-	-	11,313,719	22,276,073
Cermas Co., Ltd.	-	-	-	-
<u>Related companies</u>				
Royal Ceramic Industry Public Co., Ltd.	18,282,070	-	15,393,594	2,748,687
Siam Art Ceramic Co., Ltd.	77,076,436	78,404,429	77,076,436	78,404,429
Imex International Co.,Ltd.	1,696,259	1,179,268	-	-
Total	97,054,765	79,583,697	137,492,115	134,236,172

30.1.2 Account Receivable under hire – purchase agreement – related company.

As at December 31, 2015 and 2014, are as follow:

	(Unit : Baht)					
	Due within one year		Due over than one year		Total	
	December 31,	December 31,	December 31,	December 31,	December 31,	December 31,
	2015	2014	2015	2014	2015	2014
Account receivable under						
hire – purchase agreement	3,056,006	3,269,926	7,385,347	11,172,247	10,441,353	14,442,173
<u>Less</u> Deferred interest	(989,236)	(1,459,556)	(1,100,201)	(2,820,331)	(2,089,437)	(4,279,887)
Net	2,066,770	1,810,370	6,285,146	8,351,916	8,351,916	10,162,286

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The minimum repayment from account receivable hire – purchase are as follows:

	(Unit : Baht)	
	As at	As at
	December 31, 2015	December 31, 2014
Due within one year	3,056,006	3,269,926
Due over than one year but not over than five years	7,385,347	11,172,247
	10,441,353	14,442,173
<u>Less</u> Future financial expenses	(2,089,437)	(4,279,887)
Present value of receivable.	8,351,916	10,162,286

On May 16, 2014, the Company has entered into hire – purchase agreement with a subsidiary (T.T.Ceramic Public Co., Ltd) by installments periods, agreed to be paid in 60 installments, each of Baht 272,493.83 (included Vat)

	(Unit : Baht)			
	Consolidated		Separate	
	As at	As at	As at	As at
	December 31, 2015	December 31, 2014	December 31, 2015	December 31, 2014
30.1.3 Accounts receivable on loans to related parties				
T.T.Ceramic Public Co., Ltd.**	-	-	45,043,010	-
30.1.4 Account Payable				
<u>Subsidiaries company</u>				
Cermas Co., Ltd.	-	-	1,039,984	506,101
T.T.Ceramic Public Co., Ltd.**	-	-	-	11,587,511
<u>Related company</u>				
Royal Ceramic Industry Public Co., Ltd	5,422,051	-	2,651,015	5,819,994
Siam Art Ceramic Co., Ltd.	14,588,769	17,041,384	1,508,065	1,044,242
Imex International Co.,Ltd.	319,159	-	319,160	-
Total	20,329,979	17,041,384	5,518,224	18,957,848
30.1.5 Short-term loans and accrued interest - related parties				
Consist of :				
<u>Principle</u>				
Short-term loan from director	-	15,000,000	-	-
Short-term loan from related companies.	-	-	-	-
	-	15,000,000	-	-

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(Unit : Baht)

	Consolidated		Separate	
	As at	As at	As at	As at
	December 31, 2015	December 31, 2014	December 31, 2015	December 31, 2014
30.1.6 Long-term loan from related companies				
Consist of :				
Long-term loan from director	30,890,000	33,990,000	-	-
Long-term loan from related companies	-	-	-	-
	<u>30,890,000</u>	<u>33,990,000</u>	<u>-</u>	<u>-</u>
Movement during the years of Short-term loan from director as follows:				
Beginning balance of the years	15,000,000	54,360,000	-	-
Addition during of the years	-	15,000,000	-	-
Deduction during of the years	(15,000,000)	(54,360,000)	-	-
Ending balance of the years	<u>-</u>	<u>15,000,000</u>	<u>-</u>	<u>-</u>
Movement during the years of Short-term loan from related parties as follows:				
Beginning balance of the years	-	48,777,503	-	-
Addition during of the years	-	-	-	-
Deduction during of the years	-	(48,777,503)	-	-
Ending balance of the years	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Movement during the years of Long-term loan from director as follows:				
Beginning balance of the years	33,990,000	34,870,000	-	-
Addition during of the years	-	-	-	-
Deduction during of the years	(3,100,000)	(880,000)	-	-
Ending balance of the years	<u>30,890,000</u>	<u>33,990,000</u>	<u>-</u>	<u>-</u>
Movement during the years of Long-term loan from related company as follows:				
Beginning balance of the years	-	261,250	-	-
Addition during of the years	-	-	-	-
Deduction during of the years	-	(261,250)	-	-
Ending balance of the years	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

As at December 31, 2015 and 2014, estimated liabilities under the employee benefit project-management by Baht of 28.67 million and Baht 26.38 million, respectively.

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As at December 31, 2015, A subsidiary has Short-term loans from director amount of Baht 15 million, are unsecured and no interest charged. Subsequent event, a subsidiary has repayment to such director by whole amount and has entered into loan agreement.

As at December 31, 2015, a subsidiary has short-term loans and accrued interest-directors and related parties amount of Baht 45 million, amount of Baht 10 million in first quarter 2015, amount of Baht 10 million in second quarter 2015, amount of Baht 12 million in third quarter 2015, and amount of Baht 13 million in fourth quarter 2015, There is unsecured. The loan is repayable on demand.

A subsidiary has short-term loans and accrued interest-directors and related parties amount of Baht 48.78 million. There is unsecured. The loan is repayable on demand and a subsidiary company had stopped to recognized interest since September 2012 due to a subsidiary got the exception for interest expense form such related company. And during the second quarter of year 2014, a subsidiary has the repayment by the whole amount.

As at December 31, 2015 and 2014, a subsidiary has long-term loan from director by Baht of 50 million, without any guarantee, and no interest charged. And during the second quarter of year 2014, a subsidiary has the repayment by the whole amount.

As at December 31, 2015 and 2014, the Company has long-term loan by debentures issuing during third quarter in 2014, which have been held by the Company's director, amount by Baht of 20 million (Note 20).

30.2 Revenue and expense transactions with the related parties for the year ended December 31, 2015 and 2014 were as follows:

		(Unit : Baht)			
		Consolidated		Separate	
		For the year ended December 31,		For the year ended December 31,	
		2015	2014	2015	2014
30.2.1 Sales-goods and service					
Ruampat Ceramic Co., Ltd.	-	-	138,428,614	170,341,792	
T.T.Ceramic Public Co., Ltd.**	-	-	31,242,148	49,413,988	
Royal Ceramic Industry Public Co., Ltd.	-	-	51,016,184	16,683,369	
Siam Art Ceramic Co., Ltd.	233,065,173	264,470,971	233,065,173	264,470,971	
Imex International Co.,Ltd.	-	17,032,116	-	-	
Total	233,065,173	281,503,087	453,752,119	500,910,120	
30.2.2 Rental revenue					
Cermas Co., Ltd.	-	-	684,000	684,000	
Ruampat Ceramic Co., Ltd.	-	-	1,087,160	1,020,000	
Royal Ceramic Industry Public Co., Ltd.	-	-	3,240,000	3,240,000	
Total	-	-	5,011,160	4,944,000	
30.2.3 Sale management revenue					
T.T. Ceramic Public Co.,Ltd.**	-	-	9,567,853	12,248,787	

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(Unit : Baht)

	Consolidated		Separate	
	For the year ended December 31,		For the year ended December 31,	
	2015	2014	2015	2014
The Company has entered into Sales management agreement with the parent company, charged by the rate of 2% of sales by the parent company. The agreement period by one year (since July 1 to June 30) and renew by one year each if no ask for the cancellation.				
30.2.4 Interest income from related parties.				
T.T. Ceramic Public Co.,Ltd.**	-	-	1,245,635	832,209
30.2.5 Interest expense				
T.T. Ceramic Public Co.,Ltd.**	-	-	1,796,332	-
30.2.6 Purchase-raw materials and goods				
Subsidiaries and related company				
Cermas Co., Ltd.	-	-	25,152,240	22,819,469
T.T.Ceramic Public Co., Ltd.**	-	-	131,458,567	136,181,099
Royal Ceramic Industry Public Co., Ltd.	-	-	7,777,454	12,699,339
Siam Art Ceramic Co., Ltd.	78,809,482	89,941,038	7,796,969	11,213,658
T.N. Co., Ltd.	-	-	-	-
Imex International Co.,Ltd.	723,329	-	723,329	-
Total	79,532,811	89,941,038	172,908,559	182,913,565
30.2.7 Rental warehouse income				
T.T. Ceramic Public Co.,Ltd.**	-	-	720,000	720,000
30.2.8 Directors and management benefit expenses				
Consolidated and separate				
- Short-term benefit expenses for the year ended December 31, 2015 and 2014, amount by Baht of 19.71 million and Baht of 30.30 million and Baht of 19.71 million and Baht of 20.69 million, respectively.				
- Long-term benefit expenses for the year ended December 31, 2015 and 2014, amount by Baht of 0.36 million and Baht of 3.51 million and Baht of 0.36 million and Baht of 3.04 million, respectively.				
30.2.9 Consultant expenses				
S & P Corporate Communications of				
Salt Limited.	1,490,000	-	1,490,000	-
Mr. Pichit Pholpanichrasamee	480,000	480,000	480,000	480,000
	1,970,000	480,000	1,970,000	480,000

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30.3 Commitments with an associated company - Royal Ceramic Industry Public Company Limited note 10.2, an associated company has reserved the right to sell all ordinary shares in TTC to UMI or to Miss Paweena Laowiwatwong at the same price that RCI invested in the first place, or at the book value price as of the latest year of such sale. And until the date of report was published. There has not signed any commitments between them.

31. SEGMENT FINANCIAL INFORMATION

Operating segment information is reported in a manner consistent with the internal reports that are regularly reviewed by the chief operating decision maker in order to make decisions about the allocation of resources to the segment and assess its performance.

The company and subsidiaries' business operations involve 2 principle segments: (1) Import floor tiles and wall tiles (2) Export floor tiles and wall tiles. Segment performance is considered by revenue and gross profit, and its also measured based on the group operating profit or loss, on a basic consistent with that used to measure operating profit or loss in the financial statements. Below is the revenue and gross profit of the company and subsidiaries for the year ended December 31, 2015 and 2014 by segments.

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(Unit : Million Baht)

	Consolidated financial statements for the years ended December 31							
	Floor and wall tile business							
	Local		Export		Others		Total	
	2015	2014	2015	2014	2015	2014	2015	2014
Sales - net	3,517	3,997	222	216	-	-	3,739	4,213
Less cost of sales	(2,871)	(3,319)	(173)	(177)	-	(2)	(3,044)	(3,498)
Gross profit (loss)	646	678	49	39	-	(2)	695	715
Other income							83	159
Selling expanses							(460)	(497)
Administrative expenses							(506)	(302)
Management benefit expenses							(20)	(21)
Finance costs							(69)	(93)
Share of profit (loss) from investments in associate							-	-
Income tax expenses							(113)	(33)
Profit (loss) for the years							(390)	(72)
Profit (loss) for the years, Equity holders of the parent							(190)	30
Profit (loss) for the years, Non-Controlling interests of the subsidiaries							(200)	(102)
							(390)	(72)
Assets as at December 31, 2015 and 2014 :								
Fixed assets							2,272	3,371
Other assets							1,645	2,138
Total assets							3,917	5,509

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(Unit : Million Baht)

	Separate financial statements for the years ended December 31,							
	Floor and wall tile business							
	Local		Export		Others		Total	
	2015	2014	2015	2014	2015	2014	2015	2014
Sales - net	2,286	2,470	182	175	-	-	2,468	2,645
<u>Less</u> cost of sales	(1,790)	(1,997)	(151)	(149)	-	-	(1,941)	(2,146)
Gross profit (loss)	496	473	31	26	-	-	527	499
Other income							408	189
Selling expenses							(278)	(314)
Administrative expenses							(233)	(95)
Management benefit expenses							(19)	(21)
Finance costs							(45)	(65)
Income tax expenses							(93)	(10)
Profit (loss) for the years							267	183
Assets as at December 31, 2015 and 2014 :								
Fixed assets							1,003	1,057
Other assets							1,630	1,741
Total assets							2,633	2,798

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32. COMMITMENTS AND CONTINGENT LIABILITIES

32.1 Commitments

	(Unit : Thousand Baht)			
	Consolidated		Separate	
	As at	As at	As at	As at
	December 31,	December 31,	December 31,	December 31,
	2015	2014	2015	2014
Capital commitments				
- Purchasing Assets	-	12,224	-	12,224
Operating lease commitments				
Within 1 year	17,194	15,620	12,705	9,845
More than 1 to 3 years	19,443	25,374	16,174	15,937
More than 3 to 5 years	1,840	5,229	1,840	3,759
	<u>38,477</u>	<u>46,223</u>	<u>30,719</u>	<u>29,541</u>

The Company has the operation leases commitment of forklift with a company, an agreement period by 3 years. And on January 1, 2013, the Company has renewal an agreement period by 3 years (since January 1, 2013 to December 31, 2016) and could renewal each one year if no more cancellation issue. (Rental forklift expense paid for such company for year 2015 and 2014 amount of Baht 17.29 million and 18.39 million, respectively). And a subsidiary has rental forklift expense no have an agreement paid for such company for year 2015 and 2014 amount of Baht 0.00 million and 0.48 million, respectively.

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32.2 Contingency liabilities

As at December 31, 2015 and 2014, the Company and subsidiaries have commitments to bank as follows.

	(Unit : Million Baht)			
	Consolidated		Separate	
	As at	As at	As at	As at
	December 31, 2015	December 31, 2014	December 31, 2015	December 31, 2014
Letter of Credit (Million USD) not used	1.45	0.45	1.45	0.45
Letters of Guarantee				
- Electricity Guarantee	10.30	28.21	10.30	16.00
- Gas Guarantee	-	16.00	-	-
Credit Line Baht of 1,090 and 1,090 million in 2015 and 2014				
- Credit not used	311.62	681.70	311.62	426.70

As at December 31, 2015, the Company had Forward contract facilities from two financial institutions in used amount of Baht 0.47 million USD.

33. DISCLOSURE AND PRESENTATION OF FINANCIAL INSTRUMENTS

The Company and subsidiaries have no policy to hold financial instrument for speculation and hedging.

a) Credit risk

The Company is exposed to credit risk primarily with respect to trade and accounts receivable. The Company's prudent credit policy and its diversified customer. The Company has export credit insurance with bank for export accounts receivable which has risk in collectible. The maximum credit risk exposure is equal to the book value of accounts receivable in the statements of financial position net from amount of such accounts receivable credited insurance with bank.

As at December 31, 2015 and 2014, the Company has made contracts for export credit insurance and has hedged foreign currencies outstanding of account receivable as follows:

	(Unit : Baht)	
	Consolidated/Separate	
	As at	As at
	December 31, 2015	December 31, 2014
Credit line of contracts for export credit insurance	5,000,000	5,000,000

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b) Foreign currency risk

As at December 31, 2015 and 2014, the Company has accounts receivable, accounts payable and trust receipt in foreign currency which were not hedged by forward exchange contracts or similar hedging instrument are as follow :-

	Currency	As at December 31, 2015	As at December 31, 2014
Accounts receivable in foreign currencies	US Dollar	172,564.95	189,259.00
	Pound Sterling	-	-
Accounts payable in foreign currencies	US Dollar	798,063.98	272,650.46
	EURO	155,606.53	146,383.49
	YEN	-	-
	Pound Sterling	8.08	8.08
Trust receipt	EURO	-	-
	US Dollar	525,803.46	985,557.00

c) Liquidity risk

Liquidity risk, or funding risk, is the risk that the Company will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from an inability to sell financial assets quickly at close to its fair value.

The Company's financial assets comprises of cash, deposits at financial institutions, accounts receivable and inventories which are liquid and able to sell at close to this fair value when the Company wishes to raise fund.

d) Credit risk of discharge obligation

Credit risk derives from failure by counterparts to discharge their obligation resulting in financial damage to the Company and subsidiaries.

For the financial assets shown in the statements of financial position at the book value deducted by allowance for doubtful account is maximum value of credit risk.

For off-statement of financial position, the Company expects that the amount of credit risk is immaterial.

e) Interest rate risk

Interest rate risk derives from changes in interest rate. The Company and subsidiaries have interest rate risk because their loans bear interest at the floating interest rate.

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f) The fair value of financial instrument

Financial assets shown in statement of financial position consist of cash and deposit at banks, accounts receivable and notes receivable, investment, deposits with commitment. Financial liabilities shown in statements of financial position consist of bank overdrafts, loans from banks, accounts payable, long-term liabilities.

The fair value of significant financial assets and financial liabilities does not differ from carrying value except for the fair value of long-term investment and long-term liabilities, which cannot be properly calculated, accordingly, no disclosure is made.

34. LEGAL RESERVE

According to the Public Companies Act, the Company has appropriated its reserve as a legal reserve not less than 5% of the annual net profit deducted by the total accumulated deficit brought forward (if any) until the reserve reaches an amount not less than 10% of the issued and paid-up share capital. The legal reserve may not be distributed as dividends.

35. THAI FINANCIAL REPORTING STANDARD (TFRS) THAT HAS BEEN ISSUED BUT IS NOT YET EFFECTIVE

The Group has not adopted the revised TFRS that has been issued but is not yet effective. That revised TFRS that is applicable to the Group, which becomes effective for annual financial periods beginning on or after January 1, 2016.

Management expects to adopt and apply these new and revised TFRS in accordance with the FAP's announcement and has made a preliminary assessment of the potential initial impact on the financial statements of those new and revised TFRS and expects that there will be no material impact on the financial statements in the period of initial application.

36. SUBSEQUENT EVENTS

In accordance with the minutes of the Annual Board of directors' Meeting No. 1/2016 held on February 24, 2016, it was unanimously resolved to pay dividend in the rate per share Baht 0.16 in number 836.50 million shares totaling amount of Baht 134 million. The dividend payment dated on May 27, 2016. And approve in Meeting of Shareholders.

37. CAPITAL MANAGEMENT

The primary objectives of the Company's and its subsidiaries' capital management are to maintain their abilities to continue as a going concern and to maintain an appropriate capital structure.

As at December 31, 2015, debt to equity ratio in the consolidated financial statements is 0.92 : 1 (the separate financial statements: debt to equity ratio is 0.62 : 1).

38. APPROVAL OF THE FINANCIAL STATEMENTS

These financial statements have been approved by the Company's management on February 24, 2016



THE UNION MOSAIC INDUSTRY PUBLIC COMPANY LIMITED

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