

Dynasty Ceramic Public Co.,Ltd.

บริษัท ไดมัสตี้ เซรามิค จำกัด (มหาชน)

Annual Report 2015

รายงานประจำปี 2558

DYNASTY TILETOP

Together, We go





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Message from Chairman

Thailand's economy in 2015 has continuously in decline. The export value and the inflation rate reached the lowest level in the past 10 years. The prices of agricultural products, including rice and para rubber which are the major economic products of Thailand, were suffering a decline. This was because of the global economic recession and the reducing fuel prices as a result of exceeding production. China, which is the world's second economic country and the biggest in Asia, has also suffering the decline in its growth. The Chinese government had to announce the reduction of Yuan currency value with the hope to foster export value.

These situations have inevitably affected Thailand. Ceramic tile industry in Thailand has also been impacted by such decline. The overall sale value has decreased by 4% due to the decreasing rate of construction activities. However, we have benefited from the lower fuel prices. The price of natural gas used in our production has been lower by 30%. Also, the price of diesel which is our transportation cost has been decreasing. Therefore, some of the production costs have been relieved.

The Company managed to survive from such crises. The amount of ceramic tiles we sold was at 52.6 million square meters which is higher than 52.4 square meters of a year earlier. The sales volume was 7,172 million baht (Seven Thousand One Hundred and Seventy-Two Million Baht) while that of the previous year was 7,177 million baht (Seven Thousand One Hundred Seventy-seven Million Baht). The average prices were

down due to higher competition in the market. Nevertheless, the Company has succeeded in launching 60x60 cm. high-end ceramic tiles which could compete with Granito tiles from China. Until now, the proportion of the high-end tiles has been increasing and accounts for 10% of the overall sales. It is seen that the popularity of this type of tiles is still continuously growing, especially in the provincial markets, as the prices are comparable to other imported tiles.

It is our pleasure to inform you that in 2015, we made the profit at the amount of 1,372 million baht (One Thousand Three Hundred and Seventy-Two Million Baht) which is 12% higher than that of the previous year and is the highest profit we have made. We still strive for developing better products to maintain our leadership in ceramic tile industry where we are sharing over 30% of market share. Lastly, the Board of Directors would like to express their gratitude to all of the Shareholders for kind collaboration and continuous support given to the Company.



Mr. Roongroj Saengsastra
Chairman



Board of Directors

1 Mr.Roongroj Saengsastra

Chairman

2 Gen.Yuthasak Sasiprapha

Independent Director and

Chairman of Audit Committee

3 Mr.Sanchai Janejarat

Executive Director / President

4 Mr.Yothin Juangbhanich

Independent Director

& Audit Committee

5 Mr.Chaiyasith Viriyametakul

Director

6 Mr. Suvit Smarnpanchai

Director

7 Mr.Surasak Kosiyajinda

Independent Director

& Audit Committee

8 Mr.Phachon Khachitsarn

Independent Director

& Audit Committee

9 Miss Cattleya Saengsastra

Executive Director

and Company Secretary

10 Mr.Monrak Saengsastra

Executive Director (Administration)

11 Mr.Maruth Saengsastra

Executive Director (Marketing)

VISION

“The Leader of Tile Business
with Outlets throughout
Thailand”



MISSION

To Country

To produce tiles with creative production process that meets international standard at the lowest cost to manufacture quality products at reasonable prices.

To customers

To serve our customer with wide variety of tiles at reasonable prices, easy access through our outlets throughout Thailand, high service quality, fast delivery, and continuity of products is guaranteed.

To Shareholders

To have high dividend payout.

To employees

To create stability for employees with Encourage employee involvement and creativity. Improve employee skill with continuous training Develop key capabilities. Build corporate culture Strengthen employee network and relationship

To suppliers

To operate business with fairness and integrity with suppliers.

To Corporate Social

To incorporate the Corporate Social Responsibility strategy directly into the business strategy

DCC Group Values



Differentiation

Cost Leadership

Continuous Improvement

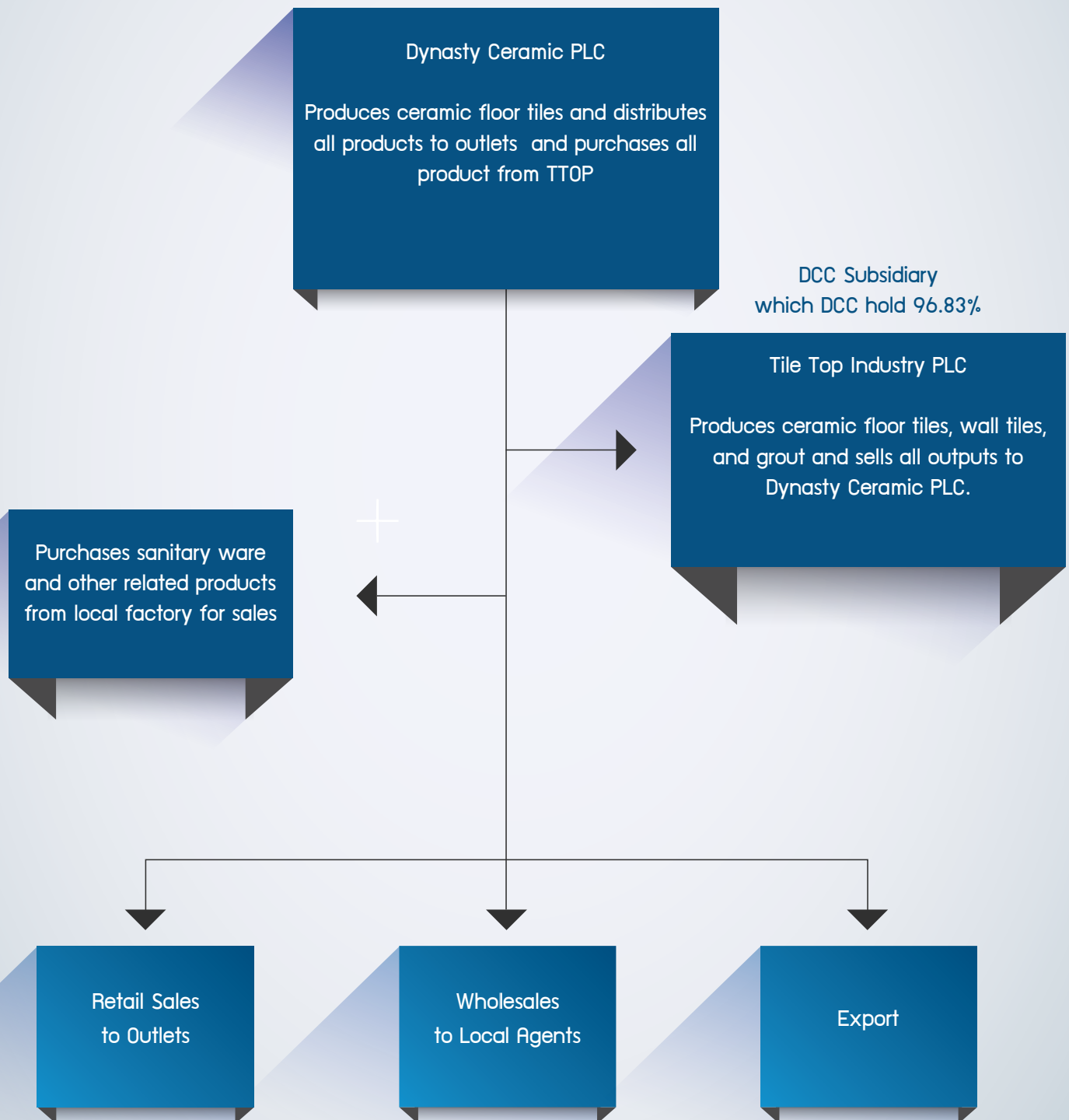
Total Management System

Trustworthy Product Quality

On Time Delivery

Profit, People, and Planet

ORGANIZATION STRUCTURE





Nature of Business

Dynasty Ceramic Public Company Limited was formerly known as Royal Floor Tiles Co., Ltd. Its core business is the manufacture and distribution of ceramic tiles. The Company was founded on 1 August 1989, listed on the Stock Exchange of Thailand on 3 January 1992, and registered as a Public Company on 9 March 1994. Its registered capital was increased to 280 million baht, with capital paid-up at a par value of 10.0 baht per share at 272 million baht, in January, 1995. At the end of 1997, the Shareholders and Directors of Tile Top Industry Public Co., Ltd, also a manufacturer of ceramic tiles with a factory located close to the Dynasty Ceramic Plant, bought 14.9 million ordinary shares of the company, or 54.82% of the paid-up capital, from the major shareholder which is a securities company. It has invested in more efficient machinery and developed quality and more colorful products. It has also adjusted marketing strategies to focus more on distribution to consumers.

Towards the end of 2000, the Company increased its registered capital to 408 million Baht, comprising 40.8

million shares with a par value of 10.0 Baht per share. The funds were to be utilized for the expansion of production capacity through the purchase of the entire ordinary shareholding in Tile Top Industry Public Co., Ltd from the original shareholders. As a result, the Company acquired the factory of Tile Top Industry Public Co., Ltd. The Company is currently the major shareholder in Tile Top Industry Public Co., Ltd with an equity stake of 96.83%, comprising 408 million shares with a par value of 1.0 Baht per share

At the end of 2005, to operate a retail business in the form of factory outlets, for sale through its three subsidiaries, namely Pick and Pay Co. Ltd., Muang thong Ceramic Co. Ltd. and Worldwide Ceramic Co. Ltd, in which the Company invested an equity stake of over 97%. This enables the Company to get closer to its customers, know what they want and understand their ceramic tile purchasing trends. The Company used such information to improve its products and services, resulting in a rise in sales

In June 2014, the Company has conducted group restructuring by Entire Business Transfer from its three subsidiaries, namely Pick and Pay Co. Ltd., Muang thong Ceramic Co. Ltd. and Worldwide Ceramic Co. Ltd, in which the Company invested an equity stake of over 97%. As a result, Dynasty Ceramic is currently having only one subsidiary, Tile Top Industry Public Co., Ltd.

At the end of 2014, with an intention to increase stock liquidity, the Company has changes of number of ordinary shares and the par value per share of the Company's ordinary shares to 4,080,000,000 shares at Baht 0.10 each. The registered capital remains the same at 408,000,000 Baht.

In the middle year 2015, Shareholder's equity increased by registered capital from 408 million baht, to 652.8 baht from the stock dividend payment at the rate of 5 previous stock per 3 stock dividend. Total number of ordinary shares increased from 4,080 million shares to 6,528 million shares at Baht 0.10 each.

Dynasty Ceramic Public Company Limited's core business is the manufacture and distribution of ceramic tiles. It buys all products produced by Tile Top Industry Public Co. Ltd. at a wholesale price for

sale. The Company also purchases sanitary ware and products related to ceramic tiles such as stair components and tile grout for sale through outlets and its products are exported overseas to countries and regions including Philippine, Malaysia, South Africa, Brunei, the Maldives Indochina, Sri Lanka,

Myanmar, New Zealand, Canada, Fiji, Laos, Cambodia, Yemen, Taiwan etc.

The Company is held by Thai nationals 89.63% and 10.37 % by foreigners. (Register closed 29 January, 2016)

Product Types and Sizes

1.Floor Tile (Unit : CM)

Size 60 x 60 , 60 x 60 (Digital) ,30 x 60 (Rectified) , 30x60(Digital Rectified) ,40x 40 , 40x40 (Rectified) , 40x40 (Digital) , 40x40 (Digital Rectified) , 30x30 , 30x30(Digital) , 20x20

2.Wall Tile (Unit : CM)

Size 20 x 20, 20 x 25, 20 x 30, 20x30(Digital), 25x40, 25x40(Digital)

3.Grout (Produces by the subsidiary)

Our Brands

The ceramic tiles produced by the Company and its subsidiaries comprise under the trademark “Dynasty”, “Tile Top”, “Tomahawk”, “Jaguar”, “Anna”, “Value”, “Mustang”

Income Structure

- Sales from tiles produces by Dynasty Ceramic PCL
- Sales from tiles and grout purchases from Tile Top Industry PCL (TTOP) and mark up margin.
- Sales from purchases sanitary ware and other related products from local factory.
- Other income such as Gain from exchange rate, Interest income, Gain from sale of fixed assets etc.

Total Income structure in the last 3 years (Consolidated Financial Statement)

Type of Income	By	Y 2015		Y 2014		Y 2013	
Domestic		MB	%	MB	%	MB	%
Sales from tiles	DCC + TTOP	6,744	94	6,806	95	7,168	95
Sales from grout and others	DCC and Outlets	190	3	190	2	223	3
Total Sales - Domestic		6,394	97	6,996	97	7,391	98
Overseas							
Sales from tiles	DCC + TTOP	237	3	180	3	154	2
Sales from grout and others	DCC	1	0	1	0	1	0
Total Sales - Overseas		238	3	181	3	155	2
Total Sales		7,172	100	7,177	100	7,546	100
Other income	Y2013 total 5 companies Y2014-2015 total 2 companies	12	0	21	0	18	0
Total income		7,184	100	7,198	100	7,564	100

On June 1, 2014, the Company has conducted group restructuring by Entire Business Transfer of its subsidiaries, consisting of Pick & Pay Co., Ltd, Muangthong Ceramic Co., Ltd, and Worldwide Ceramic Co., Ltd, therefore, there is no further transaction occur.related

Significant Changes in 2015

In the recent year there were economic changes which are major driving forces for the business. As a result, there was high competition among the entrepreneurs. With regard to the Company, the important traits which are our identity are the analysis of goods, price,

patterns and market condition, the plan to handle changes in the market together with the quick strategic adjustment to catch up with changes in the market. Apart from that, what the Company keep on doing at all time is the continuous improvement of the patterns to

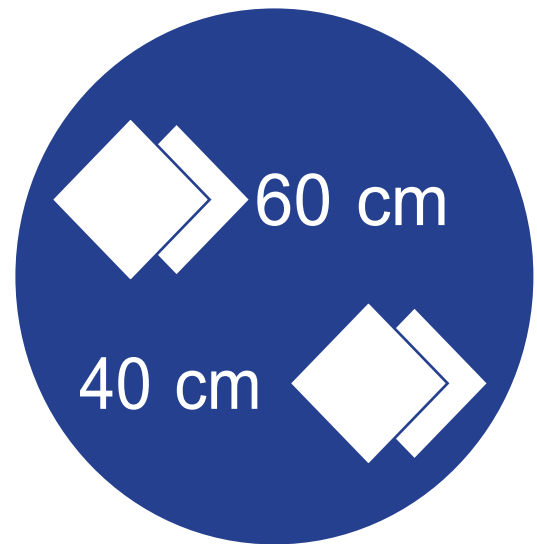
bring variety to them and to serve every target group. In addition, the Company offers the employees opportunities to show their thinking abilities and competences which can be categorized into the following main sections:



Factory Section

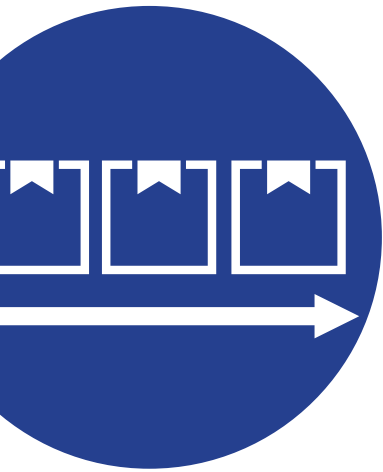
Bringing variety and value added of products

The Company has added new patterns and colors that look natural and beautiful in order to match the urban lifestyle. Apart from that, the price is affordable for every target group. As a result, the sale volume of last year has been increased, especially for the 60x60 cm. and 40x40 cm. digital tiles.



Expanding production capacity

This is to comply with the continuous policy in order to increase production capacity by 5 percent, using 20 kilns for 2 factories which is the original amount. The Company calls this system development “Production Capacity Maximization” or using production capacity of each kiln for maximum efficiency. This system needs investment about 80 million baht in 2015 but it can increase production capacity more than 5 percent as expected.



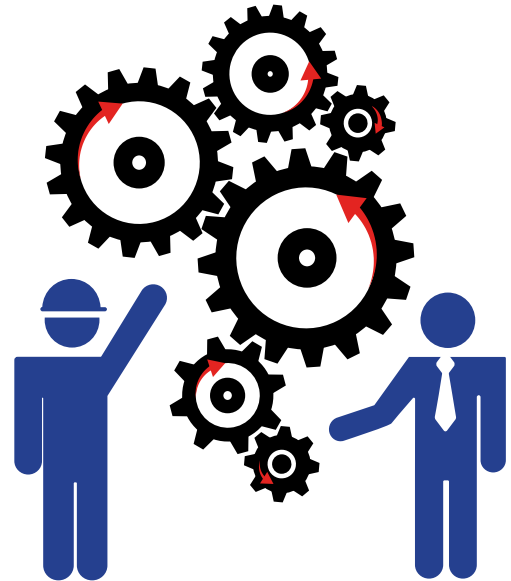
Increasing speed of production line

The production line has been researched and developed continuously in order to make them modern by using automation, auto-no-mation and sequential shift. As a result, the production efficiency and production line speed can be adjusted unlimitedly and can serve production plan with more than 2,000 various patterns which shall be adequate for market needs.

Improvement on efficiency of manufacturing process & production plan calculation

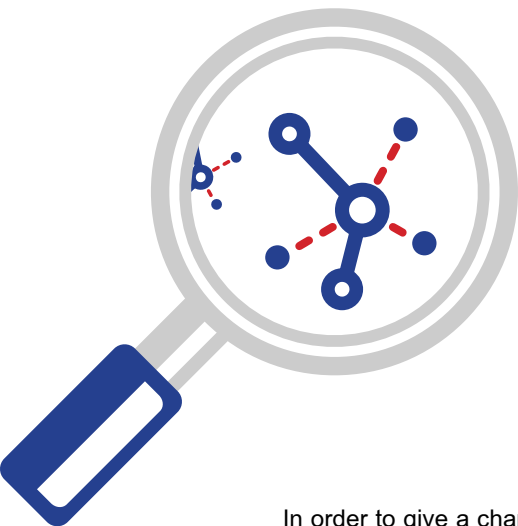
The Company emphasized on production line preparation in order to prevent idle when switching the patterns or sizes of the tiles. Normally, switching pattern would take about 20 minutes, while currently it takes only 5 minutes

In order to be match with market situation and production capacity of the Company, the active and inactive tiles are categorized and organized. And the storage duration is calculated to be suitable and to continuously increase efficiency in production. As a result, the amount of inventories is maintained efficiently.



Researching on components used in the production

Technical Department has discovered the component that can reduce the temperature in the kiln and reduce the uses of expensive chemical substances. This research has been conducted continuously and will be further developed. According to the work plan, the Company expects to reduce natural gas usage by 6 percent and has achieved half of the target in the previous year.



Creative thinking project

In order to give a chance to the employees to participate in work procedure development and improvement, the Company gives awards and declares the honor for the creative thinking projects that were presented and successful. This project is another one that will be maintained.

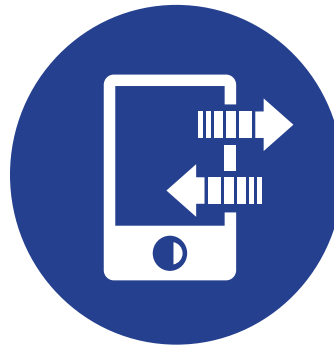




Head Office Section

Improvement on Communication System

In order to increase communication channels for fast respond and variety, the Company uses more modern technologies, especially the Mobile Application.



Improvement on efficiency of computer system

Having analyzed the growth in the future and still focuses on the principle of Information Centralized, the Company allocates a portion of budget in order to increase efficiency of computer system to support the branches, sale volumes, amount of goods, etc. that has been grown for maximum efficiency.



Improvement on efficiency of employees

The Company give a chance to every employee to improve the work quality by themselves using creative thinking project and providing training for each section throughout the year. The improvement focuses on utilization of software to gain highest efficiency.



Work process improvement

The Company has implemented the policy to make the employees realize the importance in each section to be in line with and to support one another within the organization, as well as to operate faster with more efficiency. The improvement focuses mainly on the duration of time spent for each step of work. This makes the employees work faster, so there is no need to increase number of the employees.



Branch Section

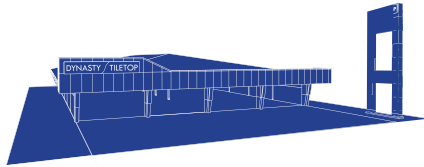
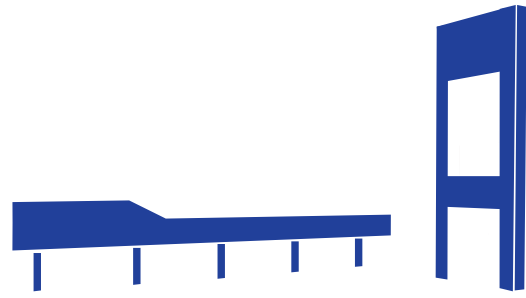


Image Improvement Project

Continuing from 2014 in which there was an improvement of structural image of the branch or Re-branding Project, in 2015 the Company continued the project by initiating

the Image Improvement Project to create beautiful and modern look inside the branch, outside the branch and in the surrounding area of the branch and to match with the increased patterns of goods created by the factory section. The project has begun partially at end of 2015 and the improvements of more than 10 branches are completed and are shall be carried on continuously until the improvements of every branch are completed. Apart from that, the Company also improves the service providing by the employees who shall have service mind, care the customer and pay attention to the knowledge about tiling more.

Branch expanding

This year the Company still seek for the locations to add new branches and to replace the existing branches that cannot renew the rent contract, so that Dynasty shall cover more area. Apart from that, there is a project to select the icon branch for each regional area, focusing on big city in order to be difference, interesting and outstanding.



Improvement on efficiency of computer system

The Company has studied and developed the methods for computer system's data receiving-sending in order to gain efficiency in recording lists of sales and money collecting as well as placing order and checking the condition of the goods against the reality, including accounting data for data accuracy.

Improvement on efficiency of employees

The Company still pay attention to the branch officers. We provide training for every level of employees in order to gain knowledge and ability to sell and to mainly to create service mind. Most importantly, the Company shall assign the employees to a position, so that the employees can be by themselves, be responsible for the assigned task and can substitute the colleagues. Therefore, the employees must develop themselves all the time.



All of the above are the major components continuous progress of the Company which will not happen if the managements and the employees did not cooperate. The most important target is to minimize cost of goods to make it lowest in the market but the quality must be maintained to meet the standard, the operation that investigated into the site and are in line with each other, as well as flexibility in production process and proactive sales.

Industrial Conditions and Competition

As we all know, in 2015 the economy was partially recovered from 2014 due to oil price which tends to decrease continuously, interest rate which is still low according to Central Bank's policy, low inflation rate and the use of Expansionary Monetary Policy to stimulate the stable economic growth. Apart from that, the agricultural section, which is the important part that shall push the

economy of the country, was affected by fluctuate weather and drought in some periods.

With regard to ceramic businesses, it was decreased in overall due to the slowdown of the real estate projects resulted by the economic condition of the country and the issues of living cost. The domestic liabilities of the consumer which were in a high level also make their pur-

chasing power drop. Regarding the export of floor and wall tiles, it was expected that the export value will decrease less than the import value because the deflation of import value will be higher in 2015 at a rate higher than the export. The Company has evaluate the situation and adjust the strategies to match with the economic conditions in each quarter as follows:

1st Quarter

In overall, the investments in construction, tools and machine were expanded. However, the expansion of disbursement and consumption of the household decelerated according to the decrease of income in agricultural section and the increase of domestic liabilities which affect purchasing power of the population as well as the price of the necessary goods. The production and sale of tiles for export still expands satisfactorily in ASEAN market, while the import

decrease according to the slowdown of the economy of the country.

For the turnover of the first quarter, the sale volume was 2,024 million baht, decreasing from the previous year 16 million baht or 1 percent. The average price was 136 baht/ sq. m. increasing from the previous year and the gross profit in this quarter is 41 percent increasing from that previous year 1 percent.

2nd Quarter

The economy tended to decrease due to the long holiday period and the beginning of rainy season, so the needs of construction material in the country decreased. Apart from that, the issues of liability and living cost were still in the high level. The production part tended to increase by 5 percent, especially floor tile for export.

For the turnover of the second quarter, the sale volume was 1,831 million baht, decreasing from the previous year 32 million baht or 2 percent. The average price was 134 baht/ sq. m. and the gross profit in this quarter is 43 percent increasing from that previous year 5 percent.

3rd Quarter

The economic deflation still on-going in agricultural section, especially the crops, while the slowdown in other portions continued due to economic deflation together with the slowdown in construction part. These are the results from the decrease of export and the low-rate expansion of domestic needs due to economic slowdown of the country caused by the issue of higher living cost and domestic liability, drought

and the reduce of crop prices, resulted in the decrease of purchasing power of the consumer.

For the turnover of the third quarter, the sale volume was 1,555 million baht, decreasing from the previous year 101 million baht or 6 percent. The average price was 133 baht/ sq. m. and the gross profit in this quarter is 42 percent increasing from that previous year 2 percent.

4th Quarter

The economy tended to be better due to the real estate stimulating measure which shall be effective in October 2015. However, the household liabilities were still in a high level and the decrease of income in agricultural section may be resulted in the delay of house improvement and renovation for a while. Therefore, the

expansion of the construction material may not be so high.

For the turnover of the fourth quarter, the sale volume was 1,762 million baht, increasing from the previous year 148 million baht or 9 percent. The average price was 132 baht/ sq. m. and the gross profit in this quarter is 42 percent.

Overall Operation in 2015

For overall operation in 2015, the sale volumes is 7,172 million baht, which is lower than the previous year about 5 million baht or 0.08 percent. Average price of the whole year is 134 baht/ sq. m. The Gross profit throughout the year is 42 percent and the net profit throughout the year is 1,372 million baht, increasing from 146 million baht or 12 percent.





Work Plan and Strategies for 2016

In 2015 the managements have implement the strategies for branches in order to make preparations for adjusting the market condition in every channels of the Company to become proactive market. Apart from that, the managements have spent more than six months to conduct a site visit across the country in order to describe the marketing policy and examine the problem of every branch in order to encourage the employees, as well as solving problems in every aspect of every branch and to create unity among every employees according to the Company's slogan "Together, we go".

The managements are very confident that the Work Plan in 2016 will be successful because the branches and selling channels have already made preparations for the year.

The Company's targets for year 2016 are as listed below:-

- Expand customer base to incorporate middle-market and high-end market in order to seize market share
- Use branches as the strategic points to provide services for both retail and whole sale customers
- Initiate project market of any sizes by focusing on contractors and architect
- Initiate whole sale market by producing OEM Tile
- Initiate whole sale market by facilitating the customer and using the existing branches to achieve maximum efficiency
- Improve the image of the branches' structure which is a continual project from the previous year.
- Improve the branches internally after the Rebranding Project by setting up the Rebranding Project Phase 2
- Continue the rebranding by improving the image of the branches of the company to become icon of the area
- Open new branches in strategic point for transportation in order to get ready for the competition and AEC.
- Improve efficiency of service providing by branch officers
- Study the selling information of both retail and whole sales in a clearer view.
- Generate value added for existing products by focusing on advertising at point of sale
- Add more patterns of tiles in various styles, so that they can match with the function in every area
- Increase average selling price, mainly on digital tiles
- Expand foreign market in AEC
- Sale volume grows by 10 percent
- Gain Gross Profit Margin at 43 percent
- Gain Net Profit Margin at 20 percent
- Open 5 new branches
- Reduce number of employees in the factory by 5 percent
- Reduce short-term loan

Since the administrative methods of the Company are fast and are able to show the result instantly, the work plan in each month shall be easily adjusted according to the market condition. With regard to all strategies that have been set, none of the other companies shall be able to adopt them the way Dynasty can.

Risk factors

The Company, by the Board of Directors, conducts the assessment of initial risk factors. Risk and Business Continuity Management Committee has been established to examine and analyze the possible short-term and long-term effects in the future and indicate the measures to reduce the risk of the following points:

Risk of safety, health and environment

Risk of safety and health

- Be aware of the importance of the employees' safety and health
- Indicate the acceptable level and benchmark of the risk of safety
- Specify the active measures to prevent danger before the occurrence of loss

Preventive and corrective measures

- Occupational health and safety management measures in accordance with the industrial standards
- Regular analysis of health and safety risks
- Finding the model and standard to reduce possible health and safety risks
- Zero Accident Project is one of the Company's policies
- Collecting the employees' annual checkup records for analysis of the health trend and situation of the employees involved in the production process

Environmental risks Environmental policy of each division of the Company includes:

- Industrial wastes: the wastes from manufacturing process may negatively affect environment.
- Greenhouse gas emission which is the main cause of global warming

Preventive and corrective measures

- Strictly implement 3R measures with every department as well as requesting for collaboration from the Company's partners on implementing the policy. No waste water and chemical wastes will be released from the factory.
- Specify the power conservation measures to each department. Follow up the result and improve power consumption efficiency on regular basis.

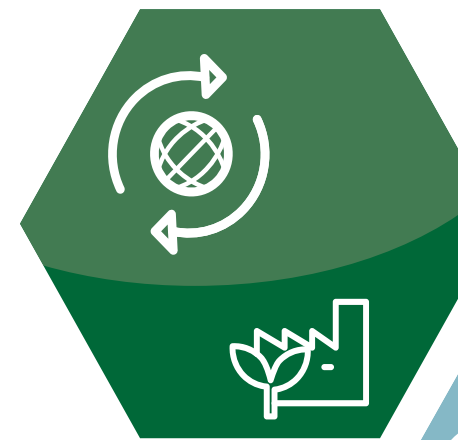
Serious incident risk

Natural disaster

- It is likely to happen more often and every time, which may impact life and properties as well as the business.

Preventive and corrective measures

- The Company has conduct surveys and assessed the risk by implementing BCM system. Countermeasures, which include the making of emergency response plan, practice of countermeasure implementation or transfer of risks to other departments, are set up for the risks that reach a critical level.



Production cost risks

Fluctuation of fuel cost and main raw materials

Natural gas

- It is the main cost of ceramic tile production.
- In 2014 and 2015, the natural gas cost has been decreasing continuously as the current price structure of natural gas relies on fuel oil. During the past year, global fuel price has been decreasing causing a decrease in fuel cost.
- The amount of domestic natural gas sources has been decreasing contributing to the import of natural gas for future handover of natural gas. Therefore, the fuel cost of ceramic tile production of the Company will be increasing.

Preventive and corrective measures

- Develop the formulation of production which requires less fuel and start using the new formulation which reduces the amount of usage per unit of product. It is in the follow-up process now

Soil, stone and mine raw materials

- The application for mining concessions takes a long time. Supply disruption of certain materials may occur due to the waiting for concession certificate approval.

Preventive and corrective measures

- Issue a policy indicating that there must be reserved sources for all types of raw materials. A Committee must be set up to monitor and follow up the amount of usage and the reserved sources for all types of main raw materials.

Operation risks

- Due to the current economic trend and aggressive competition in other industries, the needs of workforce have been increasing.
- Ceramic production is one of the heavy industries of which can be short of workforce and face the situation of labor cost increase.
- Delay or disruption of product and raw material delivery due to natural disaster, war, political unrest, or labor strike may cause the disruption of production process or failure to deliver the products to customers as scheduled.

Preventive and corrective measures

- The policy on procedural adjustment to reduce the processes and dependence on human labors has been made by using technology. In addition, the Company, in collaboration with the government, has issued a policy on human resources development and preparation by implementing productivity development at the Company.
- The Company uses tools and methods to assess the risk through Business Continuity Management (BCM) system. The risks, along with the ability to handle them, are prioritized. The Company indicates that there must be reserved sources or risk transfer for every related point in supply chain.

Company Profile

Company	Dynasty Ceramic Public Company Limited (DCC)
Company Registration	Bor.Mor.Jor. (PCL) 321 (0107537000742)
Established	1 August 1989
Listing on the SET	3 January 1992, trading under the abbreviation "DCC" under the construction materials group
Registered Capital	652,800,000 Baht (SIX HUNDRED FIFTY TWO MILLION EIGHT THOUSAND ONLY)
Registered Paid-up Capital	652,799,395.80 Baht, comprising of 6,527,993,958 shares with a par value of 0.10 Baht per share
Nature of Business	Manufacturer and distributor of ceramic floor and wall tiles. The Company purchases the ceramic floor, wall and Tile grout from Tile Top Industry Public, Co., Ltd., which is one of the subsidiaries of the Company. In addition, DCC orders other related products such as Tile grout, Tile adhesive, Corner-trim for sale.
Head Office	Address 37/7 Suthisarn-Vinijchai Road, Samsen-Nok Sub-district HuayKwang District, Bangkok 10310 Tel. 0-2276-9275-81 Fax. 0-2276-0313-17 http://www.dynastyceramic.com
DCC Factory	Address 54/8 Moo3, Suwannasorn Road, Koke Yae Sub-District, NongKae District, Saraburi Province 18230 Tel. 036-379023-4 Fax. 036-371024

Subsidiaries

1.Tile Top Industry Public Co., Ltd
Manufacturer of ceramic floor and wall tiles

Head office Address 37/7 Suthisarn-Vinijchai Road,
Samsen-Nok Sub-district HuayKwang District,
Bangkok 10310

Factory Address 3/2 Moo 8, Paholyothin Road,
Nong Khai Nam Sub district, Nong Khae District, Saraburi
Province 18140 Tel. 036-371815 Fax. 036-371111

Registrar

Thailand Securities Depository Co., Ltd.
93 Ratchadaphisek Road, Dindaeng,
Bangkok 10400, Thailand
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SET Contact Center: (66 2) 009 9999
Website: <http://www.set.or.th/tsd>
E-mail: SETContactCenter@set.or.th

Auditor

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Wireless Road, Kwang Lumpini, Khet Pathumwan,
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Company Secretary

Miss Cattleya Saengsastra
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“Investors can learn more about the company from the Company’s Annual Registration Statement
(Form 56-1) on www.sec.or.th or www.dynastyceramic.com ”

Report of the Audit Committee

To the Shareholders

The Audit Committee of Dynasty Ceramic Public Company Limited consists of the following 4 audit committee members. All members are qualified in both experience and business knowledge such as Gen. Yuthasak Sasiprapha as Chairman of the Audit Committee, who is qualified to review the Financial Statement of the Company, and Mr. Yothin Juangbhanich , Mr. Surasak Kosiyaajinda and Mr. Phachon Khachitsarn as the Member of the Audit Committee.

All members are qualified and performed as assigned by the Board of Directors and the Charter of Audit Committee, in accordance with the regulations of the Stock Exchange of Thailand (SET). In 2015, the Audit Committee held 4 meetings with full attendance of the committee members in all meetings. In addition, the Audit Committee had a meeting with the management, the external auditor, and the office corporate audit as well as the risk management and business continuity committee. For that, the significant results are as summarized below.

1. Review the Company's financial statement

Reviewed the Company's quarterly and the yearly financial statement together with auditors, Chief Financial Officer, Chief Operation and Internal Audit, and other related departments to review the important issues, give advices, and inquire on any significant areas such as Inventory control and stock counting of all outlets, and Anti-corruption matters. This is to ensure that the financial statement is reliable with adequate and timely information disclosure as well as being prepared in compliance with the regulations of the Stock Exchange of Thailand, Securities and Exchange Commission, and the General Accepted Accounting Principles before submitting to the Board of Directors for approval.

2. Examination of the risk management policy

Examined risk management policy of the Risk Management Committee including plans and approaches. It also reviewed internal and external risk factor management practices. To this end, the committee held meetings with the management to scrutinize the efficiency and suitability of risk management processes and provide recommendations for improvement.

3. Assessment of the adequacy and effectiveness of internal controls

Assessed the adequacy and effectiveness of internal controls of the internal audit procedure to ensure that the Company and its subsidiaries have adequate systems and process to help prevent and reduce risks that may arise, which includes the operation and authorization of the management in accordance with the policy and authority as assigned. Nevertheless, the committee did not find any significant weaknesses or deficiencies from the review.

4. Verification of the effectiveness of internal controls

Assessed the independency of the internal audit, scope of responsibility, annual audit plan, verify the audit report, follow up on the improvement of the previous audit's comments, and advise the advancement of the audit process to ensure the effectiveness of internal controls of the internal audit procedure.

5. Related party transactions and conflicts of interest

Considered important aspect and commented on related party transactions and conflicts of interest between the Company and its subsidiaries with conservativeness, reasonableness and interest of all stakeholders as well as ensuring adequate information disclosure in Notes to Financial statements in compliance with the regulations of the Stock Exchange of Thailand.

6. Promotion of the good corporate governance

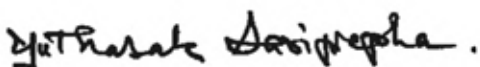
Reviewed the Company's operation against the process designed and with reference to the good corporate governance to ensure that the Company's business had been conducted with transparency and fairness to maintain confidence and trust with various stakeholders. Thus, in 2015, the Company has received the Certification from Thai Institute of Directors (IOD) as well as promoted the whistle blower policy to ensure trust and confidence of all stakeholders.

7. Consideration of the selections of the external auditors and auditing fees for 2016

Considered the selections of the external auditors and auditing fees by taking into account the competency, experience, and quality of work delivered in the past years. Hence, the Audit Committee has reviewed all appropriate factors of The Grant Thornton Co., Ltd by considering business background knowledge, independency, fairness, and timeliness, and proposed The Grant Thornton Co., Ltd as the Company's and its affiliates' external auditor for another year in 2016. The proposal will be submitted for shareholders' approval at the 2016 AGM accordingly.

In the past year, the Audit Committee recognized that the Company has transparent and appropriate internal control, continuous risk management, excellent management to ensure good corporate governance, and accurate and reliable accounting practices and financial statement that is compliance with relevant laws and regulations.

On Behalf Of the Audit Committee
Dynasty Ceramic Public Company Limited

Gen. 

(Yuthasak Sasiprapha)
Chairman of the Audit Committee
February 17, 2016

Report of the Executive and Corporate Governance Committee

To the Shareholders

The Corporate Governance Committee has been appointed by Board of Directors to be responsible for the corporate governance of the Company in accordance with the principles of good corporate governance in order to comply with the principles of good corporate governance for listed companies, which has practiced and has developed to promote corporate governance continuously as corporate culture.

In 2015, the Corporate Governance Committee conducted a total of two corporate governance meeting in accordance with the established corporate governance policy and plans. To summarize, the Company's corporate governance meeting was conducted in the following aspects:

1. Gave rights to shareholders to propose agenda and/or to nominate qualified candidates to be elected as Directors at the 2016 Annual General Meeting of Shareholder.

2. Encouraged the implementation of the defined anti-corruption policy and organized a Code of Conduct to be utilized as a mechanism for conducting business in a creative manner for the Board of Directors and Management of all levels. This was displayed on the Company's website. Thus in 2015, the Company successfully obtained Certification from the Anti-Corruption Program from Thai Institute of Directors (IOD).

3. Reviewed mission and vision of the Company and propose to the Board of Directors to acknowledge and comply with.

4. Promoted the Board of Directors and Management to conduct a self-assessment according to the Corporate Governance Self-Assessment Evaluation

5. Ensured the implementation of program and activities of corporate social responsibility policies.

With a continuous effort in maintaining and developing good corporate governance, in the evaluation of the AGM Rating from Thai Investors Association for the year 2015, the Company achieved a full score 100%, which the score was one of excellences, for two consecutive years.



(Mr. Roongroj Saengsastra)

Chairman of the Corporate Governance Committee

Report of the Risk Management and Continuity Committee

To the Shareholders

As the Company realizes the importance of risk and business management, the Risk and Business Continuity Management Committee has been appointed to monitor and ensure that the Company's risk management has been conducted completely and all of the main activities have been done. The related risks have been considered, and the plan for reducing or handing with the effects caused by the continuous risks of the business has been prepared to ensure that the Company's risk management has been conducted efficiently, continuously for business sustainability.

During the year 2015, the Sub-Committee has had 4 meetings. In addition, there have been the meetings with the management, the internal auditor and the Inspection Committee one time. Following is the summary of the actions we have taken:

- Reviewing the efficiency of the risk management system conducted by the organizations under the Group of Company to ensure that the risk management of each organization meets the same standard. Further, the review aims to examine whether all risk factors, both existing in and outside the organization, have been identified, effective risk management has been implemented and the policies of the Group of Company have been revised to follow the current situations.
- Co-making the management plan to the Inspection Committee by providing the information about the risks and internal control which may affect the Company's business.
- Following up the progress of the risk management plan implementation of each department in the following aspects:
 - Risk of health, work safety and environmental
 - Risk of production cost
 - Risk of serious incident
 - Risk of operations
- Promoting and building risk management culture in the organization to encourage the employees of all levels to participate in the risk management which relates to their responsibilities.
- The employees of all levels participate in the risk management which relates to their responsibilities.

Risk and Business Continuity Management Committee considers that the Company has made the risk management plan and implemented it continuously and effectively. The risk management is in compliance with good governance and the internal control has been conducted appropriately in accordance with good corporate governance policy and other related law and regulations.



(Mr.Sunchai Janejarat)
Chairman of the Risk Management
and Continuity Committee

Report of the Nomination and Remuneration Committee

To the Shareholders

During the year 2015, the Nomination and Remuneration Committee of the Company which currently consists of Mr. Roongroj Saengsastra as the Chairman, Mr. Sanchai Janejarat, Mr. Monrak Saengsastra, and Mr. Maruth Saengsastra as members and Miss Supaporn Meepetra as the secretary had held 2 meetings, with perfect attendance, to consider related matters. The committee has continuously held the meetings and suggest opinion to the board of directors to consider. The important outcomes could be summarized as follows:

- [Deliberating the qualifications of candidates for the Company's directors to replace three directors who are retired by rotation](#)

In 2016, there are three directors who are retired by rotation namely, Mr. Roongroj Saengsastra, Mr. Surasak Kosiyajinda, Mr. Suvit Smarnpanchai and Miss Cattleya Saengsastra. The Committee (excluding Mr. Roongroj Saengsastra, the member with vested interests), has agreed that four member retired director have completed qualifications required by the Public Limited Company Act B.E. 2535 and they are knowledgeable, capable, experienced in the Company's business, and also has broad visions, good records of meeting attendance. With consideration of the appropriateness and maximum benefits to the Company, the Committee resolved to propose to the Board of Directors to appoint the three retired directors before submitting to the 2015 Annual General Meeting of Shareholders for approval. In enhancing and supporting the Company's Good Corporate Governance Policy on welcoming the minor shareholders' proposal on appropriate candidates to be appointed as the Company's directors via direct contact with the Company Secretary, Investor Relation Unit, or the Company's website from 1 October 2015 to 31 December 2015. During such period, no shareholder nominated any candidate for consideration,

- [Setting the directors and sub committee's remuneration](#)

The Nomination and Remuneration Committee has considered setting the directors and sub committee's remuneration in terms of meeting allowance and annual bonus with careful consideration by taking into account for their respective duties and responsibilities and benchmarking with the remuneration of comparable leading companies of the same size in similar industry for suitability and transparency. The Committee has proposed the allocation guideline to the Board of Directors before submitting to the 2015 Annual General Meeting of Shareholders for approval.

- Determine the rate of salary increases and bonuses

The Nomination and Remuneration Committee has considered the criteria to determine the rate of annual salary increase for the year 2016 and determine the annual bonus for the year 2015 and policy of annual bonuses for the year 2015 in collaboration with human resources and the Management Committee in the proper ratio and correspond to the performance of the company.

The Nomination and Remuneration Committee had independently and transparently performed its roles and duties as assigned by the Board of Directors with full effort, honesty, integrity, and prudence for the best benefit of the Company, shareholders, and all stakeholders with determination to operate with fair treatments in accordance with good corporate governance set by the Stock Exchange of Thailand and accepted international standard.



(Mr. Roongroj Saengsastra)

Chairman of the Nomination and Remuneration Committee

Report of the Board of Directors' Responsibilities for Financial Reports

The Board of Directors is responsible for the consolidated and Company-only financial statements, including the financial data disclosed in the Annual Report. The financial statements and the notes to the financial statements have been prepared in accordance with Thai Financial Reporting Standards, by choosing proper accounting policies and consistently adhering to them including careful consideration, together with prudent and reasonable estimations in preparation. These reflect the actual, transparent and reasonable financial position and performance that are useful to all shareholders and investors.

The Board of Directors has also established and reviewed appropriate and effective risk management, internal control, and compliance measures, to be reasonably assured that the financial records are accurate, complete, and adequate to protect the Company's assets. These controls also serve as preventive measures against any significant operational risk of the Company.

The Board of Directors has appointed an Audit Committee comprised of independent directors responsible for the quality of the Company's financial reporting and internal control systems as well as complete and appropriate disclosure of connected transactions and other processes. The opinion of the Audit Committee with regard to these matters appears in the Report of the Audit Committee in this Annual Report.

The Board of Directors viewed that the Company has maintained an effective internal control system at an adequate and appropriate level of protection to assure the credibility of the consolidated and Company-only financial statements presenting the financial positions as of December 31, 2015.



(Mr. Roongroj Saengsastra)
Chairman

Shareholding Structure

Shareholding structure (10 major shareholders) and shareholding changes in the last 3 years are as

Ranking No.	Shareholder name	% of shareholding		
		31 Jan 2014	30 Jan 2015	29 Jan 2016
1	Mr. Roongroj Saengsastra	24.510	24.510	24.510
2	Mr. Monrak Saengsastra	4.900	7.353	7.353
3	Mr. Maruth Saengsastra	4.900	7.353	7.353
4	Mr. Chaiyasith Viriyamettakul	5.020	5.015	5.038
5	Miss Supanee Thongplengsri	-	4.422	3.913
6	N.C.B.TRUST LIMITED-NORGES BANK 11	-	-	2.723
7	Miss Cattleya Saengsastra	2.700	2.696	2.696
8	Krungsri Dividend Stock LTF	2.540	2.486	2.470
9	Mr. Suvit Smarnphanchai	3.160	2.451	2.451
10	Miss Rodsukul Vadcharasurang	-	-	2.57
Total 10 major shareholders		47.730	56.286	60.764
Total number of shares (Shares)		408,000,000	4,080,000,000	6,528,000,000
Issued and Paid-up share capital (Baht)		408,000,000	408,000,000	652,799,395.80
Authorized Share Capital (Baht)		408,000,000	408,000,000	652,800,000

Data as of 29 January 2016

Shareholders that are Thai legal entities 97 entities; holding 825,210,885 shares or 12.64%

Major shareholder that is Thai legal entity is Krungsri Dividend Stock LTF

Shareholders that are foreign legal entities 53 entities; holding 676,640,034 shares or 10.37%

Major shareholder that is foreign legal N.C.B.TRUST LIMITED-NORGES BANK 11

Shareholding Structure of the Subsidiaries

1. Tile Top Industry Public Company Limited

Company/individual shareholder name	No. of shares	% of shareholding
1. Dynasty Ceramic Public Co., Ltd.	21,495,906	96.83
2. Kiatnakin Bank Public Co., Ltd.	300,000	1.35
3. Thailand Asset Management	400,000	1.80

Securities of Dynasty Ceramic Public Co., Ltd consist of;

(According to the resolution of the Extraordinary General Meeting of Shareholders No. 1/2015 on 2 June 2015)

Registered capital increased by the stock dividend payment at the rate of 5 previous stock per 3 stock dividend on June 12, 2015

	1 January 2015	12 June 2015 Registered capital increased by the stock dividend payment	31 December 2015
Authorized Share Capital (Baht)	408,000,000	244,800,000	652,800,000
Authorized Share Capital – Ordinary Share (Shares)	4,080,000,000	2,448,000,000	6,528,000,000
Par value (Baht)	0.10	0.10	0.10
Registered, issued and paid-up capital (Baht)	408,000,000	244,799,395.80	652,799,395.80
Registered, issued and paid-up capital (Shares)	4,080,000,000	2,447,993,958	6,527,993,958

- No debentures or warrants have been issued whatsoever.
- No obligations with regard to the issue of future securities to Thai Trust Fund
- No Major Shareholding Agreement on any company's business

As of 31 December 2015, the Company's investments in ordinary shares of subsidiaries are as follows:

Company's name	Authorized Share Capital (Baht)	Issued and Paid-up share capital (Baht)	Par value per share (Baht)	Holding (%)	Cost Method (Baht)	Investment in other companies
Subsidiaries companies:						
Tile Top Industry Public Co., Ltd	300,000,000	222,000,000	10	96.83	109,479,530	None
Pick and Pay Co., Ltd *	12,000,000	12,000,000	100	97.99	12,519,986	None
Muangthong Ceramic Co., Ltd *	4,500,000	4,500,000	100	99.98	4,790,334	None
World Wide Ceramic Co., Ltd *	1,000,000	1,000,000	100	99.93	1,063,937	None
Total	317,500,000	239,500,000			127,853,787	

*The three subsidiaries have already registered the dissolution with the Department of Business Development Ministry of Commerce and will further complete the process of liquidation.

DIVIDEND PAYMENT POLICY

“The Company’s dividend policy requires the company to distribute the dividend of not less than 70 percent of the consolidated net profit after tax. However, DCC Performance and Retained earnings should not be negative and depending on the sufficiency to the Company’s Cash Flow and investment plans and other relevant factors.”

The Meeting resolved that the Annual General Meeting of Shareholders for the year 2016 be proposed to consider and approve the payment of the annual dividend of the year 2015 at the rate of 0.210 Baht per share, for total number of 6,527,993,958 shares as the issued and paid-up share capital of the Company, totally 1,370,878,732 Baht, of which cash totally 778,789,808 Baht and paid stock dividend 2,448,000,000 shares or 0.157 Baht per share was paid as interim dividend during the year 2015. The remaining of 0.053 Baht would be further paid out totally 345,993,680 Baht, the dividend payout ratio of the Company shall be 100%. In case of the Meeting of Shareholders approves the dividend payment as proposed.

For the first Quarter of 2015, the Directors approved to pay Dividend at 0.09408 Baht per Share of 4,080,000,000 shares for the amount of 383,846,400 baht. The company will pay in cash at 0.03408 baht/ share and pay in dividend at 0.06 baht/share (5 existing shares to 3 dividend shares)

*In order to compare the dividend for the year, the dividend payout ratio for Quarter 1/2015 under the same base of the new shares after dividend paid will increase from 4,080,000,000 shares to 6,528,000,000 shares. The Dividend pay ratio will be at 0.059 baht/shares in the first Quarter.

Y 2015	Net Profit (MB)	Directors approved to pay Dividend (Baht/Share)
Quarter 1	384	0.059*
Quarter 2	367	0.056
Quarter 3	275	0.042
Quarter 4	347	0.053
Total	1,372	0.210

Total dividends paid in the past 5 years (Baht / share)

Dividend Details	2015	2014	2013	2012	2011
1.Net Profit (Million Baht)	1,372	1,227	1,298	1,265	1,243
2.Number of shares (Million Shares)	6,528	4,080	4,080	4,080	4,080
3.Earning per Share (Baht)	0.210	0.301	0.318	0.310	0.305
4.Dividend paid per share (Baht)	0.210	0.301	0.318	0.308	0.305
5.Total Dividend Paid (Million Baht)	1,371	1,228	1,297	1,257	1,244
6.Dividend Payout Ratio (%)	100	100	100	99.4	100

Management structure

Comprises 5 committees and 1 management team that is

- 1.The Board of Directors
- 2.The Audit Committee
- 3.The Nomination and Remuneration Committee
- 4.Risk Management and Business Continuity Committee (RMBC)
- 5.The Executive & Corporate Governance Committee

1.Board of Directors

The Board of Directors comprises 11 members

1.Mr. Roongroj	Saengsastra	Chairman
2.Gen. Yuthasak	Sasiprapha	Independent Director and Chairman of Audit Committee
3.Mr. Sanchai	Janejarat	President
4.Ms. Cattleya	Saengsastra	Executive Director and Company's Secretary
5.Mr. Monrak	Saengsastra	Executive Director Administration
6.Mr. Yothin	Juangbhanich	Independent Director and Audit Committee
7.Mr. Surasak	Kosiyajinda	Independent Director and Audit Committee
8.Mr. Phachon	Khachitsarn	Independent Director and Audit Committee
9.Mr. Chaiyasith	Viriyamettakul	Director
10.Mr. Suvit	Smarnphanchai	Director
11.Mr. Maruth	Saengsastra	Executive Director Marketing

All Directors have a number of duties and responsibilities, which include the following:

1. Directors should have sufficient access to financial and other business information to perform their duties effectively.

2. Directors should regularly attend every Board meeting, including committee meetings, raise essential questions to protect and ensure the rights and interests of DCC's shareholders and other stakeholders, and ensure that the Company complies with best practices.

3. Directors should have the ability and display the willingness to learn DCC's business and express their views independently by dedicating sufficient time and attention to all substantive issues.

4. Non-executive directors are not expected to stay in their positions beyond a certain time limit. However, the difficulties of finding appropriate replacements, the benefits of the working relationship built up over the years within the Board and their understanding of the business are taken into account. While no time limits were formally established, the policy on director terms is that non-executive directors should not be older than 70 years old and are not generally expected to hold office for more than ten years or four terms, consecutively or otherwise, unless there are justifiable reasons for their continuity, taking into consideration the responsibility of such persons, and their past, current, and anticipated contributions to DCC. As a matter of principle, DCC limits the number of active boards on which our Directors may sit to ensure that they have sufficient time to devote to DCC business affairs.

1.1 Executive Director

An executive director is a director who is involved in management on a full-time basis and receives regular monthly remuneration from DCC in the form of salary or its equivalent.

1.2 Independent Director

An independent director is a director who does not manage DCC or any of its subsidiaries, is independent from management and major shareholders, and has no business dealings with DCC, which may compromise our interests and/or the shareholders' interests.

The main qualifications of an independent director include:

1. They must not hold more than 1 percent, including shares held by a related person, of the issued shares of DCC, its subsidiary, affiliate, or related company. To act as a member of the Audit Committee, the ownership restriction must not exceed 0.5 percent.

2. They must not be or have previously been directors who take part in management of DCC, an employee, a staff, a major shareholder of DCC, member or advisor who receives a regular salary, or a controlling person of DCC, its subsidiary, affiliate, related company, or same-level subsidiary unless they have not been involved in such positions for at least two years prior to the date of appointment. Such business relationship shall not be inclusive of the independent director who has previously been an officer or a consultant in a government sector who is a major shareholder or a controlling person of DCC.

3. They must be free of any direct or indirect, financial or other interests in the management and business of DCC, its subsidiary, affiliate, related company, a major shareholder, or a controlling person in a way that might interfere with their independent opinions, and neither being nor having been a significant shareholder, or a controlling person having business relationship with DCC, its subsidiary, affiliate, related company, or a major shareholder of DCC, unless they have not been involved in such positions for at least two years prior to the date of appointment.

4. They must not be related to any executive director, executive officer, controlling person, or major shareholder no matter by blood or registration under laws such as parents, spouse, siblings, and children, including the spouse of the children, executives, major shareholder, controlling person, or persons to be nominated as executive or controlling person of DCC or its subsidiary.

5. They must not be a director who has been appointed as a representative of DCC's director, major shareholder, or shareholders who are related to DCC's major shareholder.

6. They must not be or have previously been an auditor of DCC, its subsidiary, affiliate, related company, a major shareholder, a controlling person of DCC, and not being a significant shareholder, a controlling person or a partner of an audit firm which employs auditors of DCC, its subsidiary, affiliate, related company, a major shareholder, or a controlling person having business relationship with DCC, unless they have not been involved in such positions for at least two years prior to the date of appointment.

7. They must not be or have previously been persons who provided any professional advice and services, such as legal adviser or financial consultant, who receives service fees more than Baht 2 million per annum from DCC, its subsidiary, affiliate, related company, a major shareholder, or a controlling person of DCC, unless they have not been involved in such positions for at least two years prior to the date of appointment.

8. They must not operate any business which has the same nature as and is in competition with the business of DCC or its subsidiary, or not being a significant partner in any partnership, or not being an executive director, employee, staff, or an advisor who receives regular salary; or holding shares exceeding one percent of the total number of voting rights of any other company operating business which has the same nature as and is in significant competition with the business of DCC and its subsidiary.

9. They must not have any other characteristics or qualifications which might interfere with their independent opinions on DCC's business operations.

1.3 Segregation of Positions

The Board elects one of its directors as Chairman. The Chairman and President are two separate individuals. The Chairman oversees the implementation of policies and guidelines pursuant to the strategies established by the Board and management and ensures that Board meetings are successfully conducted. During each meeting, all Directors are encouraged to actively participate and raise essential questions.

The authorities of the Board and management are clearly defined and segregated. Directors occasionally meet to advise and support management through the President & Chief Executive Officer. At the same time, the Board stays away from routine tasks or business activities under management responsibility. Only the President & Chief Executive Officer is authorized by the Board to perform such tasks. The President & Chief Executive Officer's authority is therefore efficiently channeled through management. DCC has developed a clear written scope of duties and authorities for every management level.

2. Audit Committee

The Audit Committee comprised 4 members

- | | |
|----------------------------|--|
| 1.Gen. Yuthasak Sasiprapha | Independent Director and Chairman of Audit Committee |
| 2.Mr. Yothin Juangbhanich | Independent Director and Audit Committee |
| 3.Mr. Surasak Kosiyajinda | Independent Director and Audit Committee |
| 4.Mr. Phachon Khachitsarn | Independent Director and Audit Committee |

And Ms. Somruthai Boonyarit, Chief Internal Auditor as a Secretary.

Mr. Yothin Juangphanich is one of the Audit Committee who has knowledge and experience in accounting and financial background which can share experience and suggestion to the Audit Committee.

All members of Audit Committee are Independent Director. During the year that ended on 31 December 2015, the Audit Committee convened 4 meetings. There was a full attendance record.

The Audit Committee have a meeting every quarter and at least once a year will have the meeting with external Auditor or The Risk Committee together with The Internal Audit Manager separately without any management in attendance.

The AC has full-delegated authority from the Board to perform its tasks, which include systematic monitoring and obtaining assurance that the legally required standards of disclosure and executive limitations relating to financial matters are being observed. Forward agendas are set each year to allow the AC to monitor management on the financial risks identified in DCC's annual business plan. The Chairperson reports on the Audit Committee's activities to the Board meeting.

The Scope of duties and responsibilities of the Audit Committee are as follow

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 and to determine and internal audit unit's independence, as well as to approve the appointment, transfer and dismissal of the chief of internal audit unit or any other unit in charge of an internal audit activity;

3.to review the Company's compliance with the Securities and Exchange law, the Stock 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 related transactions, or the transactions that may lead to conflicts of interests, to ensure that they are in compliance with the laws and the Stock Exchange's regulations to ensure reasonableness and for the highest benefit of the company;

6.to prepare the Audit Committee Report and to disclose in the Company's Annual Report. An Audit Committee Report must be signed by the audit committee 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 Securities and Exchange law, the Stock Exchange's regulations, or the laws relating to the Company's business,
- (d) an opinion on the suitability of an auditor,
- (e) an opinion on 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 transactions 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 Directors; and

7. to review the adequacy and effectiveness of policies related to the Company's risk management.

8. to review management and employees to ensure that all are acknowledged of the policies and comply with the codes of conduct as well as the written anti-corruption policy of the Company.

9. to perform any other act as assigned by the Company's board of directors, with the approval of the audit committee.

3.Nomination and Remuneration Committee

The Nomination and Remuneration Committee comprised 4 members

- | | | |
|----------------|-------------|---|
| 1.Mr. Roongroj | Saengsastra | Chairman of the Nomination and Remuneration Committee |
| 2.Mr. Sanchai | Janejarat | Nomination and Remuneration Committee member |
| 3. Mr. Monrak | Saengsastra | Nomination and Remuneration Committee member |
| 4.Mr. Maruth | Saengsastra | Nomination and Remuneration Committee member |

And Ms. Supaporn Meephatra, VP Accounting as a Secretary.

The Nomination and Remuneration Committee's Scope of Responsibilities includes

1. Determine the process and criteria for the selection and qualification of candidates nominated in accordance with the structure, size, and composition of the Board as the Board prescribes.

2. Review and make recommendations to the Board on all candidates nominated (whether by the Board, shareholders, or otherwise) for appointment to the Board, taking into account the candidate's track record, age, knowledge, experience, capabilities, the number of previously held board positions, and other relevant factors.

3. Identify and make recommendations to the Board as to the Directors who are to retire by rotation and to be put forward for re-election at each AGM, having regard to the Directors' contribution and performance, such as their attendance, preparedness, participation.

4. Assess annually whether or not a Director is independent or a new independent Director meets the requirements prescribed by laws or relevant regulations.

5. Ensure that, in connection with the re-election of Directors at an AGM, sufficient information is provided to the shareholders so as to enable them to make an informed decision.

6. Identify and nominate candidates for the approval of the Board to fill vacancies in the Board and sub-committees as and when they arise.

7. Review all candidates nominated for appointment as Chairman or President and Chief Executive Officer.

8. Review and make recommendations to the Board regarding the Board structure, size, composition, and core competencies, taking into account the balance between executive and non-executive Directors and between independent and non-independent Directors, and having regard at all times to the principles of corporate governance at least once every financial year.

9. Procure that at least one-third of the Board shall comprise of independent Directors or such other minimum proportion and criteria as prescribed by laws or relevant regulations.

10. The Chairman, in consultation with the NC, will act on the results of the performance evaluation, and where appropriate, propose new members to be appointed to the Board or seek the resignation of Directors.

11. Propose guidelines and methods of payment of remuneration, including bonus and attendance fee, to the Board of Directors and the committees appointed by the Board.

12. Support a channel for minor shareholders to propose a candidate to be a Director

13. Propose policy on management incentives, including salary and bonus, in line with the Company's operating results, and the performance of each executive. Prior to submission of the president's remuneration for the Board of Directors' approval, the Remuneration Committee shall assess the president's performance on an annual basis.

14. Prior to the submission of remuneration of each top executive for the Board of Directors' approval, the Remuneration Committee shall assess the performance of each top executive on an annual basis, based on the president's recommendations.

15. Consider, before presenting to the Board of Directors, the budget for the salary increase, change of wage/remuneration, and bonus of top executives.

16. Regularly review, study, and track the changes and trends in remuneration for the Board of Directors and top executives, and report findings to the Board for approval.

17. Consider the annual remuneration for the Board of Directors and top executives, as compared to the remuneration offered by other listed companies operating in the same business, to ensure that DCC retains its leadership in that industry and to motivate them to foster the Company's continuing development.

[Assess the Remuneration Committee's performance and report the results to the Board of Directors.](#)

1. Should there be any alteration to the Charter, the Remuneration Committee shall review and recommend appropriate improvements and revisions to the Board of Directors for its resolution in keeping it up-to-date and applicable.

2. Perform other duties as assigned by the Board of Directors. To fulfill its duties under its scope of authority, from independent consultants or specialists, as deemed appropriate, at the Company's expense.

3. To evaluate each performance should be done both quantitative and qualities upon the benchmark of index of evaluation and performance.

4. Clarify the Policy of remuneration most clearly to all relative person and Shareholders.

Board of Directors of DCC, based on recommendations by the Nomination and Remuneration Committee, also sets the remuneration for senior management. These amounts take into consideration the responsibility of such executives, and their past, current, and anticipated contributions to DCC. To the extent possible, such compensation will reflect the relative compensation level for senior executives in the market.

Remuneration for the Board, the Board Committees, and Senior Executive Officers comprise of salary and bonus and long term remuneration such as Provident Fund and other intensives

4.Risk Management and Business Continuity Committee

The Risk Management and Business Continuity Committee (RMBC) comprised 5 members

- | | | |
|-----------------|-------------|---|
| 1.Mr. Sanchai | Janejarat | Chairman of the Risk Management and Business Continuity Committee |
| 2.Mr. Monrak | Saengsastra | RMBC's member |
| 3.Mr. Maruth | Saengsastra | RMBC's member |
| 4.Ms. Somruthai | Boonyarit | RMBC's member |
| 5. Mr. Jaruwat | Traithavil | RMBC's member and Secretary |

The Risk Management and Business Continuity Committee main task included;

1. Reviewing the effectiveness of the Enterprise Risk Management system within the Group and be assured that material risks are identified and appropriate risk management processes are in place, including the formulation and subsequent updating of appropriate Group policies.
2. Evaluating the adequacy and effectiveness of administrative, operating, and accounting controls used by the Group.
3. Reviewing actual and potential material risk exposures.
4. Promoting and providing support to the execution of risk management program within the Group.
5. Monitoring the implementation of business unit and corporate risk management plans.
6. Reviewing business contingency planning processes within the Group and be assured that material risks are identified and appropriate contingency plans are in place.
7. Regularly coordinating with the Audit Committee by sharing information about risks and internal control potentially affecting the Company's business.
8. Deciding and providing recommendations on critical issues obtained from the risk management process.

5.Executive & Corporate Governance Committee

The Executive & Corporate Governance Committee comprised 5 members

- | | | |
|----------------|-------------|--|
| 1.Mr. Roongroj | Saengsastra | Chairman of the Executive & Corporate Governance Committee |
| 2.Mr. Sanchai | Janejarat | Executive Director |
| 3.Ms. Cattleya | Saengsastra | Executive Director and Secretary |
| 4.Mr. Monrak | Saengsastra | Executive Director |
| 5.Mr. Maruth | Saengsastra | Executive Director |

Scope and Authority of Executive & Corporate Governance Committee

1. Authorize to order, plan and implement operations of the Company in accordance with the policies established by the Board.
2. Establish operational strategies for the Company's group
3. Formulate plans and directions concerning investment and fund raising in accordance with the Company's and Subsidiaries' policies before proposing them to the Board of Directors for approval.
4. Determine the salary rate, appoint, dismiss, fire, reward, and award raises as well as bonus to staff.

5. Has the authority to determine staff welfare in line with the situation, tradition and law.

6. Has the authority to approve investment, sales and purchases of fixed assets of the Company and Subsidiaries, procurement, application for loans, provision of loans, entry into contracts, and legal transactions in relation to normal business and trade and in accordance with the Company's objectives, under a budget approved by the Board of Directors and within the operating authority of the Company. In case the items represent conflicts of interest with the Company or the subsidiaries, the Executive Board must present such items to the meeting of the Board and/or the meeting of Shareholders (as applicable) for approval of the items in accordance with the Company's Articles of Association or relevant laws.

Certification of Accuracy of Information by the Executive Board

The Executive Board reviews the annual information disclosure form as Executive Directors of the Company or as Top Accounting Executive by certifying that the information disclosed is complete and accurate and does not mislead or lacks important contents that should be disclosed, as follows:

1. Financial statements and financial information presented in the annual information disclosure form comprise complete and correct data on financial status, operating results and cash flows of the Company and Subsidiaries.

2. Responsible for arranging an adequate information disclosure system for the Company to ensure that the Company discloses complete and accurate information of a significant nature of the Company and its subsidiaries, including overseeing that the system is followed.

3. Responsible for arranging an effective internal control system for the Company and overseeing that the system is followed, which includes system weaknesses and major changes as well as illegal actions that may affect the preparation of the financial reports of the Company and its subsidiaries.

Company Secretary

The Board of Directors Meeting No.3/1998 resolved to appoint Ms. Cattleya Saengsastra to be the Company's secretary from February 23, 1998 and determine following scopes of responsibilities that the secretary must perform responsibly, prudently and honestly as follow;

1. Arrange shareholders and Board of Directors' meetings to be in compliance with the Company's rules and regulations and regulations of relevant regulatory agencies.

2. Make meeting minutes of the shareholders and Board of Directors' meetings and follow up the operation result according to the shareholders and Board of Directors' resolutions.

3. Ensure that the information disclosures are in compliance with rules and regulation of the SET and the Office of the SEC.

4. Prepare and keep following documents

(A) Director's registration

(B) Board's meeting invitation and meeting minutes

(C) Shareholders' meeting invitation and meeting minutes

(D) The Company's Annual Report.

5. Store connected transaction reports that Directors and managements report to the Company.

6. Give preliminary advice to the Board of Directors concerning rules and regulations of the Company and ensure that the practices are in compliance with those regulations. The secretary must report any significant changes to the Directors.

7. Oversee Board of Directors' activities and other issues according to the laws or as assigned by the Board of Directors or by the securities exchange regulators. The secretary has prepared initial report concerning the Company's secretary and to contribute to best corporate governance practices.

The Company Secretary reports functionally to the Chairman and organizationally to the Board of Director.

Management Team

At 17 February 2016, the management team comprised of 12 members

1.Mr. Sanchai	Janejarat	President
2.Mr. Monrak	Saengsastra	Executive Director Administration
3.Mr. Maruth	Saengsastra	Executive Director Marketing and Investor Relation
4.Ms. Sontaya	Yaowalee	Senior Executive VP Outlets and Support
5.Mr. Suthee	Boonnak	Senior VP Technical
6.Mr. Jaruwat	Traithavil	Senior VP Production/ VP Production-TTOP
7.Mr. Chauwalit	Pidthong	VP Production-DCC
8.Mr. Somnuek	Suriyagrul	VP Engineering-DCC/TTOP
9.Mrs. Pobkhum	Kaosaiyanant	VP Administration
10.Ms. Supaporn	Meephatra	VP Accounting
11.Mr. Chanin	Suppapinyopong	VP Information Technology
12.Ms. Somruthai	Boonyarit	Chief Internal Auditor and Secretary

The management team is appointed by the Managing Director and assigned to oversee performance defers to the plans and budget approved by the Board of Directors.

Over the past year, the management team held monthly meetings to consider and screen monthly reports of operation results compared to the business plans and policies established by the Executive Board. It is also responsible for monitoring the operations of each department and suggesting measures for prevention of potential risks.

Board Meeting

The Board of Directors is generally required to meet at least 5 times a year. (In the year 2015, there was a total of 6 meetings) Special meetings are convened as necessary to address specific needs. Principal meeting agendas were: consideration of DCC's strategic direction, annual business plan and budget, quarterly financial reports, and significant acquisition and disposal of assets. The Company Secretary ordinarily prepares and circulates the agenda at least seven days before each meeting and relevant documents at least seven days before each meeting to allow Board members time to consider the issues.

The Company Secretary records the minutes, which are ordinarily circulated to the Board members next meeting. The minutes are adopted at the next subsequent meeting and are kept for scrutiny by the Board members and other concerned parties. The Board of Directors requires all members to devote sufficient time to the work of the Board of Directors, to perform the duties and responsibilities of Directors, and to use their best endeavors to attend meetings.

Details of attendance records of Dynasty Ceramic PCL are shown in the following table

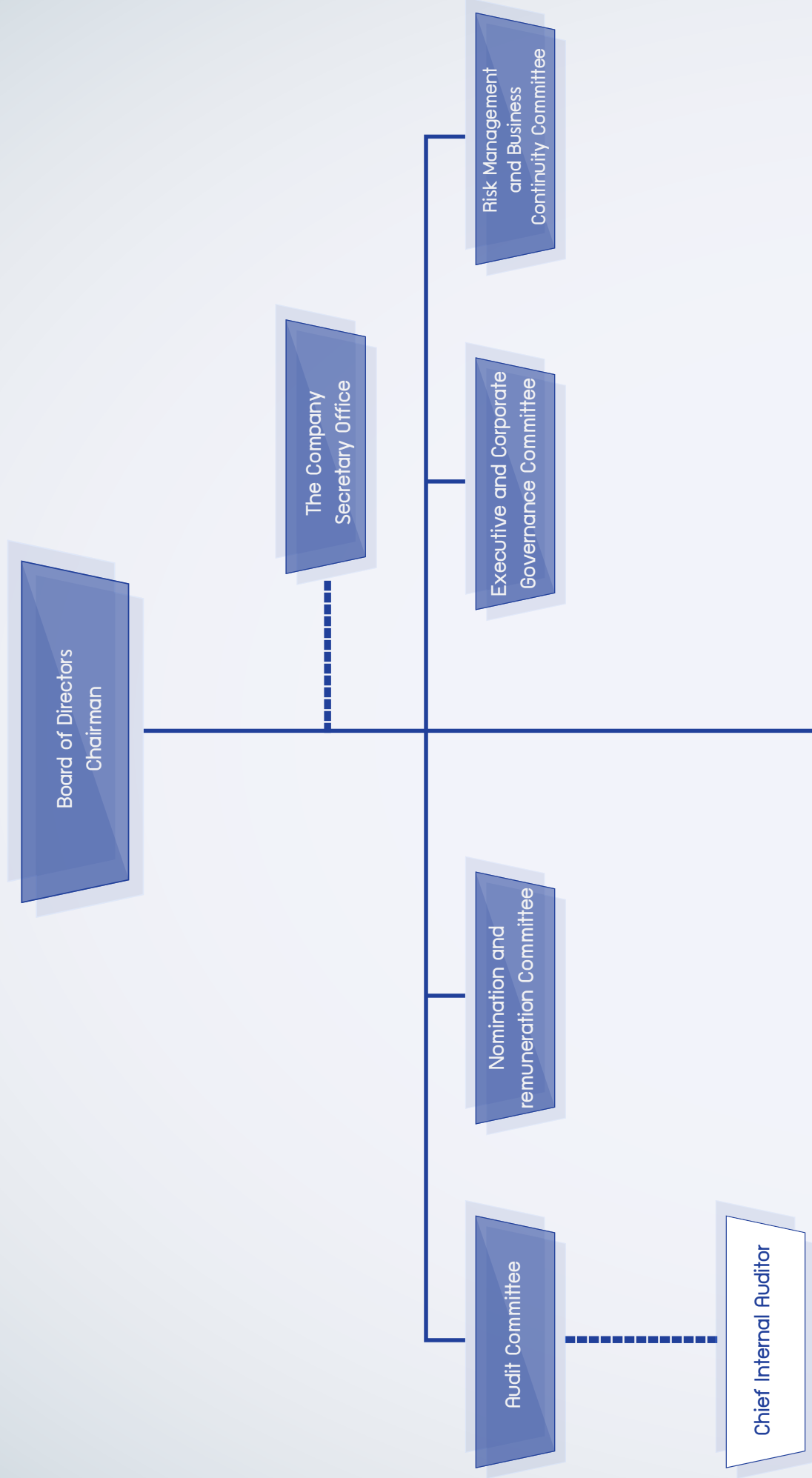
Name Of Directors	Board Meeting in 2015					AGM / EGM in 2015
	Board Of Director Total 6 times	Board Of Audit Committee Total 4 times	Nomination and Remu- neration Committee Total 2 times	Executive & Corporate Governance Committee Total 2 times	Risk Manage- ment and Business Continuity Committee Total 2 times	
1. Mr.Roongroj Saengsastra	6/6	-	2/2	2/2	-	1/1 , 1/1
2. Gen. Yuthasak Sasiprapha*	3/6	3/4	-	-	-	- , 1/1
3. Mr. Yothin Juangbhanich	6/6	4/4	-	-	-	1/1 , 1/1
4. Mr. Surasak Kosiyajinda	6/6	4/4	-	-	--	1/1 , 1/1
5. Mr. Phachon Khachitsarn	6/6	4/4	-	-	-	1/1 , 1/1
6. Mr. Sanchai Janejarat	6/6	-	2/2	2/2	2/2	1/1 , 1/1
7. Mr. ChaiyasithViriyamettakul	6/6	-	-	-	-	1/1 , 0/1
8. Mr. Suvit Smarnphanchai	6/6	-	-	-	-	1/1 , 1/1
9. Miss Cattleya Saengsastra	6/6	-	-	2/2	-	1/1 , 1/1
10. Mr. Monrak Saengsastra	6/6	-	2/2	2/2	2/2	1/1 , 1/1
11. Mr. Maruth Saengsastra *	3/6	-	2/2	2/2	2/2	- , 1/1

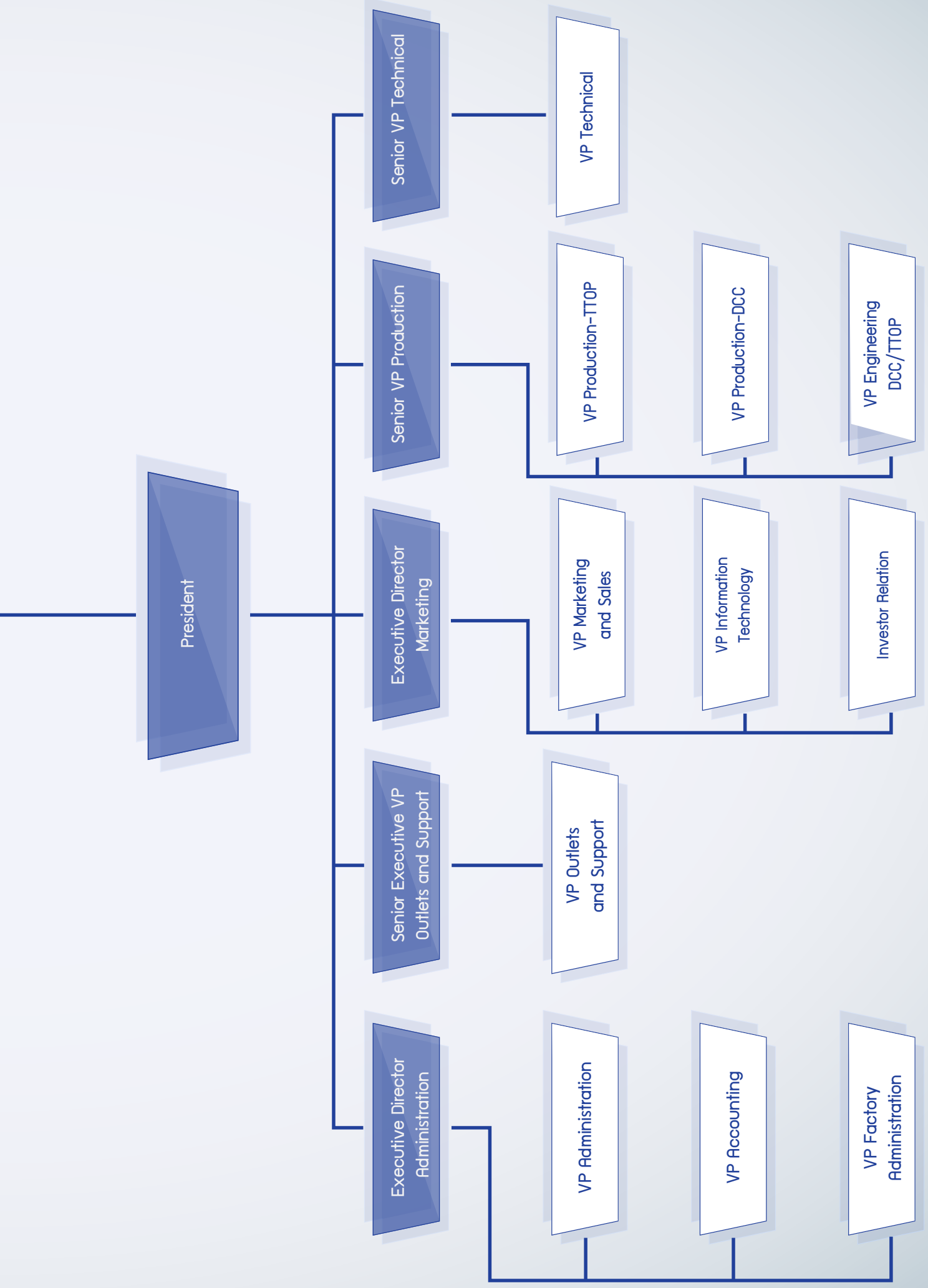
* Gen. Yuthasak Sasiprapha and Mr. Maruth Saengsastra appointed as Director by the AGM2015 on 21 April 2015

Details of attendance records of Tile Top Industry PCL. (Subsidiary) are shown in the following table

Name Of Directors	Board Of Director Total 5 times	AGM in 2015
1. Mr.Roongroj Saengsastra	5/5	1/1
2. Mr. Sanchai Janejarat	5/5	1/1
3. Miss Cattleya Saengsastra	5/5	1/1
4. Mr. Monrak Saengsastra	5/5	1/1
5. Mr. Maruth Saengsastra	5/5	1/1

Organization Chart





Remuneration for the Directors, Executive Directors and Audit Fee

Policies of the Board of Directors the remuneration of directors should reflect the duties and responsibilities in achieving the expectations of all stakeholders, the Commission must also have experience and qualifications to do it. Remuneration of the Board of Directors has been approved by the Annual General Meeting of Shareholders for the year 2015.

According to the year 2015 Annual General Meeting of Shareholders of the Company approval of the Remuneration Committee. Details are as follows.

Name of Board Members	Dynasty Ceramic PCL.			Tile Top Industry PCL.		Total
	Board Meeting Allowance	Audit Committee Meeting Allowance	Director Fee	Board Meeting Allowance	Director Fee	
1. Mr.Roongroj Saengsastra	360,000	-	560,000	240,000	280,000	1,440,000
2. Gen. Yuthasak Sasiprapha ⁽¹⁾	150,000	180,000				330,000
3. Mr.Yothin Juangbhanich	300,000	210,000	280,000	-	-	790,000
4. Mr.Surasak Kosiyajinda	300,000	200,000	280,000	-	-	780,000
5. Mr.Phachon Khachitsarn	300,000	200,000	280,000	-	-	780,000
6. Mr. Sanchai Janejarat	300,000	-	560,000	200,000	280,000	1,340,000
7. Mr.Chaiyasith Viriyametakul	300,000	-	280,000	-	-	580,000
8. Mr.Suvit Smarnpanchai	300,000	-	280,000	-	-	580,000
9. Miss Cattleya Saengsastra	300,000	-	560,000	200,000	280,000	1,340,000
10. Mr. Monrak Saengsastra	300,000	-	560,000	200,000	280,000	1,340,000
11.Mr. Maruth Saengsastra ⁽²⁾	150,000	-	-	200,000	280,000	630,000
Total	3,060,000	790,000	3,640,000	1,040,000	1,400,000	9,930,000

(1) Gen. Yuthasak Sasiprapha appointed as Director and Chairman of Audit Committee by the AGM 2015 (No.1/2015) on 21 April 2015

(2) Mr. Maruth Saengsastra appointed as Director by the AGM 2015 (No.1/2015) on 21 April 2015

1.The meeting (Attendance Fee) was the remuneration paid to directors in attendance each time, and will only be paid to Directors who attended the meeting only

1.1 The Chairman and Committee meeting.

President and Chairman of various committees. Allowance should be a higher proportion of the Sub-Committee and others. It should set out a clear policy and the disclosure is generally known.

1.2 The Subcommittee meeting.

Committee should be set for the meeting of the joint meeting with the meeting of the Committee may determine the level less than or equal to the set. The Subcommittee has limited scope than the committee as a whole.

1.3 The remuneration of directors.

The remuneration of directors should be placed in an appropriate and sufficient to enable the company to limit the number of directors to be able to devote more time to attend and act effectively. The Company's Board of Directors Remuneration for the Board of Directors and Executives, by comparing with the remuneration of directors of leading companies in the stock market and in the same industry, and the performance of the company.

2.Performance based compensation (Incentive Fee) is extra compensation paid to directors once a year. By linking the value created for shareholders as the company's book value or the dividends paid to shareholders, etc.

For the year 2016 the Board of Directors has considered that the directors' remuneration shall be determined to the directors as follows:

Meeting Allowance	Baht / Meeting / person		%Increase (Decrease)
	Y 2016	Y 2015	
1. Meeting Allowance to the chairman and chairman of the audit committee	60,000	60,000	-
2. Meeting Allowance to the chairman of Nomination and Remuneration	40,000	40,000	-
3. Meeting Allowance to each of the director and audit committee	50,000	50,000	-
4. Meeting Allowance to sub-committee (only the outside director)	30,000	30,000	-

Annual bonus payable to all directors and all managing directors for the year 2015 as follows:

Annual bonus	(Baht/person)		%Increase (Decrease)
	Y 2015	Y 2014	
1. Annual bonus payable to all directors	300,000	280,000	7 %
2. Annual bonus payable to all managing directors	300,000	280,000	7 %

The directors' remuneration shall only be paid to directors whose are present at the Board Meeting, and shall be effective as from January 25, 2016. The Annual bonus is paid in fix amount from the Company's operation account on 26 April 2016.

Executives' Remuneration

Dynasty Ceramic Public Co. Ltd. and Subsidiaries remunerate executives in the form of monthly salary, bonus determined by corporate operating results, provident fund and other benefits such as petrol allowances

Company	No. of Executives of 31 December		Monthly salary / bonus / provident fund/benefits (MB)		Increase (de- crease)%
	2015	2014	2015	2014	
Dynasty Ceramic PCL.	8	8	32.46	27.77	17%
Tile Top Industry PCL.	4	4	13.14	10.25	28%
Pick and Pay Co.,Ltd.	-	-	-	0.55	(-100%)
Muangthong Ceramic Co.,Ltd.	-	-	-	0.55	(-100%)
Worldwide Ceramic Co.,Ltd.	-	-	-	0.20	(-100%)
Total	12	12	45.60	39.32	16%

The Company and its subsidiaries remunerated employees in the form of monthly salary, bonus, benefits, provident fund contribution and medical benefits approved by the Board of Directors.

Employee remuneration in 2015, compared to 2014, is as follows:

Company	Total employee remuneration			Total employee remuneration			Increase (de- crease)%
	In 2015 (MB)			In 2014 (MB)			
	Plant/ Branch	HQ.	Total	Plant/ Branch	HQ.	Plant/ Branch	
Dynasty Ceramic PCL.	481.5	40.8	521.58	372.70	40.97	413.67	26%
Tile Top Industry PCL.	276.16	10.66	286.82	270.72	12.48	283.2	1%
Pick and Pay Co.,Ltd.	-	-	-	49.24	-	49.24	(-100%)
Muangthong Ceramic Co.,Ltd.	-	-	-	30.66	-	30.66	(-100%)
Worldwide Ceramic Co.,Ltd.	-	-	-	21.90	-	21.90	(-100%)
Total	757.66	50.74	808.40	745.22	53.45	798.67	1%

Number of employees for the Company and its subsidiaries as of 31 December, 2015, compared to 2014, is as follows:

Company	No. of Employees			No. of Employees			Increase (de- crease)%
	In 2015			In 2014			
	Plant/ Branch	HQ.	Total	Plant/ Branch	HQ.	Total	
Dynasty Ceramic PCL.	1,806	91	1,897	1,844	102	1,946	(3%)
Tile Top Industry PCL.	744	11	755	780	14	794	(5%)
Total	2,550	102	2,652	2,624	116	2,740	(3%)

Audit Fee

(Quarterly Financial Statements and Annual Financial Statements)

Dynasty Ceramic PCL.	Proposed for Y2016*	Y2015	Increase (decrease)%
Dynasty Ceramic PCL.	1,545,000	1,435,000	8 %
Tile Top Industry PCL.	415,000	415,000	-
Total Audit Fee	1,960,000	1,850,000	6 %

Audit Report Summary	Y 2015	Y 2014	Y 2013
Auditor / Registration	Mr. Somckid Tiatragul /2785	Mr. Somckid Tiatragul /2785	Mr. Somckid Tiatragul /2785
Auditing Office	Grant Thornton Co.,Ltd.	Grant Thornton Co.,Ltd.	Grant Thornton Co.,Ltd.
Auditor's opinion	No Conditions	No Conditions	No Conditions

During the past year DCC and its' Subsidiaries did not paid any non-audit fee to the Audit Firm or another auditor or related person to this audit firm.

* For the year 2016, The Audit Committee proposed the same Auditors from Grant Thornton Co.,Ltd. to the Board of Director for approval from The Shareholders' Meeting 1/2016

Subsidiaries

There are one subsidiary as Tile Top Industry Public Co. Ltd., which were controlled by Parent's Company. List of Directors of whom also serve as Directors in this subsidiary which Dynasty Ceramic Public Co. Ltd. has a 96.83% equity stake.

On June 1, 2014, the Company has conducted Entire Business Transfer of its subsidiaries, consisting of Pick & Pay Co., Ltd, Muangthong Ceramic Co., Ltd, and Worldwide Ceramic Co., Ltd, which all are Company's subsidiaries with a holding of more than 95% of the stock, to the Company. Subsequently, the three subsidiaries have already registered the dissolution with the Department

List of Directors of whom also serve as Directors in the Subsidiary Company as at 31 December 2015

Name Of Board Members	Dynasty Ceramic PCL.	Tile Top Industry PCL. (Subsidiary)
1. Mr.Roongroj Saengsastra	Chairman	Chairman
2. Gen. Yuthasak Sasiprapha	Independent Director & Chairman of Audit Committee	-
3. Mr. Yothin Juangbhanich	Independent Director & Audit Committee	
4. Mr. Surasak Kosiyajinda	Independent Director & Audit Committee	-
5. Mr. Phachon Khachitsarn	Independent Director & Audit Committee	-
6. Mr. Sanchai Janejarat	President	Managing Director
7. Mr. Chaiyasith Viriyamettakul	Director	-
8. Mr. Suvit Smarnphanchai	Director	-
9. Miss Cattleya Saengsastra	Executive Director & Company's Secretary	Director
10. Mr. Monrak Saengsastra	Director	Director
11. Mr. Maruth Saengsastra	Director	Director

Principles of Corporate Governance

DCC provides Corporate Governance guidelines covering the following issues:

Section 1. The Rights of Shareholders

Section 2. The Equitable Treatment of Shareholders

Section 3. The Role of Stakeholders in Corporate Governance

Section 4. Disclosure and Transparency

Section 5. Responsibilities of the Board of Directors and Committees

The Board of Directors recognizes the importance of corporate governance to be a basic part of its business policy and has assigned the Management Committee to take charge of corporate governance manual since 2003 and revised according to the Principles of Good Corporate Governance B.E. 2012 (Revision) by Good Governance Development & Alliance Department of the Stock Market Exchange of Thailand. The Company publishes booklets on Dynasty Ceramic Public Company Limited's corporate governance policy and distributes them to employees to ensure that employees understand these policies clearly and put them into practice effectively. DCC puts strong emphasis on principles and practices concerning business laws, company's regulations and also according to the Securities and Exchange Commission (SEC) and the regulations of Stock Exchange of Thailand (SET).

Furthermore, the Board of Directors have applied their knowledge, capability, and experience to control and follow-up with the management team to ensure that the business is operated according to the Company's vision, policies, and goal, and also to control the expenses in budget and utilized their resources effectively.

Regarding the business, the operation is conducted under the authority of the Board of Directors and the Executive Management with reference to the role and authority set by the Company's Corporate Policy. The Board of Directors and the Executive Management hold a meeting regularly to ensure that the business is operate transparently, ethically, and complies with the policies and resolution of the Board of Directors.

The Company and its subsidiaries business governance and control are monitored by the management team which was appointed by DCC be the Director of each subsidiaries. The scope of control depends on the number of Directors of each Subsidiaries and is performed according to the Company's policies.

1.The Rights of Shareholders

DCC ensures that every shareholder is entitled to all basic rights that are widely accepted according to the reliable standards, which include the right to freely trade or transfer their own shares, the right to receive dividends from the Company, the right to attend shareholders' meetings, the right to propose the meeting agenda, the right to nominate a person to be a Director, the right to express opinions independently, and the right to make decisions on important affairs of the Company, e.g., the election of Directors, approval of significant transactions influencing the Company's direction, and amendment of Memorandum of Association and Articles of Association of the Company. Shareholders have the right to vote at Shareholders' meeting according to the number of shares owned by each shareholder, whereby one share entitles one vote, and no particular share allows them privilege over the rights of other shareholders.

Apart from the abovementioned rights of the shareholders, DCC has made additional efforts to encourage and facilitate shareholders to exercise their rights as follows:

1.The Company has scheduled the general meeting of shareholders once a year, within four months after the end of each financial year. And in case there is an urgent need to propose an agenda which is a special case, which affects or involves the interests of shareholders or related applicable law that must be approved by the shareholders, the Company will call an extraordinary meeting of shareholders to be the case. Thus, in the year 2015, the Annual General Shareholders' Meeting No.1/2015 was held on Tuesday 21 April 2015 and the Extraordinary General Meeting of Shareholders No.1/2015 was held on Tuesday 2 June 2015 at the Main Meeting Room, 4th floor DCC Head Office Building, 37/7 Suttisarnvini-chai Samsennok Huay-Kwang District Bangkok.

2.Prior to the meeting, one or several shareholders holding in aggregate at least 5% of all issued shares of the Company have the right to suggest issues to be included in the agenda of the Annual General Meeting of Shareholders for the year 2016. Shareholders were allowed to exercise this right from October 1 -December 31, 2015 so that the Board of Directors can review the issues before presenting them to shareholders for consideration. Should the proposed issue be included on the Meeting agenda, the Company shall specify in the notice of the meeting that the agenda item was proposed by a shareholder. Notify the result of the agenda items and the director nomination proposal on 19 January 2016.

3. Advance notification of the meeting to all shareholders significant and sufficiently detailed information concerning the Shareholders' Meeting date and the Meeting agenda prior to the date of the meeting. Such information will be posted on DCC's website around 30 days before the related documents are submitted to shareholders, and not less than 14 days prior to the meeting. (For the year 2015, the Company has sent invitation to the 1/2015 Annual General Shareholders' Meeting on 23 March 2015, which is 29 days in advance of the meeting) and publish the invitation on the newspaper for 3 consecutive days. In addition, the Company has clarified all detailed information in the meeting invitation as follows,

- The rights of shareholders entitled to attend and vote of the shareholders clearly.
- The company has stated the purpose/reason, as well as the comments of the Board of Directors clearly on each agenda.
- Regarding the dividend payment proposal, the Company has informed the dividend payment policy and dividend payment historical data of the past 3 years for consideration.
- For shareholders to consider the appropriateness of the external auditor, which has passed the approval of the Audit Committee, the Company has given details of the auditor's name from Grant Thornton Company Limited, details of the independency of the auditor, and the external auditor service fees historical data of the past 2 years
- In voting of the Board of Director, the Company allows shareholders to vote for a Board of Director individually and provides name and biography of the Directors proposed.

4.Prior to the meeting, the Company has informed voting procedure and the vote counting announcement to the shareholders as well as give the opportunity for shareholders to ask questions and give opinions on each agenda.

5.In every of the minute of meeting, the Company has recorded the vote procedure and vote counting, names of Board of Directors and the management team who were present, meeting resolution and vote counting in each agenda clearly, as well as the shareholders' question or comment, if any. The Company also published the vote counting result in each agenda of the General Shareholders' Meeting and the Extraordinary General Meeting of Shareholders on the Stock Exchange of Thailand's website on the same day of the meeting.

2. The Equitable Treatment of Shareholders

DCC shall provide equitable treatment to every individual shareholder, major or minor, as well as institutional or foreign investors. For that purpose, the Company strives to find tools to ensure equality, especially for minor shareholders, which include assigning independent Directors to take care of minor shareholders. Minority shareholders can contact the independent Directors directly to give suggestions, express opinions or file complaints, via company's email address. The independent Directors are responsible for handling each matter appropriately. In case the shareholder files a complaint, the independent Directors will investigate and seek a proper solution, and on the other hand, if the matter that is considered to affect the stakeholders or the business, the independent Director will report it to a Board of Directors meetings for consideration and include it in the agenda of the Shareholders' Meeting.

The company has also performed other matters in order to promote and facilitate the use of shareholders' rights such as:

2.1 Any shareholder who is unable to attend a meeting is entitled to appoint a representative, or an independent Director, which the Company has proposed 2 Directors, or other person, to act as proxy, using the proxy form attached to the notice of the meeting. The Company has prepared the proxy form in compliance with the specifications defined by the Ministry of Commerce whereby the shareholders can exercise their voting rights as wished. The proxy forms can also be downloaded from the Company's website.

2.2 All shareholders have equal rights to exercise their rights as shareholders. The Company has prepared the documents related to the meeting in English to facilitate foreign shareholders.

3. The Role of Stakeholders in Corporate Governance

DCC conducts business with the highest awareness of its responsibility to ensure sustainable and mutual benefits to all related parties. The Board of Directors oversees the management system to ensure that the Company acknowledges the rights of stakeholders, both as stated by law and as clearly written in the Company's Corporate Governance Policy. The Company guarantees that those rights are protected and the shareholders, employees, customers and business partners are treated equally.

Shareholders: Beside the basic rights of shareholders and the rights stipulated by law and the Company's Articles of Association, such as the right to request a verification of the number of shares; the right to receive share certificates; the right to attend the shareholders' meetings; the right to vote at the meetings; the right to freely express opinions at the shareholders' meetings; and the right to receive a fair return; DCC also gives shareholders the right, as the owners of the Company, to make suggestions and comments on the Company's affairs to the independent Directors. Each comment and suggestion will be carefully considered and presented to the Board of Directors.

Employees: The Company truly believes that its employees are its most valuable assets and is determined to ensure that every employee is proud of and confident in the organization. During the previous year, the Company organized activities to promote a collaborative working environment to drive innovation and enhance the competence of employees, readying them to work overseas and to cope with the volatile economic situation. Furthermore, the Company focuses on promoting employees' health and safety, excellent working conditions, and competitive remuneration.

Customers: The Company puts great importance on providing customers with maximum benefits in terms of quality and price. Likewise, the Company is determined to develop and maintain sustainable relationships with customers. It has set up a support office to provide product information, solve problems and receive complaints in order to ensure total satisfaction for customers.

Business partners: The Company operates its business within a competitive context by strictly upholding its promises, and commitments to trading partners, including guarantees of product quality and on-time delivery.

Competitors: The Company operates its business within a competitive context by being fair and strictly following the laws and commitment. During the year, there were no disputes with competitors.

Creditors: The Company complies with the terms of loans and obligations to its creditors such as business creditors and depositors. The Company moreover, organizes various projects in order to keep good relations with creditors

Care the use of insider information

The Board of Directors of the company has set up a measure to prevent the use of the inside information for his/her own benefits (Insider Trading) by relevant persons who are directors, management, and staff working in the department related to the inside information, including their spouses and minors.



Dynasty Ceramic Public Company Limited and the Subsidiary ANTI-CORRUPTION POLICY

Dynasty Ceramic Public Company Limited together with its subsidiary (referred to in this document as the "Company") are committed to conducting our business in accordance with the highest ethical standards, corporate transparency, all applicable laws, rules and regulations, and with responsible and sustainable business strategy that benefits stakeholders and society as a whole.

The Company is determined to prevent and cease any forms of corruption. In order to so, the Company has developed this Anti-Corruption Policy (the "Policy") to indicate appropriate responsibilities, guidance and codes of conduct. This policy is applicable to every employee of the Company, including senior executive and financial officers, and to members of the Board of Directors.

Definition

Corruption can take many forms including the offer, promise, or payment of cash, gifts, or even excessive entertainment, or an inducement of any kind offered or given to a person in a position of trust to influence that person's views or conduct or to obtain an improper advantage with the exceptions to requirements by laws and regulations.

Requirements

1.To promote compliance with the policy, details of the policy should be properly communicated with all personnel. In addition, the Company should inform the public of this policy.

2.To have regular schedules of auditing/investigating potential corruption cases and conduct reviews and amendments to the original policy, if needed.

Responsibilities

1.The Board of Directors is responsible for policy development and oversight of policy compliance in order to create anti-corruption mindset into corporate culture.

2.An audit committee is responsible for overseeing of corporate financial reporting and disclosure, and in charge of risk management.

3.Managements are responsible for creating corresponding work systems and environment to the policy with the main focus on communicating and raising awareness of anti-corruption policy.

Discipline

1.All Company personnel are strictly required to implement this policy to serve as good examples for other colleagues and promote morality and integrity as the Company's core values.

2.Any employee who has direct knowledge of potential violations of this policy should report such potential violations to Company management and would take part in follow-ups and an investigation of that case.

3.The Company will give any employee justice when he/she reports cases of corruption. Even though the case might create losses of business opportunities to the Company, the Company would not demote or punish him/her for violating the terms of the policy.

4.Any employee who violates this policy will be subject to disciplinary action. If the action is against laws, disciplinary action may include punishments according to the applicable law.

5.To promote, encourage, motivate, oversee and train all personnel to increase their capabilities and also communicate relevant information regarding prevention and eradication of corruption.

4. Disclosure and Transparency

DCC realizes the importance of information disclosure because this significantly affects decision-making by investors and stakeholders. It is therefore necessary to define and control measures concerning the disclosure of information, both financial and non-financial. Information disclosed via the SET Community Portal and the Company's website shall be complete, sufficient, reliable and up-to-date, written in both Thai and English. DCC is committed to obeying the law, the regulations and obligations mandated by the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET), and other relevant government organizations. Regular amendment takes place to ensure that the Company is up-to-date in its adherence to laws, regulations, and obligations, and to guarantee transparency in conducting business, for example:

1. Disclose accurate, complete and timely financial information and non-financial information.
2. Prepare a report on the Board's responsibility for financial statements and present it along with the Auditor's report in the Annual Report.
3. Require the Company's Directors and executives to report their own interests, and those of any related persons, which are related to management of the Company or its subsidiaries, via the corporate secretary, who will gather the documents and submit them to the chairman of the Board of Directors and the chairman of the Audit Committee for acknowledgement within seven days after the Company receives the documents.
4. Announced a policy requiring all Directors to disclose and/or report their securities trading and holdings to the Board of Directors' meeting.
5. Disclose procedures about the Board of Directors' selection process and performance assessment.
6. Disclose the performance and attendance record of each member of the Committee.
7. Disclose detailed information on the operations and investment structure of subsidiaries and associate companies.
8. Disclose information on the remuneration received by each Director as a member of the Committee.
9. Disclose the policy on the remuneration of the Directors and top executives, including forms, types and amount of remuneration for each committee member.
10. Disclose policy on environmental and social responsibility and related performance.
11. Report on corporate governance policies and related performance.
12. Reveal significant investment projects and relevant impacts of the projects via the SET Community Portal of the Stock Exchange of Thailand and DCC website.

Moreover, the Board of Directors is referring to the information disclosure guidelines related to DCC to establish the Company's information disclosure policy and avoid any damage caused by improper disclosure. This reassures shareholders, investors, the general public, and all stakeholders that DCC is committed to disclosing information clearly, equitably, and in compliance with the law. The Company has designated the persons responsible for disclosing non-public information as well as establishing guidelines on disclosure of different types of information to the public and setting up critical periods in which extreme caution should be taken prior to the disclosure of information to the public. Details of the guidelines are available for stakeholders and the general public on DCC's website.

Investor Relations

We are committed to delivering the highest standards of disclosure with accuracy, completeness, fairness, transparency, quality, and timeliness in all communications with our shareholders and the investment communities.

Relationship with Investors

DCC Investor Relations Website <http://www.dynastyceramic.com/th/investor-relations/investor-news> contains essential sources of information for investors, including historical performance, financial statements, conference call replays, annual reports, SET disclosure, shareholder meeting announcements, DCC share information, dividends, corporate governance news, sustainable development information and more.

DCC has also established the Compliance Department, which is responsible for the disclosure of information to the Stock Exchange of Thailand (SET) and the Securities and Exchange Commission (SEC) to ensure that the Company complies with all applicable laws and regulations. In addition, the Company has regularly organized investor activities, which have been attended by various Company executives.

Investor relations department of the Company has communicated with institutional investors, individual investors, shareholders, as well as analysts and government agencies involved equally and fairly. In 2015, Investor relations has organized various events in order to meet individual investors, institutional investors, and analysts regular. We have delivered our operating results, financial statements, management discussion and analyst and future plans. Investor relations also attended roadshow as an opportunity to meet institutional investors both in Thailand and overseas to explain and summarize the general information of the Company to investors and interested shareholders.

If you have any queries or require any further information, please mail directly to

IR@dynastyceramic.com

Tel: 02-2769275 Ext. 251

Fax : 02-2760313

Conflicts of Interest

(1).Some transactions, which could lead to a potential conflict of interest and/or related party transaction, must be considered very carefully in full compliance with the relevant rules and regulations of the Stock Exchange of Thailand (SET) and DCC's internal policies and guidelines. Moreover, such transactions are entered into strictly on an "arm's length" basis and are conducted in the best interests of DCC and all shareholders. The terms and conditions of such transactions always comply with generally accepted, standard commercial terms and conditions. Records of such transactions must be submitted to the Board for their review during the meeting sessions, which are attended by independent Directors and members of the AC.

DCC Directors and executives are required to submit a report that summarizes their and their related persons' interests and securities ownership in other companies. This information was filed with DCC and is used to monitor potential related party or connected transactions. New DCC Directors and senior executives shall submit this report within thirty days after being appointed.

In case of changes in related persons and close relatives, Directors and executives shall submit a revised report to DCC within fourteen days after such changes occur.

The Board of Directors also monitors compliance with the regulations regarding criteria, procedures, and disclosure of such transactions. DCC has a policy to disclose detailed information of these transactions, which includes transaction amounts, transaction parties, their underlying reasons, and necessity of the transaction in our annual reports.

DCC has a policy to prevent Directors, executives, and employees from using their status to seek personal benefit. As a result, Directors, executives, and employees must refrain from any transactions that may lead to a conflict of interest with DCC. Any interested Directors, executives, and employees are not allowed to participate in the decision-making process. In particular, Directors are prohibited from considering or casting their votes on matters in which they may have a potential conflict of interest. The Board and management also emphasize a prudent and fair review of inter-company transactions, which are transactions between the Company and its subsidiaries.

(2).Monitoring Insider trading. The Board prohibits Directors, executives, and employees from using an opportunity information acquired while working in their positions to seek personal benefit or to establish a competing or related business with DCC. This policy includes a complete prohibition against using material insider information to buy or sell DCC's shares and securities for their own interest and against giving insider information to other persons or entities to buy or sell DCC's shares.

Directors and executives are required to report trading transactions in DCC's shares and securities and their ownership position whenever changes occur.

Preventing Conflicts of Interest

The Board has established policies and measures regarding conflicts of interest, as follows:

- DCC has a clear and transparent shareholder structure. There is no cross-holding among major shareholders, thereby preventing any conflict of interest or transfer of benefits from one party to another. The shareholder structure of DCC and its subsidiaries is published in the Company's annual report, as are each Board member's holdings of ordinary shares.

- There is a clear separation of duties and responsibilities between the Board of Directors, management, and shareholders, thereby ensuring no overlap of duty or responsibility. Any Directors or executive who may have a vested interest in any agenda item under consideration must not attend the meeting or must refrain from voting on such agenda item. This is to ensure that the Board and executives make decisions in a fair manner for the ultimate benefit of shareholders.

- The Company has an established policy governing the use of internal information and has incorporated it into employee regulations in writing, with penalties for the executives or employees in the event the internal information is disclosed to the public or used for personal benefit.
- The Company has established additional policy for employees, preventing the use of Company's asset or finding information, contact, or stock trading on a regular basis during work hours for his/her own benefits or in the manner that does not benefit the Company's advantage.

5. Responsibilities of the Board of Directors

The Board is committed to conduct itself in accordance with the highest standards of behavior and in compliance with all laws, rules, and regulations. The Board's primary responsibility is to supervise and direct management for DCC's benefit. Among other things, the Board, acting directly or through committees, shall have the following duties:

1. Oversee the conduct of the Company's business to evaluate whether it is being properly managed and ensure all activities are conducted according to relevant laws and ethical standards. The Company prepares and defined in Code of Conduct.
2. Manage the Company's performance in line with legal requirements, our objectives and by-laws, and resolutions adopted at the shareholders' meetings.
3. Establish and approve major financial objectives, plans, and actions.
4. Review and approve major changes in the appropriate auditing and accounting principles and practices used in the preparation of the Company's financial statements.
5. Assess major risk factors relating to the Company's performance and reviewing measures to address and mitigate such risks.
6. Evaluate its own performance and capabilities and improving its work processes as necessary according to the Self-Assessment on Corporate Governance annually.
7. Approve the compensation of employees.
8. Appoint the appropriate committees to manage the Company's business affairs as assigned by the Board of Directors.

The Board of Directors delegate to the President and Chief Executive Officer and work with other executive officers, the authority and responsibility for managing the business consistent with DCC's standards and according to any specific plans, instructions, or directions of the Board.

Additionally, DCC focuses on internal control and risk management systems and business continuity as well as establishes an Anti-Corruption Policy which is appropriate for our current business undertakings. The Board works in close consultation with management in a consistent manner with our core values, mission and vision also according to the Company's Corporate Governance Policy.

The policy has been consistently communicated to directors, executives, and employees for their awareness and to facilitate its incorporation into the Company's normal business operations. Furthermore, the Company has provided insiders/outside with a channel for reporting any illegal activities, acts of misconduct or unethical practices in the Company, while also granting protective measures for whistleblowers in accordance with the Whistleblower Policy.

Board Assessment

The Board of Directors is composed of 11 directors. Directors stand for re-election every 3 years. The Board of Directors is pursuing a gradual process to rotate its composition without compromising its continued effectiveness. New board members are invited based on many criteria, an important one being their ability to contribute to DCC's business growth strategy.

The Board of Directors conducted a formal evaluation of group assessment and self-assessment performance for the year 2015. The evaluation process was led by the Secretary was conducted by sending a board assessment form to each Director. The responses to the form were collated by the Company Secretary.

Criterion

The evaluation form consists of two (2) key components.

Component I: The evaluation is related to the following six (6) aspects of its operation:

1. Board of Directors' structure and qualifications of the Board of Directors
2. The roles, duties and responsibilities of the Board of Directors
3. Board of Directors' meetings
4. The Board's performance
5. Relationships with management
6. Directors' self-development and executive development

Component II: The opinions and suggestions provided by the Board of Directors so as to identify special issues in its performance or any aspects of the Company's operation.

The evaluation forms for directors consist of the assessment results are reviewed in order to find ways to continue to improve the Board's performance.

DCC improved its handbook for directors, which includes the summary of laws, rules, and regulations related to the directors, in order to ensure that the information is clear, up to date and in compliance with current practice. The handbook is distributed to all directors for use as reference regarding basic information. For new directors, DCC established a Director Induction Program to facilitate their prompt performance of duties. DCC has commissioned the corporate secretary to coordinate the work in three areas:

1. To compile the necessary information for directors to ensure their compliance with laws, rules, and regulations related to the directors.
2. To provide important information essential for the directors' performance of duty such as the Articles of Association, DCC's director handbook, the handbook for directors of listed companies, and summary of operating results, for use as quick reference.
3. To arrange for a meeting with the chairman and directors and the executives or head of each business unit, to stay informed and make queries about DCC's business in depth.

Moreover, the Company encourages all members of the Board and the top executives to attend various seminars and courses beneficial to their responsibilities, allowing them to constantly meet, and exchange opinions with, directors and top executives of different organizations. Some of these courses are organized by governmental agencies or independent organizations, such as the Thai Institute of Directors Association. The SEC requires directors of all listed companies to complete at least one of the

following training courses: Directors Certification Program (DCP), Directors Accreditation Program (DAP) or Audit Committee Program (ACP). Experience gained from these courses is useful to DCC's development.

Monitoring the Business Operations of Subsidiaries

1. For the purpose of monitoring each subsidiary's business operations for the best interest of shareholders.
2. The appointed directors shall have the same responsibilities as those of directors or executive directors of the parent company
3. Consider the important matters, such as strategy, business plan, capital increase or reduction of capital, the liquidation of the company, including several important policies.
4. Follow-up operations by the management, the Executive Committee, and the Board of Directors of the company.
5. And shall perform their duties in compliance with good corporate governance policy, related party transaction policy etc.
6. All subsidiary transactions which may significantly affect the business operation or financial status of the Company must be reviewed and approved by the Board of Directors of the parent company.
7. Checks by the internal audit department is to ensure that internal controls are adequate and effective.
8. In order to present the financial information and operating results of the subsidiaries, the Company has assigned the same auditing office that provides auditing services for the Company to perform audits and present the financial and non-financial information of the Subsidiaries in the consolidated financial statements of the Company.

A vertical, stylized map of Thailand, oriented vertically. The map is composed of several green landmasses of varying shapes, each containing different icons. At the top, there are green mountains and a blue building with a Thai flag. Below this, a winding road leads through a landscape with a black cow, a pink elephant, and a small orange-roofed house. Further down, there are more green mountains, a blue building with a Thai flag, and a small orange-roofed house. The central part of the map features a large, multi-story building with a clock tower, surrounded by smaller houses and trees. To the right, there is a small orange-roofed house and a blue building with a Thai flag. The bottom part of the map shows a green landmass with a black cow, a blue building with a Thai flag, and a small orange-roofed house. The entire map is set against a blue background with white clouds, a dolphin, and a school of pink fish. The map is decorated with various Thai flags and traditional Thai architectural elements.

The logo for Dynasty Tiletop, featuring the words "DYNASTY TILETOP" in white and red capital letters on a dark blue background.The logo for the School of Religion, featuring the letters 'SR' in a bold, white, sans-serif font against a dark blue background.

As a manufacturer and product distributor, we have run our business with the highest honesty, morality and responsibility to consumers, society and environment. The emphasis is put on organizational development along with social responsibility to ensure satisfaction of all groups of stakeholders. Such development includes modernization of our products to accommodate the needs of each group of customers. Raw material purchasing process is conducted justly and transparently. The quality production is ensured with consideration of efficient usage of resources and reduction of effects on environment and nearby communities. The production cost is controlled with an aim to maintain reasonable prices of the products to encourage accessibility of all groups of customers. The Company focuses on social and environmental responsibilities as well as building awareness of organizational loyalty. All of the employees should feel part of the organization and be able to grow together. This will lead to sustainability of the organization and added value provided to all stakeholders.

Each policy has been communicated to the employees of all levels for their understanding and awareness of social responsibility in manufacturing and distributing quality products and providing courteous services for acceptance and satisfaction of the customers, which contributes to long-term stability of the Company.

1.Undertaking with fairness

1.1.Personnel development

The Company realizes that the achievement of the organization is a result of competences and collaboration of all of the employees in all departments, which is a key factor of business growth. The employees of all levels are provided with an equal opportunity to obtain the training to enhance their knowledge and develop their skills in terms of their responsible jobs and other related tasks to facilitate cooperation between each department of the Company including the factory, branch offices and the head office. The employees are encouraged to take part in the organizational development with a feeling of being Dynasty People who aim for the same goals of the quality production, work collaboration and service provision to ensure the best customer satisfaction.

The factories of Dynasty Ceramic Public Company Limited and Tiletop Industry Public Company Limited have been operating with effective manufacturing system which can produce ceramic tiles certified by the Industrial Standards. Our products have been well-accepted by the partners and customers. The Company has never stopped developing the manufacturing system, product quality along with employee competency.

Employee collaboration is one of the key resources of the Company for improvement and development. The Company emphasizes employees' participation and sense of commitment. Employees' feedback is always welcome through formal and informal surveys and other communication channels.

In 2015, there were 2 main projects run for employees' skill and competency development, which are:

- Productivity Management in 360°
- Productivity Facilitator

In running the above projects, we collaborated with Department of Industry Promotion and Thailand Productivity Institute. The aims of the two projects were to systematically develop the competency of the employees whose work is related to the production and machine maintenance in accordance with Total Productive Maintenance (TPM) system and encourage the employees of all levels to take part and have positive attitudes towards work improvement through productivity development regularly conducted by the Company. This includes Quality Control Circle (QCC), Kaizen and 5S.



As a result of the two projects, the Company succeeded in developing the competency of the employees in the production and maintenance divisions as well as increasing the organizational productivity by creating and implementing the long-term model scheme for employee and management system development. In addition, the Company has been selected to be a model organization because of the excellent outcome of good practice. We have been invited to display our work and share knowledge and experience gained from the projects (Good Practice Sharing) for the benefit of Thai manufacturing in the future.

Also, the Company set up a library where the employees can learn and share their knowledge and skills to one another or make a discussion on work in friendly and supportive environment. This is expected to encourage the feeling of collaboration and teamwork which leads to effective development of their competency.





As for the branch offices, in 2015, the top management arranged “Branch Office Visit Project”, which is a continuing project after Encouraging and Planting Awareness of being “WE” Project to gather all divisions to work in team. All branch offices have been visited and related policies have been given to them with an aim to empower them to operate effectively by themselves. This project was to directly delivering the top management’s policies to the branch office employees, which made the employees feel greatly encouraged. The policies have been well-received and acknowledged. They have been advised to build teamwork, sales management, local market analysis, marketing development, and new customer approach to expand the customer base. These strategies can help them reach the mutual goals more effectively.

Furthermore, the Human Resources Department arranged the branch office employee development through the main project entitled “Employee Basic Knowledge and Skill Training” conducted at branch offices which are regional training centers. The project has been conducted 8 times with the attendance of 785 employees including assistant managers, clerks, salespeople, and drivers to enhance their knowledge and understanding of the products, the product strengths and services provided at the branch offices. After the training, it is seen that the employees understood the products better and felt more confident when providing services to the customers. They could suggest the products and services more effectively. The knowledge they gained from training could also be adapted to other work at the branch offices to ensure the compliance with the Company’s policies.

Computer knowledge training has been provided to new assistant managers and clerks by Human Resources Department. In addition, they have been introduced to the employees working in each department at the headquarters whom they have to coordinate with to ensure the standard of work and facilitate the direct contact when work-related problems occur. This helps reduce the complexity of coordination. The training has been arranged 6 times. Total 86 employees attended the training.

The drivers working at the branch offices receiving electric forklifts in 2015 have attended additional training on driving and maintaining electric forklifts for effective use and maintenance of the equipment. The training has been arranged one time for 6 hours for branch managers and drivers. Total 60 employees attended the training.

In 2015, shop sale program was improved for more effective operation to prepare for the future branches. The IT and Human Resources Depart-





ment collaboratively arranged the training on shop sale program. The training has been provided 12 times. Total 349 employees who were working in the position of branch managers, assistant managers and clerks of all branches attended the training.

The employees working at the headquarters have attended the following public training:

- Business Program Development total 7 hours
- HR Training on competency development for modern work total 14 hours
- Corporate Income Tax vs VAT total 14 hours
- Labor Protection Law total 6 hours

1.2.Promotion of fair work conditions

The Company emphasizes fair employment to comply strictly with the labor law. We put an importance on ethics, human rights, benefits, welfares and healthy work environment as well as safety and equality at work.

All employees are allowed to take part in work improvement for better efficiency through creativity project. They are encouraged to create and propose their plans for development of their work and to foster collaboration between each division.

Regarding social and environmental activities, the employees are allowed to work collaboratively and propose CSR activities according their interest. This can be considered as extra team-oriented activities apart from the regular tasks. The employees, therefore, have an opportunity to strengthen their relationship which benefits the coordination. They are also given an opportunity to show their ability in doing other tasks in addition to their regular ones. Also, they are encouraged to be part of social activities arranged by the Company.



1.3. Other welfares

- Provident fund is arranged as the employees' savings after retirement.
- Social security is granted.
- Workmen' s Compensation Fund Contribution as specified by the law for help the employees in case of emergency or illness as a result of work
- Annual checkup is provided.
- WiFi is provided for the employees at the factory, head office and some branches.

The installation is being made at the rest of the branches around the country for all employees.

1.4. Health and safety at work

The Company focuses on work safety and realizes the importance of occupational health and work environment. Therefore, safe equipment is used and appropriate work environment is provided for safety and good health of the employees in the long run.

- Work environment, light and sound, heat, dust, and chemicals are inspected annually.
- “Fire Prevention, Emergency Preparedness and Rescue Plan at the Company” training has been arranged at the factory and the head office.
- Incident reports are required to be made for development, prevention and preparation of surveillance measures.

For the factory, occupational health and safety of the employees is one the major concerns of Dynasty Ceramic Co., Ltd. and Tiletop Industry Co. Ltd. In the production department of the 2 factories, there are more than 1,000 workers. In 2015, there were 18 incidents of which causes can be divided into 2 groups:

- Incidents from working with the machines

Working in the production department generally requires the workers to deal with the machines; therefor, most of the incidents happen because the conditions of the machines are too risky for the operators to work on. The Company encourages the employees or the operators to learn the inspection the machine conditions, analyze and take corrective action. In the event that the machines seem unsafe, the employees must notify the related persons of such conditions for correction of the machines or the working area immediately, especially when the incident concerns the safety of the employees or the operators.

- Unsafe behaviors of the operators

The responsive measures which the Company uses for adjusting unsafe behaviors of the operators include the specification of the operational procedures on dealing with the machines safely, improvement of the working area and training and promotional activities to raise awareness of work safety through “Zero Accident” project. Further, the indicators for the Company and the employees in terms of operational incidents are also indicated.

The results of announcing the policy on machine and working area improvement, safety promotion and training provided to the employees and the operators and responsive measures which have been implemented result in the reduction of the accidents occurring in 2015 in comparison with the year earlier.

The factory held Safety Week on October 17, 2015 to provide information about work safety through activities in which the employees participated. The knowledge obtained from these activities could be applied in authentic situations.





In addition, the Company has arranged the evaluation of health risk of the employees and the operators by providing them with annual checkup. The check-up results would be analyzed to find the level of health risk which would be used for improvement and reduction of health risk of the employees and the operators.

As for the branches, the Company has promoted safety and health improvement of all of the employees working at the branch officers by providing electronic forklifts which do not produce exhaust to operating employees, customers and the branch area. In 2015, additional 30 forklifts have been purchased for use at the branch offices. In the past 3 years, 155 branches have been provided with the forklifts which can reduce the risk of the accidents as a result of manual lifts and good for the employees' health in the long run. Moreover, the Company has provided the training on usage and maintenance of electronic forklifts to branch managers and drivers to promote correct use and extend the using period of the forklifts at the branch offices.

2. Anti-corruption

The Company has implemented the policy on anti-corruption and voiced its intention to the employees of all levels as well as adding the anti-corruption in the training program for all employees to promote professional ethics and positive attitudes towards work.

On January 20, 2015, the Committee on anti-corruption was nominated to specify the promotional plan and make the guidelines for conducting effective and accountable anti-corruption project. The Company holds the membership of Partnership Against Corruption for Thailand –PACT Network for encouraging the policy on anti-corruption starting from the organization to the outsiders. The standards of operation have been set up.



The Company has provided various channels for the employees at the factory, branches and the headquarters to file complaints via hotline. In 2015, Whistle Blower project was launched to increase the channels. Complaint boxes have been placed at the factory and at the headquarters. This can be seen as the intention of the Company to welcome all comments from the employees for problem solving and organizational development. The information received will be treated confidential and is protected by the Company's policy.

The Company voiced its intention to participate in Collective Action Coalition Against Corruption (CAC) where Thai Institute Of Directors is the Secretary General is the Committee's Secretary General. On July 10, 2015, the Company has been certified by the CAC, and Mr. Suwit Samanphanchai, The Director, was awarded the certificate on July 29, 2015 at Capital Market Building.



3. Respect for Human Rights

The Company has been running the business with an emphasis on human rights and employment in compliance with good governance. The employees have been given the equal opportunity. They are also taken care in terms of life quality for happiness and safety at work. No discrimination of sex, age, race, religion, or education occurs. The disabled can be hired to work with other employees appropriately.

In 2015, the Company hired 11 disabled persons and made a fund contribution according to the law. The information about the disabled persons as in October 2015 is as follows:

Year	2014	2015
The number of employees		
DCC	1,945	1,912
TTOP	802	758
Total	2,747	2,670
* The number of the employed disabled in the proportion 100:1		
DCC	19	19
TTOP	8	8
Total	27	27
* The number of the employed disabled according to Section 33		
DCC	10	8
TTOP	3	3
Total	13	11
* number of the disabled who are provided with professional promotion according to Section 35	-	-
* Provident fund contribution according to Section 34		
DCC	985,000.00	1,204,500.00
TTOP	547,500.00	547,500.00
Total	1,533,000.00	1,752,000.00

4. Fair labor practice

Fair labor practice is the basis of the Company's recruitment, promotion, transfer, and other operations related to work conditions to ensure that the employees at the factory, the branches and the head office receive appropriate compensation and welfares in accordance with their ability and responsibility. The male and female employees receive the benefits fairly.

As the Company's products are available nationwide, we have recruited local employees to work at the branches to generate income to the local communities. This policy is well-received by the communities. The branches became part of them as it generates income to the local young and promotes sustainable living by providing appropriate occupation and income. Further, they feel proud to work with the Company.

5.Responsibility for consumers

On October 22, 2015, the Company officially announced a dealer in Myanmar in HLAING THAR YAR TOWNSHIP, YANGON, MYANMAR where 5,000 sq.m. of ceramic tiles are available for the purpose of expanding customer base in Myanmar. The customers can buy the product more conveniently.



In addition, the Company has opened more distribution channel for the consumers to access to the products more conveniently. The products are available on “DCCTOYOU” <https://www.dcctoyou.com/> where the consumers can select and order the products and make a payment safely. Free delivery service around the country is also available at the branches.



For safe and timely delivery service to the consumers, the Company has changed the vehicle to “rocket cars” which ensures the employee safety and reduce maintenance period which causes the loss of delivery opportunity. Also, it appearance was modernized. 175 rocket cars have been handed over to the branches. The operators have been trained how to operate and maintain the cars for effective delivery to the consumers.



In the past year, the Company improved the efficiency of transportation system by arranging the queue of delivery cars at the factory distribution points so that the each type of cars can be used appropriately. The information about cars and drivers has been registered in the database for convenience of checking the license plate number and the driver's name. The factory has worked in collaboration with the warehouse to manage the order of the delivery, so the branches can specify the delivery time more effectively.

In 2015, the customers and partners visited the production and distribution at the branches to build a relationship and understanding of the Company's production and distribution management which leads to more business opportunity.



- August 13, 2015 – The management of Thaiwatsadu visited the production at the factory.



- September 9, 2015 – Kasikorn Bank visited the production at the factory and the branch in front of the factory.

- Malaysian customer, Citi Hardware, visited the showroom at the headquarters twice.

6.Environment care

On February 12, 2015, the Company announced the policy on environmental care in compliance with the law and other related regulations. The environmental effects due to the production have been considered. Environmental operations have been continuously reviewed. The policy on energy efficiency has been made with an emphasis on the use of resources with the highest efficiency. The pollution incurred by the production is controlled and limited to ensure that it does not exceed the acceptable level according to the law. The environmental policy was communicated to the employees. Therefore, the Company applied for certification from Ministry of Industry as [Green Industry Level Two – Green Activity](#), which is the business of which activities help reduce the environmental effects as expected.



The One Tree Increases one Breath Project with Dynasty Tiletop is the planting activity around the factory area which has been done continuously to build an awareness of environmental care which benefit the employees. In 2015, the activity was done on December 28, 2015.

Energy conservation

The production of ceramic tiles relates directly to the energy use; therefore, energy management is very important in competition and increase of competitiveness of the Company's production process.

Energy saving measures and other energy conservation measures have been set up in compliance with the Company's policy on reducing energy consumption of the production process. In the past year, the following measures were practiced:

- [Adjustment of materials used in the production to be energy-efficient types](#) In 2015, R&D Department adjusted the raw materials used to produce ceramic texture to reduce 1-3% of natural gas used in the process
- [Enhancing the effectiveness of raw material grinding](#) Raw material grinding requires the highest amount of energy in the ceramic production process. The Company installed Variable Speed Drive to control the grinding process to match with workload which helps reduce the amount of energy used in grinding the raw materials

- **Use of modern lighting technology** LED technology has been developed to save the energy used for lighting system. The Company has adjusted the lighting system to LED which helps reduce 30% of energy consumption.
- **Use of the heat which is the by-product of burning process** The Company succeeded in using the heat which is the by-product of burning process in the soil powder production which helps reduce the energy consumption. In 2015, the Company invested and expanded this project to the production of floor tiles of Tiletop Industry PCL.

7. Community and Social Development

7.1. The Company has run the project of **Dynasty Tiletop Return the Benefit to the Society** since 2009 to provide floor and wall tiles to build the school buildings, toilets, cafeterias, kitchens, multi-purpose grounds, and landscapes. There have been 77 schools participating in this project.

In 2015, the Company extended the project to the public. There have been a lot of people make a contribution to support the schools which were short of fund to construct the buildings to accommodate all students. The Dynasty Back to School- A Charity Run activity has been operated. It is a run-for-health project of "Running and tiling for rural schools" under the idea of one runner is equal to a contribution of 2 sq.m. of tiles. The activity has been done on November 8, 2015 at Rama VIII Bridge where 1,353 applicants participating and resulting in the contribution of 2,706 sq.m. of ceramic tiles. The Company made it 3,000sq.m. in total and had it delivered to 5 selected schools, each received 500 sq.m. as follows:

	Region	School	District	Province	Zone	Participating branch
1	South	Baan Na School	Sri nakarin	Pattalung	Classroom + cafeteria	Pattalung
2	East	Baan Tha Pradoo School	Muang	Trad	classroom, kitchen, toilets, building ground area	Trad
3	North-east	Hanjai Pittayakhom School	Wang Sam Mor	Udon Thani	3 classrooms, building ground area	Wang Sam Mor
4	Central	Wat Dan Chang School	Dan Chang	Suphan Buri	Cafeteria, student toilets	Dan Chang
5	North	Baan Pong Nok School	Fang	Chaing Mai	Learning ground, PE room, building ground area	Fang



Dynasty Back to School- A Charity Run

7.2. For Dynasty Volunteer for Rural Development Camp Year 3 (2015), the Company supported floor and wall tiles to the rural area development projects operated by university students for the benefit of learning and gaining experience. The project started in 2013, until 2015, the Company has supported 30 camps of students. In 2015, the following 11 camps were supported with the floor and wall tiles.

No	Institution name	Participating school	Structure	Tile quantity (sq.m.)	Participating branch
20	Ramkhamhaeng University	Baan Lung Sord Mosque, Krabi	Class building	142	Nua Klong
21	Chulalongkorn University	Baan Huay Pak Good School , Loey	Class building	84	Loey
22	Mahidol University	Baan Klong Si Fun School, Petchaboon	Library	113	Lom Sak
23	Ramkhamhaeng University	Baan Na Huay Rad School, Chaiyaphum	Class building + toilets	217	Chum Pae
24	King Mongkut's University of Technology North Bangkok	Baan Dan Chan School, Lop Buri	Class building	142	Chai Badan
25	King Mongkut's University of Technology North Bangkok	Baan Na Dee School, Mukdahan	Class building	134	Mukdahan

26	Thai Chamber of Commerce University	Baan Pong Boon Charoen School, Petchaboon	Class building	214	Bueng Samphan
27	Sripatum University	Baan Na Kham School, Ubon Ratchathani	Class building	197	Trakan Bypass Intersection
28	Rajamangala University of Technology Isan	Baan Nam Krathom, Loey	Class building	194	Loey
29	Mahidol University	Suan Misakawan School, Bangkok	Toilets	55	Chaeng Wattana
30	Phranakhon Rajabhat University	Baan Khao Saraphee Frontier Policeman School	Class building	74	Aranyaprathet
Total tile quantity (sq.m.)				1,566	



7.3 [Volunteer activities](#) build the awareness of the employees to realize the importance of environmental conservation and helping the society. All employees are allowed to think and create the volunteer activities according to their interest. They can work together and propose volunteer activities related to environmental conservation. They can share opinions and assign tasks to each other. This activity also built a strong relationship between the employees as they have an opportunity to work collaboratively apart from regular work. The activities run by the employees in 2015 include:

- April 19, 2015: “[Share Love to Sisters](#)” – treating lunch and doing activities for happiness and smiles of the kids at Rajyithi Home for Girls
- May 25, 2015: “[Dynasty Tiletop restores coral reefs](#)” – planting coral reefs along the coast to replace the non-growing ones due to global warming at Samae San Sub-district, Sattaheep District, Chonburi. The activity was led by Samae San Marine Science Foundation.
- June 27, 2015: “[Mangrove forest planting](#)” project – to help improve marine ecosystem, the source of food for marine animals, which has been destroyed around the coast. The activity was done at Klongdon Sub-district, Muang District, Samut-songkram
- September 12, 2015: “[DCC collects the waste on the beach](#)” – collecting waste left on Bang-saen beach, Chonburi facilitated by Sansook Municipality for beautiful, clean nature of the beach and sea.
- December 20, 2015: “[Dynasty builds happiness and smiles for the elderly](#)” – treating lunch and doing New Year’s activity for the elderly at Bangkai Home, Recreation activity was done and necessary supplies were given to the Home.





7.4 [Internal 5S](#) for external society: The Company has continuously contributed office supplies to clear up the office and make it convenient for use. The contribution is done annually for social benefit through The Mirror Foundation and Suankaew Temple. As the Company has changed the cars used at 175 branches. A lot of stereo systems of the old cars have been contributed to Suankaew Temple for further utilization.

7.5 [Tile pieces make dreams](#): Broken ceramic tiles have been contributed to temples for use of decoration. Some temples can create beautiful arts from the pieces.



Baan Nong Kung Temple, Yang Talad, Kalasin



Mai Bam Pen Boon Temple, Sankhaburi, Chainat

Internal Control and Risk Management

The Board of Directors and Executives of the company concern about the importance of internal control by realizing that the system of internal controls is an important mechanism to build confidence in the management to reduce business risk, enables efficient, and effective business operations, by allocating resources appropriately, and fulfill the business goals as well as an evaluation of the internal control at least once a year.

The Board of Directors has determined that the Audit Committee is responsible for supervising the internal control system, risk management system and the corporate governance system of the company to have an appropriate and efficient operation, including the company's compliance with the terms and applicable laws. The Internal control also supervise to control any conflict of interest in related transaction and use of property, to prevent fraud or misconduct. The company has the consistency checks and balances mechanism by an internal audit department which is independent in business monitoring, assess the effectiveness and adequacy of the internal control system, in risk management system and in corporate governance system as well. The internal audit checks and balances all department performance of the company and its subsidiaries by bringing the framework guidelines of the internal control system in accordance with the International Standards of COSO (The Committee of Sponsoring Organizations of the Tread way Commission), the risk management framework enterprise-wide (Enterprise Risk Management), and corporate governance guidelines, the guidelines of the Stock Exchange of Thailand and the Institute of Directors Association (IOD), the Thailand Economic Co-operation and Organization for Development (OECD). All mentioned frameworks and guidelines conduce the internal control to conduct risk management and all supervision, result in more integrity for the most efficient and effective in company performance.

The Company applies the Internal Control – Integrated Framework of The Committee of Sponsoring Organizations of the Treadway Commission (COSO) comprising 5 components and 17 principles to the Company's operation, management, and internal control system. In the Board of Directors meeting no. 2/2016 on 17 February 2016, the directors have assessed the adequateness of the Company's internal control system in accordance with the Securities and Exchange Commission Thailand (SEC) and concluded that the overall internal control system is adequate and effective.

Thus, the Company focuses on five key elements relating to internal control as follows.

1. Organization and Environment

1. The company demonstrates commitment to integrity and ethical values. The Code of Conduct has been formally established in relation to the fair and transparent business operations responsible to every stakeholder including society and the environment. There are stipulations prohibiting actions which may have conflict of interests or damage the Company.

2. The Board of Directors oversees system of internal control independently. The board consists of more than one-third independent directors. Its members are experts, skilled, and qualified to oversee the development and performance of internal control which includes the control environment, the risk assess-

ment, the control activities, the information and communication, and the monitoring activities. The authorities and responsibilities of the board and each committee are clearly defined and segregated from the management.

3. The company establishes clear structures, reporting lines, authorities, and responsibilities aligning with business model and legal environment to maximize efficiency and effectiveness of operations and internal controls. Crucial segregation of duties among structures provides checks and balances. Authority in management and operating levels are clearly defined, assigned, and limited.

4. The company demonstrates commitment to attract, develop, and retain competent personnel. Relating policies and procedures have been clearly established and periodically assessed for their implementation effectiveness. The Company established mentoring process allowing supervisors to give consults to their subordinates on improvement. Succession plans for personnel in essential positions are defined and in place.

5. The company enforces each personnel's accountability for achievement of their assigned internal control responsibility through reporting lines directives, and communication of clear policies and procedures to enable strict conformance. Supervisors are also required to, by themselves, assess and assure the effectiveness of internal controls under their supervision (Control Self-Assessment: CSA).

The Board of Directors and the management establish and communicate clear performance evaluation procedures and performance measures to motivate and reward performing personnel, and to manage any non-performances. The performance measures include adherence to the Code of Business Ethics, achievement of short-term and long-term objectives, and achievement of internal controls. Process is in place to adjust performance pressures of the management and personnel in case that they are excessive and possibly resulting in frauds or internal control's cutting corners.

2. Risk Assessment

6. The company specifies objectives with sufficient clarity to enable the identification and assessment of risks relating to objectives. For example, objectives are categorized as follows:

- Goals are clearly stated and practical. They support and align with the Company's missions and strategies.
- The Company's resources are managed and utilized efficiently and economically to achieve established objectives.
- The Company's assets, information, reputation, and personnel are safeguarded.
- Process, policies, and procedures are continuously improved and updated benchmarking relevant international standards.
- Financial and non-financial reporting are accurate, reliable, and timely. Financial reporting accurately and completely complies with the generally accepted accounting principles, represents the Company's financial position and rights and obligations, and has full disclosures, reflecting activities and performances of the Company.
- Internal and external regulations, policies, and laws relating to the Company's business are

being adhered to.

- CSA is properly implemented in crucial processes.

7. The company identifies and analyzes all types of risk in both corporate and operational levels which may affect achievement of the objectives. Internal and external factors are considered to identify and analyze strategic risk, operational risk, reporting risk, compliance risk, and information technology risk. The Company assesses the significance of risks based on impact and likelihood of risk occurring. The management and personnel are involved in the risk management process and consideration of risk.

8. The company assesses fraud risk and establishes measures to prevent and detect frauds especially in high-fraud-risk processes such as processes relating to cash, inventory, procurement, financial reporting etc. The Company performs an analysis to identify irregular financial ratios, continuously monitors for irregular business transactions, implements various assets safeguarding measures, and launches the whistle blower program.

In addition, the Audit Committee scrutinizes information and questions the management on likelihood of fraud occurring and measures implemented to prevent, detect, or remedy frauds.

9. The company identifies and analyzes significant changes in the external environment, the business model, and leadership which may affect the business, internal controls, and financial reporting. Appropriate responding measures to those changes have been prepared and established.

3. Control Activities

10. The company selects and develops control activities aligned with the Company's risks and specific characteristics such as the business environment, complexity, nature, and scopes of operations, covering all relevant business processes and levels of activities. There are considerations on a proper mix of control activity types, a balance of manual and automated controls, and an integration of preventive and detective controls. Conflicted duties such as transaction recording, authorizing, approving, and assets handling are also segregated to provide proper checks and balances.

11. The company selects and develops general controls over technology to help ensure that the Company's IT systems are always available, protected from unauthorized access, and supporting achievement of management's objectives. Examples of the controls are:

- Technology infrastructure controls: centralized technical infrastructure operations, IT system change management, business continuity management program etc.
- Security management controls: access rights controls, security controls, system and network irregularity monitoring, information security management system's external assessment etc.
- Technology acquisition, development, and maintenance controls: strict system procurement process, internal and outsourced system developer management and competency program, revision of system development manual, system source code control etc.

12. The company deploys control activities through clear policies and procedures to let personnel understand what the management expects and how to implement the controls correctly. Competent personnel who are responsible, steps and timing of implementation, and corrective actions on matters identified as a result of the controls are established. The policies and procedures are periodically reassessed for continued relevance and effectiveness. The Company has established policies to ensure that all business decisions are approved based on the Company's interest, and on an equitable agreement with independent parties and subsidiaries are subjected to the equivalent policies and are monitored by their directors or management appointed by the Company.

4. Information & Communication

13. The company uses relevant and quality information to support internal control. Data is gathered from internal and external considering costs and benefits. The data are gathered and processed by information systems into information supporting the functioning of internal control.

The Board of Directors receives sufficient information for the decision making in the meetings in a timely manner 7 or 14 days before the meetings as stipulated by laws and regulations. The information includes relevant details, backgrounds, options, and effects to the Company. In the meetings, each director's opinions, recommendations, observations, inquiries, disagreements, and reasoning are recorded for subsequent board assessment.

14. The company has an internal communication system to relay internal control's objectives, policies, procedures, and accountabilities to every level of personnel in every department nationwide. Various communication channels are selected appropriately for the communication efficiency and effectiveness. For examples, there are communications via the intranet and confidential Whistle Blower hotline.

The Company reports material information to the Board of Directors. The board members have access to and can request reviews of any information needed to exercise their oversight responsibilities. They can freely communicate with the external auditors, internal auditors, and other established contact persons other than the senior management. Extraordinary formal or informal meetings with the management can also be arranged.

15. The company has an efficient communication system with external stakeholders using proper channels to support internal control. For examples, there are

- communications via the internet, social media,
- investor relations,
- service quality complaint centers.
- Whistle Blower hotline to the Audit Committee

5. Monitoring Activities

16. The company instructs managers and supervisors in every department to continuously monitor for deficiencies of the internal control to ascertain the continued effectiveness of 5 components and

17 principles of the internal control. There are also separate evaluations from independent parties such as internal auditors or external quality assessors. The frequency of the evaluations varies on rate of changes occurring.

17. When the internal control deficiencies are identified, the company evaluates their significances and communicate them to responsible parties for timely corrective actions. Material deficiencies and their correction progress are reported to the Board of Directors and the senior management as appropriate. Fraud incidents or clues, violation of law, or any other irregularities which may materially affect the Company's reputation or financial position will be immediately informed to the Board of Directors.

With the current information system, which provides reliable and timely information, the management and the Board of Directors can control and monitor the operations with reference to financial reporting effectively. And at the same time, the Management can review, assess, and make recommendations to improve business processes through the supervision of the Office of Internal Audit to carry out audit throughout the year.

Internal Audit

The Internal Audit Office performs its duties independently from the management. It reports functionally to the Audit Committee and administratively to the Chief Executive Officer. Supporting the Company's achievement of objectives and goal, the office evaluates the efficiency and effectiveness of the internal control, risk management, governance system, and also provides consultation.

The Chief Audit Executive acts as the secretary to the Audit Committee supporting their oversight responsibilities and accountability which are assigned by the Board of Directors to the Audit Committee. Additionally, the Chief Audit Executive gives advices relating to the internal control, risk management, business ethics, information security etc.

The internal audit was conducted to examine the system of internal control on a regular basis and report the result to the Audit Committee. Until now, Audit Committee has not found any significant flaws; however, minor comments on how to improve internal control. Office of Internal Audit is responsible for auditing to ensure that the operation and financial activities of the Company are implemented effectively and in accordance with the law under the guidelines.

Related Transaction

The Company and its subsidiaries have entered into related transactions with connected persons. All of these related transactions are made in the ordinary course of business and on general trading conditions.

To be aligned with the Security and Exchange Act (No. 4) B.E. 2008, Article 89/12 (1), with the following measures.

1. The Audit Committee must consider and give their comments before transaction occurs.
2. In case the Audit Committee is not able to give any comment on any transaction, the Company must provide independent specialist to provide comments for the Audit Committee to form their comments before proposing to the Board of Directors and/or Shareholders' Meeting for further consideration.
3. The persons who have potential conflict of interest cannot vote on the transaction that is related to them.
4. The Company will disclose the related transaction in the notes attached to financial statements. The Audit Committee will give comments concerning the necessity and rationale of the related transaction that has been audited by external accounting auditor.

[Dynasty Ceramic Public Co. Ltd. has related transactions with its subsidiaries as follows:](#)

- The Company is a sole distributor of all made products purchased from Tile Top Industry Public Co. Ltd., which manufactures floor tiles and wall tiles, at wholesale prices. The Company is the sole distributor. Tile Top Industry Public Co. Ltd. contracted Dynasty Ceramic Public Co. Ltd. to manage its operations, inventory (including raw materials and spare part), purchasing and sales, financial and accounting systems with an online computer system, with an annual budget of 12 million Baht, resulting in related transactions.
- Moreover, Dynasty Ceramic Public Co. Ltd. rented warehouse facilities located at Tile Top factory for storage of products purchased from Tile Top Industry PCL and contracted Tile Top Industry PCL to manage the Company's warehouses, with a yearly budget of 3.6 million Baht.
- Since Dynasty Ceramic is in charge of controlling its own and its subsidiaries' financial policies, payments were made in advance on some items produced and distributed to Dynasty Ceramic Public Co. Ltd. This is a means of providing financial support to its subsidiary, with the borrowers issuing a promissory note to the loan provider. Interest is calculated according to prevailing market rates on the date the borrowing was made.

Transaction

The Company has transactions with Tile Top Industry PCL., Pick and Pay Co., Ltd., Muangthong Ceramic Co., Ltd. and World Wide Ceramic Co., Ltd. (a subsidiary), which is the majority shareholder. More than 95 percent and the Board of Directors of the Company and its subsidiaries. The transaction has no impact on the consolidated

On June 1, 2014, the Company has conducted group restructuring by Entire Business Transfer of its subsidiaries, consisting of Pick & Pay Co., Ltd, Muangthong Ceramic Co., Ltd, and Worldwide Ceramic Co., Ltd, therefore, there is no further related transaction occur.

For approval process, the related transactions shall be processed in the same practice as other general trading transactions with outside parties with the authorized executives designated and empowered to endorse up to a certain limit of budget according to their respective rank and position. The Audit Committee of the Company and its subsidiaries is responsible for reviewing the related transactions every quarter to ensure that no conflict of interest will be occurred in order to maximize the overall company's benefits.

For the fiscal year ended 31 December 2015 and 2014, the Company and its subsidiaries had the related transactions in which the auditors had disclosed in the notes to audited financial statements and these transactions have been reviewed by the Audit Committee. The Audit Committee had an opinion that all related transactions are reasonable and based on the normal course of business.

TRANSACTIONS WITH RELATED PARTIES

The financial statements include transactions with related parties and the financial statements reflect the effects of these transactions on the basis determined by the companies concerned.

1. Revenue and Expense between the Company , Subsidiaries and Related parties

Account name / Company's name	Relationship	Type of Transaction	Amount (Million Baht)	
			2015	2014
Tile Top Industry PCL.	Subsidiaries Company	Revenue from Raw Material / Supplies	2.1	6.7
		Rental income from office	0.72	0.72
		Management Fee income	12.0	12.0
		Purchases -Finished goods	2,309.0	2,588.0
		Purchases - Raw Materials / Supplies	4.2	5.5
		Warehouse Management Fee	3.6	3.6
Pick and Pay Co.,Ltd.	Subsidiaries Company	Revenue from Sales	-	1,229.1
		Revenue from Raw Material / Supplies	-	0.1
		Rental income from office / equipment	-	6.6
		Management Fee income	-	18.6
		Dividend income	-	429.2
Muangthong Ceramic Co.,Ltd.	Subsidiaries Company	Revenue from Sales	-	753.4
		Rental income from office / equipment	-	3.5
		Management Fee income	-	11.7
		Dividend income	-	308.4
World Wide Ceramic Co.,Ltd.	Subsidiaries Company	Revenue from Sales	-	497.1
		Rental income from office / equipment	-	2.3
		Management Fee income	-	8.6
		Dividend income	-	126.5

Mr. Roongroj Saengsastra	Director of the Company and Subsidiaries	Rental Land Expenses	1.0	1.0
Mr. Monrak Saengsastra and Mr. Maruth Saengsastra	Director of the Company and Subsidiaries Director in Subsidiaries Company	Rental Land Expenses	1.0	1.0

2.Assets and Liabilities between the Company , Subsidiaries and Related parties

Account name / Company's name	Relationship	Type of Transaction	Amount (Million Baht)	
			2015	2014
TileTop Industry PCL.	Subsidiaries Company	Trade Account Payable and other Account Payable	693.0	601.2

FINANCIAL HIGHLIGHTS

(Million Baht)

CONSOLIDATED THE STATEMENTS OF COMPREHENSIVE INCOME	Y 2015	Y 2014	Y 2013
Total Revenues	7,184	7,198	7,564
Net Sales	7,171	7,177	7,546
Gross Profit	3,010	3,036	3,099
%Gross Profit	42.0	42.3	41.1
Selling & Admin. Expenses	(1,274)	(1,350)	(1,456)
Goodwill Written off	-	(104)	-
Net Profit Before Interest & Depreciation	2,039	1,888	1,893
Net Profit	1,372	1,227	1,298

(Million Baht)

CONSOLIDATED THE STATEMENTS OF FINANCIAL POSITION	Y 2015	Y 2014	Y 2013
Total Assets	5,134	5,194	5,130
Total Liabilities	2,013	2,389	2,368
Total Shareholders' Equity	3,121	2,805	2,761

(Million Baht)

FINANCIAL RATIO	Y 2015	Y 2014	Y 2013
Earning Per Share - Baht	0.210	0.301	0.318
Net Profit / Total Revenues - %	19.10	17.05	17.16
Debt Equity Ratio	0.64	0.85	0.86
Return on Total Assets - %	26.72	24.57	25.30
Return on Equity -%	43.96	43.74	47.01
Booked Value - Baht	0.478	0.688	0.677
Dividend Per Share - Baht	0.210	0.301	0.318
Dividend Yield - %	100	100	100
Authorized Share Capital - Baht	652,800,000	408,000,000	408,000,000
Total number of shares –Shares	6,528,000,000	4,080,000,000	4,080,000,000
Issued and Paid-up share-Shares	6,527,993,958	4,080,000,000	4,080,000,000

Summary of Operating Results and Financial Analysis

CONSOLIDATED

The Statement of Financial Position

(Unit: Million Baht)

ASSETS

CURRENT ASSETS

	December 31, 2015	%	December 31, 2014	%
Cash and cash equivalents	217	4%	207	4%
Trade accounts and notes receivable	126	3%	90	2%
Inventories - net	1,582	31%	1,760	34%
Other investments	18	0%	18	0%
Other current assets	49	1%	63	1%
Total Current Assets	1,992	39%	2,138	41%

NON - CURRENT ASSETS

Property, plant and equipment - net	3,074	60%	2,999	58%
Computer Program - net	21	0%	15	0%
Deferred income tax asset	22	0%	22	0%
Other non - current assets	25	1%	17	1%
Total Non - Current Assets	3,142	61%	3,053	59%

TOTAL ASSETS

	5,134	100%	5,191	100%
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CONSOLIDATED

The Statement of Financial Position

(CONT.)

(Unit : Million Baht)

LIABILITIES AND SHAREHOLDERS' EQUITY

CURRENT LIABILITIES

	December 31, 2015	%	December 31, 2014	%
Short - term loans from financial institutions	960	19%	1,390	27%
Trade accounts payable	478	9%	507	10%
Accrued income tax	160	3%	86	1%
Other current liabilities	199	4%	206	4%
Total Current Liabilities	1,797	35%	2,189	42%

NON - CURRENT LIABILITIES

Unfunded provident fund - non contributory	57	1%	55	1%
Employee benefits obligation	125	2%	113	2%
Deferred income tax liability	34	1%	29	1%
Total Non - Current Liabilities	216	4%	197	4%
TOTAL LIABILITIES	2,013	39%	2,386	46%

SHAREHOLDERS' EQUITY

Share capital - common share at Baht 0.1 par value

- Registered - 6,528,000,000 shares

(2014 : 4,080,000,000 shares)	653	13%	408	8%
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- Issued and paid - up - 6,527,993,958 shares

(2014 : 4,080,000,000 shares)	653	13%	408	8%
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Premium on share capital	506	10%	506	10%
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Retained earnings

- Appropriated for legal reserve	65	1%	41	1%
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- Unappropriated	1,850	36%	1,807	35%
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Shareholders' equity of the Company	3,074	60%	2,762	53%
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Non-controlling interests in subsidiary	47	1%	43	1%
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TOTAL SHAREHOLDERS' EQUITY	3,121	61%	2,805	54%
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TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	5,134	100%	5,191	100%
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CONSOLIDATED

Statement of comprehensive income
for the years ended December 31,

(Unit : Million Baht)

	2015	%	2014	%
REVENUE				
Revenue from sales	7,172	100%	7,177	100%
COSTS OF SALES				
Costs of goods sold	(4,161)	(58%)	(4,141)	(58%)
Gross income	3,011	42%	3,036	42%
Other income	12	0%	21	0%
Selling expenses	(648)	(9%)	(723)	(10%)
Administrative expenses	(625)	(9%)	(626)	(9%)
Goodwill written-off	-	-	(104)	1%
Finance costs	(26)	0%	(33)	0%
Income before income tax	1,724	24%	1,571	22%
Income tax	(348)	(5%)	(342)	(5%)
Income for the year	1,376	19%	1,229	17%

OTHER COMPREHENSIVE INCOME FOR THE YEAR

Items that will not be reclassified subsequently to profit or loss

Actuarial gains - net of tax	-	-	28	1%
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	1,376	19%	1,257	18%

ALLOCATION OF INCOME FOR THE YEAR

Portion of the Company's shareholders	1,373	17%	1,227	17%
Portion of non-controlling interests in subsidiary	3	0%	2	0%
	1,376	17%	1,229	17%

ALLOCATION OF COMPREHENSIVE INCOME

Portion of the Company's shareholders	1,373	17%	1,254	17%
Portion of non-controlling interests in subsidiary	3	0%	3	1%
	1,376	17%	1,257	18%

BASIC EARNINGS PER SHARE

Income (Baht : share)	0.210	0.188
Weighted average number of common shares (unit :shares)	6,527,993,958	6,527,993,958

Analysis of Operating Result for the Year 2015

For the year 2015, net profit of the Company in the Consolidated Financial Statement was 1,372 MB, an increase of 146 MB or 12% YoY.

Total revenues of 7,172 MB, which decreased by 5 MB, or 0.1%. The Company's gross profit was 42%, most likely to last year.

Production units dropped by 1% as the Company partly shut down kilns for maintenance and install more machinery for digital printing production to supply the market. Natural gas price, which is the major component in the production cost, decreased by 31%.

The sales expenses decreased 75 MB, or 10%, resulted from the average price of fuel decreased by 17%

And the administrative costs decreased from 0.7 MB due to more effective management in the campaign expense and administrative expense. Due to the previous year, record amortization of goodwill as an expense for 103.6 MB from the transfer its subsidiaries (since June 1, 2014).

The finance cost decreased 7 MB, or 22% resulted from the repayment some short-term loan. The net profit on equity holders of the company is 1,372 MB, or 0.210 baht per share.

Analysis of Financial Status 2015

Assets

Total consolidated assets as of December 31, 2015 were 5,134 MB, a decrease of 60 MB or 1% from the total consolidated assets as of December 31, 2014.

Total current assets decreased 176 MB, or 7% as part of trade accounts receivable increased by 35 MB or 38%. Inventory decreased 178 million baht or 10 percent from the lower costs of production.

General investment 18 million Baht was part of the Company's investment in the three subsidiaries, on June 1, 2014, the Company has conducted Entire Business Transfer of the three subsidiaries and its subsidiaries have already registered the dissolution with the Department of Business Development Ministry of Commerce and which was expected to payback once the process of liquidation is completed.

Total noncurrent assets increased 89 MB, or 3% resulted from purchase of land for five Company's outlets amount 74 MB. The intangible assets by increasing the efficiency of point of sale systems net depreciation with 6 MB, or 40 %.

Liabilities and Shareholder's Equities

Total liabilities of the company and its subsidiaries as of December 31, 2015 is 2,013 million baht, decreased from the end of year 2014 for 373 MB, or 16%

Resulted from current liabilities decreased 392 MB, or 18% by short-term loan repayment 430 MB, or 31%. Trade account payable decreased by 29 MB, or 6%.

Non-current liabilities increased by 20 MB, or 10% resulted by employees' benefits reserves increased 13 MB, or 11%. Deferred income tax liabilities increased 6 MB, or 20% base on the difference in tax of depreciation.

Shareholder's equity increased by registered capital from 408 million baht, increasing 244.8 million baht (2,488,000,000 shares, at par value 0.10 baht) from the stock dividend payment at the rate of 5 previous stock per 3 stock dividend for the period of January- March 2015, paid on June 12, 2015. As well as record 24.5 million baht as a legal reserves in full amount of 10 percent of the increased share

Appendix

Board of Directors

Name	Mr. Roongroj Saengsastra
Position	Chairman
Appointed	26 January 1998
Age	65 years
Highest Education	Bachelor of Accounting, Chulalongkorn University
Training from IOD	None
% of Share Holding	1,600,000,000 shares (24.510%) at Jan 29, 2016
Family relationship among executives	Miss Cattleya Saengsastra's brother
Other Current Position	
Listed Company	None
Non Listed Company	1 Company
	1. Chairman of TileTop Industry Public Co., Ltd
Experience	2005-2014
	Chairman of Pick and Pay Co., Ltd
	Chairman of Muang Thong Ceramic Co., Ltd
	Chairman of World Wide Ceramic Co., Ltd

Name	Gen.Yuthasak Sasiprapha
Position	Independent Director and Chairman of Audit Committee
Appointed	21 April 2015
Age	78 years
Highest Education	-The National Defence Course for Joint State-Private sectors #33 -Army Command and General Staff College #48 -Chulachomklao Royal Military Academy
Training from IOD	-Director Accreditation Program (DAP) 56/2006 -Leader Program Capital Market Academy Class XI
% of Share Holding	None
Family relationship among executives	None
Other Current Position:	
Listed Company	2 Companies
	1. Advisor to Chairman of Nawanakorn PCL.
	2. Advisor to Chairman of NEP Realty and Industry PCL.
Non Listed Compan	None
Experience	-Jan 2012-Oct 2012 Deputy Prime Minister -Aug 2011-Jan 2012 Minister of Defence -1996-1998 Permanent Secretary of Defence, Ministry of Defence

Name	Mr. Sanchai Janejarat
Position	Executive Director / President
Appointed	26 April 2002
Age	66 years
Highest Education	Bachelor of Engineering, Chulalongkorn University
Training from IOD	Directors Accreditation Program (DAP) No.54/2006
% of Share Holding	5,472,000 shares (0.084%) at Jan 29, 2016
Family relationship among executives	None
Other Current Position	
Listed Company	None
Non Listed Company	1 Company
	1. President of TileTop Industry Public Co., Ltd
Experience	2008 - Present
	President of Dynasty Ceramic Co., Ltd
	President of TileTop Industry Public Co., Ltd

Name	Mr. Yothin Juangbhanich
Position	Independent Director & Audit Committee
Appointed	28 April 2006
Age	66 years
Highest Education	Bachelor of Accounting, Chulalongkorn University MBA, University of Santa Clara, USA
Training from IOD	Director Accreditation Program (DAP) 79/2009
% of Share Holding	None
Family relationship among executives	None
Other Current Position	
Listed Company	1 Company
	1.Independent Director & Chairman of Audit Committee at Tanasiri Group Public Co., Ltd
Non Listed Company	2 Companies
	1.Part-time Faculty at Assumption University: Tax Accounting 2.Subcommittee of State Audit Commission on Audit Inspection and Consideration
Experience	-Subcommittee to strengthen good governance in the public sector, the Senate. -Head of Management System Development - Revenue Department -Regional 12 Revenue Chief

Name	Mr. Chaiyasith Viriyametakul
Position	Director
Appointed	26 January 1998
Age	66 years
Highest Education	-Bachelor of Engineering, Chulalongkorn University -National Defense College (NDC.4414) - Capital Market Academy, Class 15 (15 CMA)
Training from IOD	Director Accreditation Program (DAP) 20/2004 - Increasing Your Corporate Value through Effective Communication Year 2003 - Risk Management
% of Share Holding	328,900,000 shares (5.038%) at Jan 29, 2016
Family relationship among executives	None
Other Current Position	
Listed Company	1 Company 1. President at Vibhavadee Hospital
Non Listed Company	2 Companies 1. Vice Chairman of BOD at Chao Paya Hospital Public Co., Ltd 2. Executive Director at Vibharam Co., Ltd and its Subsidiaries

Name	Mr. Suvit Smarnpanchai
Position	Director
Appointed	26 January 1998
Age	68 years
Highest Education	High-School, Charnvit Wittaya School
Training from IOD	Director Accreditation Program (DAP) 54/2006
% of Share Holding	160,000,000 shares (2.451%) at Jan 29, 2016
Family relationship among executives	None
Other Current Position	
Listed Company	None
Non Listed Company	1 Company 1. Managing Director at Ekasithpun Co., Ltd
Experience	Present Advisor of the Audit Committee and Monitoring The Police Administration of Ratchburana police Station

DName	Mr. Surasak Kosiyajinda
Position	Independent Director & Audit Committee
Appointed	30 April 1998
Age	72 years
Highest Education	Bachelor of Law, Thammasart University
Training from IOD	Director Accreditation Program (DAP) 48/2005
% of Share Holding	None
Family relationship among executives	None
Other Current Position:	
Listed Company	1 Company
	1. Independent Director & Audit Committee/AJ Plast Public Co., Ltd
Non Listed Company	1 Company
	1. Director at United Food Co., Ltd
Experience	1969 – Present Own office at Jutturatham Law Office

Name	Mr. Phachon Khachitsarn
Position	Independent Director & Audit Committee
Appointed	24 July 2012
Age	67 years
Highest Education	Bachelor of Arts in Economic, Kasetsart University Advanced Certificate of Administration, National Institute of Development Administration (Nida) Advanced Mini- MBA, Chulalongkorn University
Training from IOD	Director Accreditation Program (DAP) 99/2012
% of Share Holding	None
Family relationship among executives	None
Other Current Position:	
Listed Company	None
Non Listed Company	None
Experience	1975 - 2005 Administration Department Manager, Fuel Administration and Finance Division EGAT / Public Utility

Name	Miss Cattleya Saengsastra
Position	Executive Director and Company Secretary
Appointed	26 January 1998
Age	67 years
Highest Education	Bachelor degree Accounting (Honor), Chulalongkorn University Management Development Program J.J Kellogg, North Western University
Training from IOD	Directors Accreditation Program (DAP) No.47/2005
% of Share Holding	176,000,000 shares (2.696%) at Jan 29, 2016
Family relationship among executives	Mr. Roongroj Saengsastra's Sister
Other Current Position	
Listed Company	1 Company 1. Independent Director and Chairman of Audit Committee S&P Syndicated Public Co., Ltd
Non Listed Company	1 Company 1.Executive Director and Company Secretary at TileTop Industry Public Co., Ltd
Experience	1995 - Present Director at TileTop Industry Public Co., Ltd 1990 - 1995 Executive Director (Accounting) at S&P Syndicated Public Co., Ltd

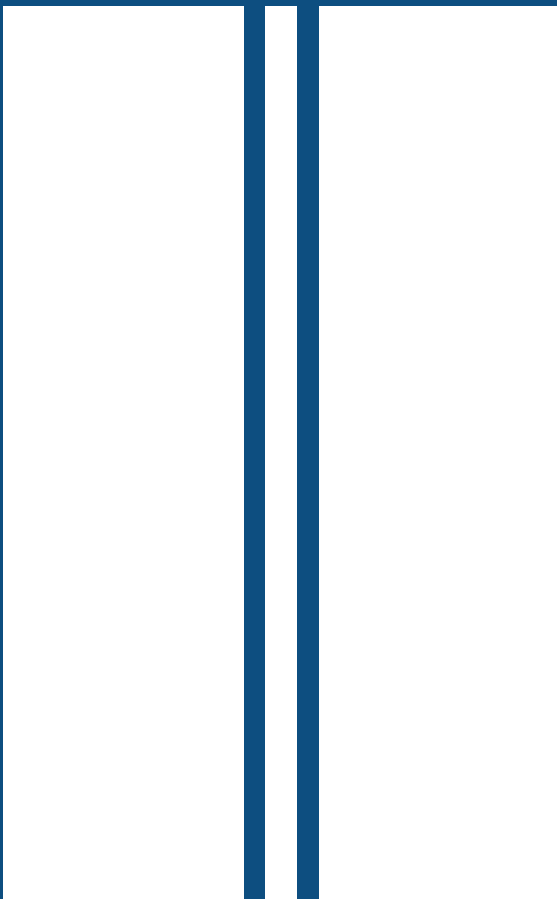
Name	Mr. Monrak Saengsastra
Position	Executive Director (Administration)
Appointed	29 January 2013
Age	40 years
Highest Education	-Master of Business Administration, Kasetsart University -Master of Art in International Economics. Southern Methodist University (SMU) -Bachelor of Science in Business Computer Information Systems, University of North Texas (UNT)
Training from IOD	Director Accreditation Program (DAP) 107/2014
% of Share Holding	480,000,000 shares (7.353%) at Jan 29, 2016
Family relationship among executives	Mr. Roongroj Saengsastra's Son
Other Current Position:	
Listed Company	None
Non Listed Company	1 Company 1. Executive Director at TileTop Industry Public Co., Ltd
Experience	2013 - Present Executive Director (Administration) at Dynasty Ceramic Public Co., Ltd and TileTop Industry Public Co., Ltd -Senior System Analyst, PepsiCo Business Solutions Group. Plano, Texas. USA. -MIS Assistance / Network Administrator, Westin Park Central/ Sheraton Park. Dallas, Texas. USA. -System Analyst, Chapal Zenray Inc. Dallas, Texas. USA.

Name	Mr. Maruth Saengsastra
Position	Executive Director (Marketing)
Appointed	21 April 2015
Age	38 years
Highest Education	Master of Science in Computer Science, University of North Texas, USA
Training from IOD	Director Accreditation Program (DAP) 107/2014
% of Share Holding	480,000,000 shares (7.353%) at Jan 29, 2016
Family relationship among executives	Mr. Roongroj Saengsastra's Son
Other Current Position:	
Listed Company	1 Company 1. Senior Executive Vice President (Marketing) at Dynasty Ceramic Public Co., Ltd
Non Listed Company	1 Company 1. Senior Executive Vice President (Marketing) at TileTop Industry Public Co., Ltd
Experience	Sep 2013 - Present Senior Executive Vice President (Marketing) at Dynasty Ceramic Public Co., Ltd and TileTop Industry Public Co., Ltd. Nov 2010 - Present Assistant Company Secretary and Investor Relation at Dynasty Ceramic Public Co., Ltd. 2006 -2015 Vice President Information Officer at Dynasty Ceramic Public Co., Ltd and TileTop Industry Public Co., Ltd.



Dynasty Ceramic Public Company Limited

The consolidated financial statements
and the financial statements
for the years ended December 31, 2015
Report of Independent Auditor



REPORT OF INDEPENDENT AUDITOR

To the Shareholders of Dynasty Ceramic Public Company Limited

I have audited the accompanying consolidated financial statements of Dynasty Ceramic Public Company Limited and its subsidiary which comprise the consolidated statement of financial position as at 31 December 2015, and the related consolidated statements of profit or loss and other comprehensive income, changes in shareholders' equity and cash flows for the year then ended, including notes disclosure summarizing significant accounting policies and other explanatory information. I have also audited the separate financial statements of Dynasty Ceramic Public Company Limited which comprise the separate statements of financial position as at 31 December 2014, and the related separate statements of profit or loss and other comprehensive income, changes in shareholders' equity and cash flows for the year then ended, including notes disclosure summarizing significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

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

Auditor's responsibility

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

An audit involves performing procedures to obtain audit evidences about the amounts and disclosures in the financial statements. The selected audit procedures 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 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 financial statements.

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

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position as at 31 December 2015 and the consolidated results of operations and cash flows for the year then ended of Dynasty Ceramic Public Company Limited and its subsidiary, and the separate financial position as at 31 December 2015 and the results of operations and cash flows for the year then ended of Dynasty Ceramic Public Company Limited, in accordance with Thai Financial Reporting Standards.

Mr. Somckid Tiatragul

Certified Public Accountant

Registration No. 2785

Bangkok, Thailand

17 February 2016

DYNASTY CERAMIC PUBLIC COMPANY LIMITED AND SUBSIDIARY

STATEMENTS OF FINANCIAL POSITION

(Unit : Baht)

		Consolidated F/S		Separate F/S	
	Notes	31 December 2015	31 December 2014	31 December 2015	31 December 2014
<u>ASSETS</u>					
CURRENT ASSETS					
Cash and cash equivalents	5	217,115,838	206,837,966	200,796,552	194,150,525
Trade accounts receivable	7	126,264,443	90,302,377	126,264,443	90,302,377
Inventories - net	8	1,582,121,226	1,759,820,250	1,464,357,470	1,642,940,146
Other investments	9	18,374,257	18,374,257	18,374,257	18,374,257
Other current assets	10	48,005,700	62,302,824	43,465,997	49,124,897
Total Current Assets		1,991,881,464	2,137,637,674	1,853,258,719	1,994,892,202
NON - CURRENT ASSETS					
Investments in subsidiary	11	-	-	109,479,530	109,479,530
Property, plant and equipment - net	12	3,073,586,770	2,999,198,829	2,103,060,063	2,007,828,678
Computer Program - net	13	21,490,750	15,424,376	19,840,715	13,320,145
Deferred income tax asset	24	22,127,582	22,289,420	-	-
Other non - current assets	15	25,174,006	16,548,754	24,059,396	14,357,019
Total Non - Current Assets		3,142,379,108	3,053,461,379	2,256,439,704	2,144,985,372
TOTAL ASSETS		5,134,260,572	5,191,099,053	4,109,698,423	4,139,877,574

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

DYNASTY CERAMIC PUBLIC COMPANY LIMITED AND SUBSIDIARY

STATEMENTS OF FINANCIAL POSITION

(Unit : Baht)

		Consolidated F/S		Separate F/S	
	Notes	31 December 2015	31 December 2014	31 December 2015	31 December 2014
LIABILITIES AND SHAREHOLDERS' EQUITY					
CURRENT LIABILITIES					
Short - term loans from financial institutions	16	960,000,000	1,390,000,000	960,000,000	1,390,000,000
Trade accounts payable	17	478,097,109	507,269,787	265,007,380	293,224,881
Trade accounts and others payable					
- subsidiary company	6	-	-	693,022,807	601,190,484
Accrued income tax		160,184,015	85,550,634	152,343,099	83,493,548
Other current liabilities	18	199,070,910	206,399,200	163,028,442	171,684,673
Total Current Liabilities		1,797,352,034	2,189,219,621	2,233,401,728	2,539,593,586
NON - CURRENT LIABILITIES					
Unfunded provident fund - non contributory	19	56,621,448	5,386,296	-	-
Employee benefits obligation	21	125,363,645	112,593,793	76,227,711	67,045,154
Deferred income tax liability	24	34,387,503	28,577,907	34,387,503	28,577,907
Total Non - Current Liabilities		216,372,596	196,557,996	110,615,214	95,623,061
TOTAL LIABILITIES		2,013,724,630	2,385,777,617	2,344,016,942	2,635,216,647
SHAREHOLDERS' EQUITY					
Share capital - common share at Baht 0.1 par value					
- Registered - 6,528,000,000 shares		652,800,000	408,000,000	652,800,000	408,000,000
(2014 : 4,080,000,000 shares)					
- Issued and paid - up - 6,527,993,958 shares	22	652,799,396	408,000,000	652,799,396	408,000,000
(2014 : 4,080,000,000 shares)					
Premium on share capital		506,000,000	506,000,000	506,000,000	506,000,000
Retained earnings					
- Appropriated for legal reserve	23	65,280,000	40,800,000	65,280,000	40,800,000
- Unappropriated		1,850,037,161	1,807,244,631	541,602,085	549,860,927
Shareholders' equity of the Company		3,074,116,557	2,762,044,631	1,765,681,481	1,504,660,927
Non-controlling interests in subsidiary		46,419,385	43,276,805	-	-
TOTAL SHAREHOLDERS' EQUITY		3,120,535,942	2,805,321,436	1,765,681,481	1,504,660,927
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		5,134,260,572	5,191,099,053	4,109,698,423	4,139,877,574

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

DYNASTY CERAMIC PUBLIC COMPANY LIMITED AND SUBSIDIARY
STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEARS ENDED 31 DECEMBER

(Unit : Baht)

	Notes	Consolidated F/S		Separate F/S	
		2015	2014	2015	2014
REVENUE					
Revenue from sales	27	7,171,986,768	7,177,493,342	7,171,986,768	6,834,034,031
COSTS OF SALES					
Costs of goods sold	27, 28	(4,161,382,667)	(4,141,307,787)	(4,272,921,278)	(4,714,764,797)
Gross income		3,010,604,101	3,036,185,555	2,899,065,490	2,119,269,234
Other income	27	12,291,542	20,598,894	24,398,302	79,390,146
Dividend income from subsidiaries	6	-	-	-	864,087,866
Selling expenses	28	(648,214,272)	(723,600,543)	(648,214,272)	(666,894,994)
Administrative expenses	28	(625,517,494)	(626,238,860)	(597,820,163)	(402,189,374)
Goodwill written-off	14	-	(103,623,825)	-	-
Finance costs		(25,522,619)	(32,853,327)	(23,546,089)	(30,669,026)
Income before income tax		1,723,641,258	1,570,467,894	1,653,883,268	1,962,993,852
Income tax	24	(348,059,748)	(341,714,802)	(332,495,710)	(221,774,246)
Income for the year		1,375,581,510	1,228,753,092	1,321,387,558	1,741,219,606
OTHER COMPREHENSIVE INCOME FOR THE YEAR					
Items that will not be reclassified subsequently to profit or loss					
Actuarial gains - net of tax	24	-	27,916,828	-	8,626,245
TOTAL COMPREHENSIVE INCOME FOR THE YEAR					
		1,375,581,510	1,256,669,920	1,321,387,558	1,749,845,851
ALLOCATION OF INCOME FOR THE YEAR					
Portion of the Company's shareholders		1,372,438,930	1,226,663,327	1,321,387,558	1,741,219,606
Portion of non-controlling interests in subsidiary		3,142,580	2,089,765	-	-
		1,375,581,510	1,228,753,092	1,321,387,558	1,741,219,606
ALLOCATION OF COMPREHENSIVE INCOME					
Portion of the Company's shareholders		1,372,438,930	1,254,246,322	1,321,387,558	1,749,845,851
Portion of non-controlling interests in subsidiary		3,142,580	2,423,598	-	-
		1,375,581,510	1,256,669,920	1,321,387,558	1,749,845,851
BASIC EARNINGS PER SHARE					
Income (Baht : share)		0.210	0.188	0.202	0.267
Weighted average number of common shares (unit : shares)	26	6,527,993,958	6,527,993,958	6,527,993,958	6,527,993,958

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

DYNASTY CERAMIC PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE YEARS ENDED 31 DECEMBER

(Unit : Baht)

Shareholders' equity of the Company								
	Note	Paid - up Share Capital	Premium on Share capital	Retained earnings		Total shareholders' equity of the Company	Non-controlling interests	Total
				Legal Reserve	Unappropriated			
<u>Consolidated F/S</u>								
Balance as at 1 January 2014		408,000,000	506,000,000	40,800,000	1,756,598,309	2,711,398,309	49,775,341	2,761,173,650
Comprehensive income for the year		-	-	-	1,254,246,322	1,254,246,322	2,423,598	1,256,669,920
Dividend paid from subsidiaries		-	-	-	-	-	(8,922,134)	(8,922,134)
Dividend payment	25	-	-	-	(1,203,600,000)	(1,203,600,000)	-	(1,203,600,000)
Balance as at 31 December 2014		408,000,000	506,000,000	40,800,000	1,807,244,631	2,762,044,631	43,276,805	2,805,321,436
<u>Balance as at 1 January 2015</u>								
Share increment during the year	22	408,000,000	506,000,000	40,800,000	1,807,244,631	2,762,044,631	43,276,805	2,805,321,436
Appropriation for legal reserve	23	244,799,396	-	-	-	244,799,396	-	244,799,396
Comprehensive income for the year		-	-	24,480,000	(24,480,000)	-	-	-
Dividend payment	25	-	-	-	1,372,438,930	1,372,438,930	3,142,580	1,375,581,510
Balance as at 31 December 2015		652,799,396	506,000,000	65,280,000	(1,305,166,400)	(1,305,166,400)	-	(1,305,166,400)
					1,850,037,161	3,074,116,557	46,419,385	3,120,535,942

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

DYNASTY CERAMIC PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE YEARS ENDED 31 DECEMBER

(Unit : Baht)

	Note	Paid - up Share Capital	Premium on Share capital	Retained earnings		Total
				Legal Reserve	Unappropriated	
<u>Separate F/S</u>						
Balance as at 1 January 2014		408,000,000	506,000,000	40,800,000	3,615,076	958,415,076
Comprehensive income for the year		-	-	-	1,749,845,851	1,749,845,851
Dividend payment	25	-	-	-	(1,203,600,000)	(1,203,600,000)
Balance as at 31 December 2014		408,000,000	506,000,000	40,800,000	549,860,927	1,504,660,927
Balance as at 1 January 2015		408,000,000	506,000,000	40,800,000	549,860,927	1,504,660,927
Share increment during the year	22	244,799,396	-	-	-	244,799,396
Appropriation for legal reserve	23	-	-	24,480,000	(24,480,000)	-
Comprehensive income for the year		-	-	-	1,321,387,558	1,321,387,558
Dividend payment	25	-	-	-	(1,305,166,400)	(1,305,166,400)
Balance as at 31 December 2015		652,799,396	506,000,000	65,280,000	541,602,085	1,765,681,481

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

DYNASTY CERAMIC PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED 31 DECEMBER

(Unit : Baht)

	Consolidated F/S		Separate F/S	
	2015	2014	2015	2014
Cash Flows From Operating Activities				
Income before income tax	1,723,641,258	1,570,467,894	1,653,883,268	1,962,993,852
Adjustments to reconcile income before income tax to net cash provided from (used in) operating activities:				
Depreciation and amortization	291,319,339	285,054,182	205,041,339	171,180,678
Allowance (reversal of allowance) for doubtful accounts	610,576	(1,389,974)	610,576	-
Allowance (reversal of allowance) for obsolete stock	(135,058)	(212,832)	-	-
Goodwill written-off	-	103,623,825	-	-
Loss (gain) from disposal of fixed assets	9,312,641	(1,363,475)	8,975,045	(2,767,250)
Unrealized loss (gain) on exchange rate	187,210	(21,468)	88,525	(50,896)
Dividend income	-	-	-	(864,087,866)
Interest income	(830,823)	(799,849)	(753,173)	(1,354,110)
Interest expense	25,522,619	32,853,327	23,546,089	30,669,026
Provision for provident fund	2,716,219	2,646,364	-	-
Provision for employee benefits obligation	8,735,933	8,152,542	6,648,126	4,615,745
Cash Flows Provided from Operations before Changes in Operating Assets and Liabilities	2,061,079,914	1,999,010,536	1,898,039,795	1,301,199,179
Decrease (increase) in operating assets;				
Trade accounts receivable	(35,962,066)	15,702,067	(35,962,066)	(10,384,302)
Trade accounts and other receivable - subsidiary company	-	-	-	1,055,848,588
Inventories	177,834,082	(154,840,762)	178,582,676	(983,877,346)
Other current assets	13,686,548	(18,981,820)	5,048,324	(7,787,352)
Other non - current assets	(2,946,875)	(2,589,905)	(4,024,000)	(33,016,172)
Increase (decrease) in operating liabilities;				
Trade accounts payable	(29,359,342)	(78,060,695)	(28,305,479)	13,996,735
Trade accounts and others payable - subsidiary company	-	-	91,832,324	(1,786,362)
Other current liabilities	(6,777,630)	(46,857,505)	(8,105,574)	21,867,364
Unfunded provident fund - non contributory	(1,481,067)	(739,497)	-	-
Employee benefits obligation	(824,889)	(575,943)	(348,387)	13,759,009
Cash Provided from Operating Activities	2,175,248,675	1,712,066,476	2,096,757,613	1,369,819,341
Income tax paid	(267,454,933)	(293,532,128)	(257,836,563)	(258,947,604)
Net Cash Provided from Operating Activities	1,907,793,742	1,418,534,348	1,838,921,050	1,110,871,737

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

DYNASTY CERAMIC PUBLIC COMPANY LIMITED AND SUBSIDIARY
STATEMENTS OF CASH FLOWS (CONTINUED)
FOR THE YEARS ENDED 31 DECEMBER

(Unit : Baht)

	Consolidated F/S		Separate F/S	
	2015	2014	2015	2014
Cash Flows from Investing Activities				
Purchases of assets	(369,373,801)	(346,106,331)	(304,055,844)	(811,316,647)
Acquisitions of computer program	(11,015,509)	(5,633,100)	(11,015,509)	(3,362,123)
Payment for leasehold right	(7,157,895)	(5,291,187)	(7,157,895)	(5,291,187)
Proceed from disposal of fixed assets	782,533	11,374,228	782,533	13,165,817
Cash received from interest income	830,823	799,849	753,173	1,354,110
Cash received from subsidiaries' dividend	-	-	-	864,087,866
Net Cash Provided from (used in) Investing Activities	(385,933,849)	(344,856,541)	(320,693,542)	58,637,836
Cash Flows from Financing Activities				
Increase in short - term loans from financial institutions	10,990,000,000	9,310,000,000	10,990,000,000	9,310,000,000
Repayment for short - term loans from financial institutions	(11,420,000,000)	(9,105,000,000)	(11,420,000,000)	(9,105,000,000)
Interest payment	(21,215,017)	(28,442,836)	(21,214,477)	(28,201,390)
Dividend payments	(1,060,367,004)	(1,203,600,000)	(1,060,367,004)	(1,203,600,000)
Dividend paid from subsidiary companies	-	(8,922,134)	-	-
Net Cash Used in Financing Activities	(1,511,582,021)	(1,035,964,970)	(1,511,581,481)	(1,026,801,390)
NET INCREASE IN CASH AND CASH EQUIVALENTS	10,277,872	37,712,837	6,646,027	142,708,183
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	206,837,966	169,125,129	194,150,525	51,442,342
CASH AND CASH EQUIVALENTS AT END OF YEAR	217,115,838	206,837,966	200,796,552	194,150,525

Supplemental cash flows information

Non cash transactions:-

During the period, the Company paid stock dividend of 2,448 million shares

at Baht 0.06 per share	244,799,396	-	244,799,396	-
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The accompanying notes form an integral part of these financial statements.

DYNASTY CERAMIC PUBLIC COMPANY LIMITED AND SUBSIDIARY

NOTES TO FINANCIAL STATEMENTS

31 DECEMBER 2015

1. NATURE OF OPERATIONS

Dynasty Ceramic Public Company Limited (“the Company”) was registered as a public company in the year 1993. The Company is principally engaged in the manufacturing and selling of ceramic wall and floor tiles. Its registered office address is 37/7 Suthisarnwinijchai Rd., Samseannok, Huaykwang, Bangkok. The major shareholder of the Company is Saengsastra family.

Presently, the Company has 193 branches located in various provinces in Thailand.

The Company has a subsidiary, Tile Top Industry Public Company Limited, which is also engaged in the the manufacturing and selling of ceramic wall and floor tiles for sales mainly to the Company. Its head office address is 37/7 Suthisarnwinijchai Rd., Samsennok, Hueykwang, Bangkok.

2. BASIS FOR FINANCIAL STATEMENTS PREPARATION AND PRINCIPLES OF CONSOLIDATION

2.1 Basis of financial statement preparation

The accompanying financial statements have been prepared in accordance with the Accounting Act B.E. 2543 and Thai Accounting Standards issued under the Accounting Professions Act B.E. 2547 and the financial reporting requirements promulgated by the Securities and Exchange Commission under the Securities and Exchange Act B.E. 2535. They are officially prepared in Thai. The translation of these financial statements to other language must conform to the official report in Thai.

The financial statements have been prepared on a historical cost basis, except as otherwise disclosed specifically.

The Federation of Accounting Professions has issued new and revised TFRS effective for annual accounting periods beginning on or after 1 January 2015. The initial application of these new and revised TFRS has resulted in changes in certain of the Company's and subsidiary's accounting policies as follow;

TFRS 10 Consolidated Financial Statements

TFRS 10 prescribes requirements for the preparation of consolidated financial statements and replaces the part dealing with consolidated financial statements as included in TAS 27: Consolidated and Separate Financial Statements. This standard changes the principles used in considering whether control exists. Under this standard, an investor is deemed to have control over an investee if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns, even if it holds less than half of the shares or voting rights. This important change requires the management to exercise a lot of judgement when reviewing whether the Company has control over the investees and determine which entities have to be included for preparation of the consolidated financial statements.

TFRS 13 Fair Value Measurement

This standard provides guidance on how to measure fair value and stipulates disclosures related to fair value measurements. Entities are to apply the guidance under this standard if they are required by other accounting standards to measure their assets or liabilities at fair value. The effect of the change from the adoption of this standard is to be recognized prospectively.

Based on the preliminary analysis, the management believes that the above standards do not have any significant impact on the current year financial statements.

In addition to the above new and revised TFRSs, the FAP has issued a number of other new and revised TFRSs which are effective for annual financial periods beginning on or after 1 January 2016 and have not been adopted in the preparation of these financial statements.

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

TFRS	Topic
TAS 1 (revised 2015)	Presentation of Financial Statements
TAS 2 (revised 2015)	Inventories
TAS 7 (revised 2015)	Statement of Cash Flows
TAS 8 (revised 2015)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10 (revised 2015)	Events After the Reporting Period
TAS 11 (revised 2015)	Construction Contracts
TAS 12 (revised 2015)	Income Taxes

TFRS	Topic
TAS 16 (revised 2015)	Property, Plant and Equipment
TAS 17 (revised 2015)	Leases
TAS 18 (revised 2015)	Revenue
TAS 19 (revised 2015)	Employee Benefits
TAS 21 (revised 2015)	The Effects of Changes in Foreign Exchange Rates
TAS 23 (revised 2015)	Borrowing Costs
TAS 24 (revised 2015)	Related Party Disclosures
TAS 26 (revised 2015)	Accounting and Reporting by Retirement Benefit Plans
TAS 27 (revised 2015)	Separate Financial Statements
TAS 28 (revised 2015)	Investments in Associates and Joint Ventures
TAS 33 (revised 2015)	Earnings Per Share
TAS 34 (revised 2015)	Interim Financial Reporting
TAS 36 (revised 2015)	Impairment of Assets
TAS 37 (revised 2015)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38 (revised 2015)	Intangible Assets
TAS 40 (revised 2015)	Investment Property
TFRS 2 (revised 2015)	Share-based Payment
TFRS 3 (revised 2015)	Business Combinations
TFRS 4 (revised 2015)	Insurance Contracts
TFRS 5 (revised 2015)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 8 (revised 2015)	Operating Segments
TFRS 10 (revised 2015)	Consolidated Financial Statements
TFRS 11 (revised 2015)	Joint Arrangements
TFRS 13 (revised 2015)	Fair Value Measurement
TSIC 15 (revised 2015)	Operating Leases – Incentives
TSIC 25 (revised 2015)	Income Taxes – Changes in the Tax Status of an Enterprise or its Shareholders

TFRS	Topic
TSIC 27 (revised 2015)	Evaluating the Substance of Transactions in the Legal Form of a Lease
TFRIC 1 (revised 2015)	Changes in Existing Decommissioning, Restoration and Similar Liabilities
TFRIC 4 (revised 2015)	Determining Whether an Arrangement Contains a Lease
TFRIC 10 (revised 2015)	Interim Financial Reporting and Impairment
TFRIC 14 (revised 2015)	TAS 19 (revised 2015) Employee Benefits – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
TFRIC 15 (revised 2015)	Agreements for the Construction of Real Estate
TFRIC 17 (revised 2015)	Distributions of Non-cash Assets to Owners
TFRIC 18 (revised 2015)	Transfers of Assets from Customers

The Company and subsidiary have made a preliminary assessment of the potential initial impact on the consolidated and separate financial statements of these new and revised TFRSs and believe that there will be no material impact on the financial statements in the period of initial application.

These financial statements have been approved by the Company's Board of Directors on 17 February 2016.

2.2 Principles of consolidation

The consolidated financial statements include the financial statements of Dynasty Ceramic Public Company Limited and its subsidiary which are under its control with more than 50 percent of voting rights as follow :

Subsidiary Company	Percentage of holding (%)		Nature of business
	2015	2014	
Tile Top Industry Public Co., Ltd.	96.83	96.83	Manufacturing and distribution of ceramic wall and floor tiles

Significant transactions with subsidiary have been eliminated in the consolidated financial statements.

The consolidated financial statements have been prepared with the same accounting policies for the separate financial statements for the same accounting transactions or accounting events.

The total assets of subsidiary as at 31 December 2015 and 2014 and total revenues for the years ended 31 December 2015 and 2014, as included in the consolidated financial statements presented in term of percentages as follow :

	Percentage of subsidiaries' total assets to consolidated total assets		Percentage of subsidiaries' total revenues to consolidated total revenues	
	2015	2014	2015	2014
Subsidiary companies				
Tile Top Industry Public Co., Ltd.	35	34	32	36
Pick and Pay Co., Ltd.*	-	-	-	20
Muangthong Ceramic Co., Ltd.*	-	-	-	12
World Wide Ceramic Co., Ltd.*	-	-	-	18

* The three subsidiaries have registered their liquidation with the Department of Business Development on 30 September 2014 which has been in process of dissolution and the settlement of share capital to the Company. The investments in subsidiaries, therefore, have been classified as Other Investments under current assets in the statement of financial position.

3. SIGNIFICANT ACCOUNTING POLICIES

3.1 Revenues and expenses recognition

Sales are recognized as revenues upon delivery of goods based on net invoice value, after discounts.

Other income and expenses are recognized on an accrual basis.

Dividend income is recognized when the right to receive the dividends is established.

3.2 Cash and cash equivalents

Cash and cash equivalents include cash on hand and highly liquid cash in banks (which do not have restriction of usage) that are readily convertible to cash on maturity date with insignificant risk of change in value.

3.3 Trade accounts receivable and allowance for doubtful accounts

Trade accounts receivable are stated at the net realisable value. The Company and its subsidiary provided allowances for doubtful accounts for the estimated losses that may incur in collection of receivables. The allowances are generally based on collection experiences and analysis of debtor aging, and the likelihood of settlement of debt, on specific accounts.

3.4 Inventories

The Company and its subsidiary value their inventories at standard costs or net realizable values, whichever is the lower. Standard costs approximate actual average costs (moving average method). Net realizable values are based on the estimated selling prices in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. Provision is made when necessary for slow - moving and defective inventories based on past experiences.

3.5 Investments

(a) Investments in subsidiary in separate financial statements are presented by the cost method. The Company recognizes gain or loss on sale in the statement of profit or loss and other comprehensive income in the period which investments are sold. When there is an indication of impairment on investment, the Company will recognize loss from impairment as expense out-right in the statement of profit or loss and other comprehensive income. The Company recognizes dividends income when the subsidiary declares the payments of their dividends.

(b) Investment in non - marketable equity securities, which the Company classified as other investments, are presented at cost net of allowance for impairment (if any).

3.6 Property, plant and equipment

Property, plant and equipment are stated at cost. Cost is measured by the cash or cash equivalent price of obtaining the asset to bring it to the location and condition necessary for its intended use. Plant and equipment in the statements of financial position are stated at costs less accumulated depreciation and allowance for impairment of assets (if any).

The Company and its subsidiary depreciate buildings and structures and equipment by the straight - line method over the estimated useful lives of assets based on the segregation of components, if each part is significant with different useful lives. Estimated useful lives of the assets are as follows :

Building and structure	20 - 52 years
Machinery and equipment	5 - 20 years
Furniture, fixtures and office equipment	5 - 20 years
Vehicles	5 years

Expenditures for expansion, renewal and betterment are capitalized. Repair and maintenance costs are recognized as an expense when incurred.

3.7 Intangible assets

Intangible assets (Computer software) are stated at cost less accumulated amortization. Amortization of intangible assets is calculated by reference to their costs on a straight-line basis over the estimated useful lives of 5 years.

3.8 Leasehold rights cost

Cost of obtaining the leasehold rights is presented at cost less accumulated amortization and allowance for impairment (if any). Amortisation is charged to the statement of profit or loss and other comprehensive income on a straight-line basis over the estimated useful lives of the lease between 3 to 16 years.

3.9 Property foreclosed and assets not used in operations

Property foreclosed - land possessed from debtors is stated at the net realizable values.

Asset not used in operations - machinery is stated at cost less allowance for impairment (If any). The Company and its subsidiary recognize impairment loss on the assets in the statement of profit or loss and other comprehensive income for the period in which they incurred.

3.10 Impairment of assets

The Company and its subsidiary assess whether there is an indication that any asset may be impaired. If any such indication exists, the Company and its subsidiary make an estimate of the asset recoverable amount. Where the carrying amount of the asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Impairment losses are recognized in the statement of profit or loss and other comprehensive income. An asset recoverable amount is the higher of fair value less costs to sell and value in use.

3.11 Foreign currencies transactions

Transactions in foreign currencies are translated into Baht at the foreign exchange rate ruling at the date of transaction. Balances of monetary assets and liabilities, dominated in foreign currencies, at the reporting date are translated into Thai Baht at the foreign exchange rate ruling at that date. Gain or loss arising from translation is recognized in the statement of profit or loss and other comprehensive income.

3.12 Employee benefits

Employee benefits

Current employment benefits

Salaries, wages, bonuses, contribution to the social security and provident fund, are recognised as expenses when incurred on the accrual basis.

Unfunded provident fund

A subsidiary has established a non-contributory provident fund for its employees whereby the subsidiary solely accrues its contribution to the self-managed provident fund at rate of 5.5% of basic salaries per annum in accordance with the subsidiary's regulations. The employees will receive the provident fund plus benefits upon their resignation.

Post-employment benefits (Defined contribution plan)

The Company and its subsidiary, and their employees have jointly established a provident fund plan whereby monthly contributions are made by employees and by the Company and subsidiary. The fund's assets are held under a trusted fund separately from the Company's and subsidiary's assets. The Company's and subsidiary's contribution to the fund are recognised as expenses when incurred.

Post-employment benefits (Defined benefit plan)

The Company and its subsidiary have obligation in respect of the severance payment they must make to employees upon retirement under the labour law. The Company and subsidiary set up accruals for the obligation under the defined benefits plan based on actuarial techniques, using the discount method on each projected unit.

Actuarial gains or losses occurred from the change in the salaries and wages and other factors used for the computation of post-employee benefits are presented under shareholders' equity.

3.13 Income tax

The income tax expense recognized in profit or loss for the year comprises deferred income taxes and current income tax not recognized in other comprehensive income or directly in equity.

Current income tax

Current income tax is the expected tax payable or claimable on the taxable profit or loss for the year, which is different from profit or loss in the financial statements, using income tax rates enacted or substantially enacted at the end of the reporting period, and any adjustment to income tax payable in respect of previous years.

Deferred income tax

Deferred income taxes are calculated using the liability method on temporary differences between the accounting amounts of assets and liabilities and the amounts used for tax computation purpose. Deferred income taxes are calculated at the income tax rates that are expected to be applied to the temporary differences when they reverse, using income tax rates enacted or substantively enacted at the end of the reporting period.

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 Revenue Department on a net basis or when tax assets and liabilities will be realized simultaneously.

3.14 Related parties

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 directing the Company's operations.

3.15 Financial instruments

The Company and its subsidiary have no policy to speculate in or be engaged in the trading of any financial derivative instruments.

Financial instruments carried in the statement of financial position include cash and cash equivalents, trade accounts receivable, trade accounts payable and loans from financial institutions. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item.

3.16 Fair value measurement of financial instruments

Financial assets and financial liabilities measured at fair value in the statement of financial position are grouped into three levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
- Level 3: unobservable inputs for the asset or liability.

3.17 Operating lease

Lease of asset which all risks and rewards of ownership are effectively retained by the lessor is classified as operating lease. Lease payment under an operating lease is recognized as expense on a systematic basis over the lease period.

3.18 Dividend payment

Dividend payment is recorded in the financial statements in the year in which they are approved by the Shareholders or Board of Directors.

3.19 Earnings per share

Basic earnings per share are determined by dividing the net income by the weighted average number of shares outstanding during the year.

3.20 Segment reporting

Segment results that are reported to the Company's executive committee (the chief operating decision maker) include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

3.21 Use of accounting estimates

When preparing the financial statements, management undertake judgments, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses. The actual results may differ from the judgments, estimates and assumptions made by management.

3.22 Provisions for liabilities and expenses, and contingent assets

Provisions are recognized in the financial statements when the Company and its subsidiary have legal or constructive obligation as a result of past events with probable outflow of resources to settle the obligation and where a reliable estimate of the amount can be made. The contingent asset will be recognized as separate asset only when the realization is virtually certain.

4. CRITICAL ACCOUNTING ESTIMATES, ASSUMPTION AND JUDGMENT AND CAPITAL RISK MANAGEMENT

4.1 Critical accounting estimates, assumption and judgments

4.1.1 Impairment of receivables

The Company and subsidiary set allowance for doubtful accounts equal to the estimated collection losses that may incur should they can not collect the payments from debtors. The estimated losses are based on uncertainty in the collection and the judgement of management.

4.1.2 Allowance for slow - moving and defective inventories

The Company and subsidiary estimate allowance for slow - moving and defective inventories to reflect impairment of inventories. The allowance is based on the management's consideration of inventory turnovers and deterioration of each category of inventories.

4.1.3 Impairment of investments

The company treats investments as impaired when there has been a significant or prolonged decline in their fair value below costs or where other objective evidence of impairment exists. The determination of what is “significant” or “prolonged” requires management judgment.

4.1.4 Property, plant and equipment and intangible assets

Management regularly determines the estimated useful lives and residual values of the Company's and its subsidiary's plant and equipment and intangible assets, and will revise the depreciation where useful lives and residual values previously estimated have changed or subject to be written down for their technical obsolescence or if they are no longer in used.

4.1.5 Impairment of goodwill

The Company annually reviews goodwill from investments in subsidiary company to determine whether it is impaired or not. The recoverable amounts of cash-generating units are determined based on value-in-use calculation. This calculation requires the use of management estimates.

4.1.6 Leases

In determining whether a lease is to be classified as an operating lease or finance lease, management is required to use judgment as to whether significant risk and rewards of ownership of the leased assets have been transferred to the Company and its subsidiary, taking into consideration the terms and conditions of the arrangement.

4.1.7 Impairment of assets

The Company and its subsidiary treat assets as impaired when there is significant or prolonged decline in their fair value below costs or where other objective evidence of impairment exists. The determination of what is “significant” or “prolonged” requires management judgment.

4.1.8 Post-employment benefits (defined benefit plans)

The obligation under defined benefit plan is determined based on actuarial techniques. Inherent within these calculations are assumptions as to discount rates, future salary increases, mortality rates and other demographic factors. In determining the appropriate discount rate, management selects an interest rate that reflects the current economic situation. The mortality rate is based on publicly available mortality table for the country. Actual post-retirement costs may ultimately differ from these estimates.

4.1.9 Deferred tax assets

The extent to which deferred tax assets can be recognised is based on an assessment of the probability of the Company's future taxable income against which the deductible temporary differences can be utilised. In addition, management judgment is required in assessing the impact of any legal or economic limits or uncertainties in various tax jurisdictions.

4.2 Capital risk management

The Company objective in the management of capital is to safeguard its ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders, and to maintain an optimal capital structure.

In order to maintain or adjust the capital structure, the Company may issue new shares or issue new debentures to finance debts or sell assets to reduce debts.

5. CASH AND CASH EQUIVALENTS

(Unit : Baht)

	Consolidated F/S		Separate F/S	
	2015	2014	2015	2014
Cash on hand	3,644,232	3,414,337	3,554,232	3,324,337
Cash at banks				
- Current accounts	25,675,501	13,590,056	16,204,108	9,586,410
- Saving accounts	187,796,105	189,833,573	181,038,212	181,239,778
Total	217,115,838	206,837,966	200,796,552	194,150,525

Cash at bank – saving accounts bear interest at the floating rate of depository banks.

6. TRANSACTIONS WITH RELATED PARTIES

The Company has significant transactions with its related parties stated below. Those transactions are executed based on agreed upon bases which might be different from the bases used for transactions with unrelated parties.

Name	Type of Business	Relationship
Tile Top Industry Public Co., Ltd.	Manufacturing and distribution of ceramic wall and floor tiles	Subsidiary Company
Pick and Pay Co., Ltd.*	Distribution of ceramic wall and floor tiles	Subsidiary Company (being liquidated)
Muangthong Ceramic Co., Ltd.*	Distribution of ceramic wall and floor tiles	Subsidiary Company (being liquidated)
World Wide Ceramic Co., Ltd.*	Distribution of ceramic wall and floor tiles	Subsidiary Company (being liquidated)
Mr. Roongroj Saengsastra	Owner of the property leased to subsidiary	Director of the Company and Subsidiary
Mr. Monrak Saengsastra	Owner of the property leased to subsidiary	Director of the Company and Subsidiary
Mr. Marut Saengsastra	Owner of the property leased to subsidiary	Director of the Company and Subsidiary

* At the General Meeting of Shareholders No. 1/2014 on 29 April 2014, the shareholders passed a resolution for group restructuring by Entire Business Transfer of three subsidiaries, consisting of Muangthong Ceramic Co., Ltd, World Wide Ceramic Co., Ltd. and Pick and Pay Co., Ltd. ("subsidiaries"). The transfer of assets and liabilities were based on the book values as at the transfer date which was effective on 1 June 2014. The three subsidiaries had registered for the liquidation with the Department of Business Development on 30 September 2014 which has been in process of dissolution and the settlement of share capital to the Company. The Company therefore classified the investments in such three subsidiaries as other investments under current assets.

The significant transactions with related parties for the years ended 31 December 2015 and 2014 are as follows :

(Unit : Baht)

		Consolidated F/S		Separate F/S	
		For the years ended 31 December			
	Pricing Policy	2015	2014	2015	2014
<u>Sales - finished goods</u>					
Pick and Pay Co., Ltd.	As determined by the parent company,	-	-	-	1,229,109,908
Muangthong Ceramic Co., Ltd.	comparable market prices and	-	-	-	753,380,975
World Wide Ceramic Co., Ltd.	more than cost	-	-	-	497,056,278
Total	-	-	-	-	2,479,547,161
<u>Sales - raw materials and supplies</u>					
Tile Top Industry Public Co., Ltd.	At cost	-	-	2,147,211	6,703,390
Pick and Pay Co., Ltd.	At cost	-	-	-	113,855
Total		-	-	2,147,211	6,817,245
<u>Office and branches rental income</u>					
Tile Top Industry Public Co., Ltd.	Contract price	-	-	720,000	720,000
Pick and Pay Co., Ltd.		-	-	-	1,856,874
Muangthong Ceramic Co., Ltd.		-	-	-	827,447
World Wide Ceramic Co., Ltd.		-	-	-	182,105
Total		-	-	720,000	3,586,426
<u>Management income</u>					
Tile Top Industry Public Co., Ltd.	Baht 1,000,000 per month	-	-	12,000,000	12,000,000
Pick and Pay Co., Ltd.	Baht 480,000 per branch / year	-	-	-	18,600,000
Muangthong Ceramic Co., Ltd.	Baht 480,000 per branch / year	-	-	-	11,720,000
World Wide Ceramic Co., Ltd.	Baht 480,000 per branch / year	-	-	-	8,600,000
Total		-	-	12,000,000	50,920,000

(Unit : Baht)

		Consolidated F/S		Separate F/S	
		For the years ended 31 December			
	Pricing Policy	2015	2014	2015	2014
<u>Vehicle rental income</u>					
Pick and Pay Co., Ltd.	Baht 21,000 per car / month	-	-	-	4,725,000
Muangthong Ceramic Co., Ltd.		-	-	-	2,625,000
World Wide Ceramic Co., Ltd.		-	-	-	2,100,000
Total		-	-	-	9,450,000
<u>Dividend income</u>					
Pick and Pay Co., Ltd.		-	-	-	429,214,450
Muangthong Ceramic Co., Ltd.		-	-	-	308,382,022
World Wide Ceramic Co., Ltd.		-	-	-	126,491,394
Total		-	-	-	864,087,866
<u>Interest income</u>					
Pick and Pay Co., Ltd.	2.58 percent per annum	-	-	-	375,125
Muangthong Ceramic Co., Ltd.		-	-	-	350,809
World Wide Ceramic Co., Ltd.		-	-	-	58,668
Total		-	-	-	784,602
<u>Purchases - finished goods</u>					
Tile Top Industry Public Co., Ltd.	At competitive market price but more than cost	-	-	2,308,896,020	2,587,985,125
<u>Purchases - raw materials and supplies</u>					
Tile Top Industry Public Co., Ltd.	At cost	-	-	4,233,753	5,479,404
<u>Management fee</u>					
Tile Top Industry Public Co., Ltd.	Baht 300,000 per month	-	-	3,600,000	3,600,000
<u>Land rental expenses</u>					
Mr. Roongroj Saengsastra	Baht 1,000,000 per year	1,000,000	1,000,000	1,000,000	583,333
Mr. Monrak Saengsastra and					
Mr. Marut Saengsastra	Baht 1,000,000 per year	1,000,000	1,000,000	1,000,000	583,333
Total		2,000,000	2,000,000	2,000,000	1,166,666
<u>Management expense</u>					
Current employment benefits		45,178,665	38,841,156	32,177,261	27,439,091
Post-employment benefits		421,472	477,664	281,426	333,294
Total		45,600,137	39,318,820	32,458,687	27,772,385

The significant balances with related company as at 31 December 2015 and 2014 are as follows:

(Unit : Baht)

	Consolidated F/S		Separate F/S	
	2015	2014	2015	2014
<u>Trade accounts and others payables</u> <u>– subsidiary company</u>				
Tile Top Industry Public Co., Ltd.	-	-	693,022,807	601,190,484
Employee benefits obligation				
<u>Executive</u>				
- Post – employment benefits	13,189,005	12,767,533	9,433,122	9,151,696

Total assets and liabilities that the Company received from the transfers from 3 subsidiaries as at 1 June 2014 are as follow :

(Unit : Baht)

	Muangthong Ceramic Co., Ltd.	Pick and Pay Co., Ltd.	Worldwide Ceramic Co., Ltd.
Cash and cash equivalents	38,779,156	79,305,815	48,096,979
Trade accounts receivable	2,852,492	9,189,226	1,485,835
Inventories	358,655,644	629,745,211	283,809,060
Other current assets – net	2,356,514	1,804,138	799,058
Property, plant and equipment – net	104,395,983	240,731,507	186,914,700
Deferred income tax asset	639,351	1,503,645	627,075
Other non – current assets – net	14,749,235	9,889,140	5,299,838
Total	522,428,375	972,168,682	527,032,545
Trade accounts payable – parent company	504,078,062	931,541,327	517,260,438
Other current liabilities	9,604,554	14,843,504	5,521,692
Employee benefits obligation	3,196,754	7,518,225	3,135,373
Total	516,879,370	953,903,056	525,917,503
Net assets	5,549,005	18,265,626	1,115,042

7. TRADE ACCOUNTS RECEIVABLE

Outstanding balances of receivable as at 31 December 2015 and 2014 classified by ages are as follows:

(Unit : Baht)

	Consolidated F/S		Separate F/S	
	2015	2014	2015	2014
<u>Trade accounts receivable</u>				
Not over 90 days	122,358,030	85,392,898	122,358,030	85,392,898
Over 90 days to 120 days	2,592,888	4,034,343	2,592,888	4,034,343
Over 120 days to 180 days	1,236,380	875,136	1,236,380	875,136
Over 180 days to 365 days	77,145	-	77,145	-
Total	126,264,443	90,302,377	126,264,443	90,302,377

The Company grants credit terms to its general customers for 7 – 75 days.

8. INVENTORIES – NET

(Unit : Baht)

	Consolidated F/S		Separate F/S	
	2015	2014	2015	2014
Finished goods	1,343,284,443	1,508,240,062	1,348,164,971	1,518,752,228
Work in process	39,993,201	38,527,206	18,843,904	17,147,829
Raw materials	112,369,518	121,806,488	49,582,922	61,658,558
Supplies	86,163,765	84,345,692	45,381,255	45,087,406
Goods in transit	2,659,676	9,385,237	2,384,418	294,125
Total	1,584,470,603	1,762,304,685	1,464,357,470	1,642,940,146
Less Allowance for decline values	(2,349,377)	(2,484,435)	-	-
Net	1,582,121,226	1,759,820,250	1,464,357,470	1,642,940,146

During the year, the movements of allowances for decline value of inventories are as follows :

(Unit : Baht)

	Consolidated F/S		Separate F/S	
	2015	2014	2015	2014
Beginning balance	2,484,435	2,697,267	-	-
Increase	-	-	-	-
Decrease	(135,058)	(212,832)	-	-
Ending balance	2,349,377	2,484,435	-	-

During the year 2015, the subsidiary reversed allowances for decline value of inventories and raw materials of Baht 0.14 million because they were used for production. Those were reversed in the statement of profit or loss and other comprehensive income. (2014 : Baht 0.21 million)

9. OTHER INVESTMENTS

As described in Note 6 to the financial statements, other investments in the consolidated and separate financial statements as at 31 December 2015 and 2014 are as follow:

(Unit : Thousand Baht)

	Consolidated and Separate F/S					
	Paid-up capital		Percentage of shareholding		Amount	
	2015	2014	2015	2014	2015	2014
Pick and Pay Co., Ltd.	12,000	12,000	97.99	97.99	12,520	12,520
Muangthong Ceramic Co., Ltd.	4,500	4,500	99.98	99.98	4,790	4,790
World Wide Ceramic Co., Ltd.	1,000	1,000	99.93	99.93	1,064	1,064
Total				18,374	18,374	

The Company will receive the returns of investments upon the completion of liquidation of the above three companies.

10. OTHER CURRENT ASSETS – NET

(Unit : Baht)

	Consolidated F/S		Separate F/S	
	2015	2014	2015	2014
Undue valued added tax	6,014,048	7,864,611	2,808,443	3,683,754
Rewards and sale promotion supplies	4,726,315	6,495,161	4,726,315	6,495,161
Prepaid insurance	5,942,969	7,036,676	4,981,874	5,501,282
Prepaid rental	22,161,305	25,762,665	22,161,305	25,762,665
Other current assets	3,697,591	12,475,542	3,344,531	5,015,934
Miscellaneous receivables	7,141,374	4,067,533	7,121,431	4,065,465
<u>Less</u> Allowance for doubtful accounts	(1,677,902)	(1,399,364)	(1,677,902)	(1,399,364)
Net	48,005,700	62,302,824	43,465,997	49,124,897

During the year, the movements in allowance for doubtful accounts receivable are as follows :

(Unit : Baht)

	Consolidated F/S		Separate F/S	
	2015	2014	2015	2014
Beginning balance	1,399,364	2,795,338	1,399,364	-
Increase	1,677,902	-	1,677,902	1,405,364
Decrease	(1,399,364)	(1,395,974)	(1,399,364)	(6,000)
Ending balance	1,677,902	1,399,364	1,677,902	1,399,364

During the year 2015, allowances for doubtful accounts decreased by Baht of 1.40 million, because the Subsidiary received the settlements from debtors. (2014 : Baht 1.40 million)

11. INVESTMENTS IN SUBSIDIARY

Investments in subsidiary in the separate financial statements as at 31 December 2015 and 2014 which are stated at cost are as follow:

(Unit : Thousand Baht)

	Paid-up capital		Percentage of shareholding		Amount		Dividend Income	
	2015	2014	2015	2014	2015	2014	2015	2014
Tile Top Industry Public Co., Ltd.	222,000	222,000	96.83	96.83	109,480	109,480	-	-
Pick and Pay Co., Ltd.	-	-	-	-	-	-	-	429,215
Muangthong Ceramic Co., Ltd.	-	-	-	-	-	-	-	308,382
World Wide Ceramic Co., Ltd.	-	-	-	-	-	-	-	126,491
Total					109,480	109,480	-	864,088

12. PROPERTY, PLANT AND EQUIPMENT – NET

(Unit : Thousand Baht)

	Consolidated F/S				
	2014	Increase	Decrease	Transfer in (out)	2015
Cost :					
Land	558,984	73,617	-	2,566	635,167
Building and structures	1,479,572	7,501	20,966	84,597	1,550,704
Building improvements	57,975	-	-	-	57,975
Machinery and equipment	4,427,777	17,728	29,413	108,310	4,524,402
Furniture, fixtures and office equipment	639,006	22,788	14,386	47,197	694,605
Vehicles	36,947	-	3,372	-	33,575
Construction in progress	100,189	247,740	4,229	(242,670)	101,030
Total	7,300,450	369,374	72,366	-	7,597,458
Less Accumulated depreciation :					
Building and structures	678,468	69,502	16,428	-	731,542
Building improvements	32,237	1,208	-	-	33,445
Machinery and equipment	3,135,420	143,381	29,074	-	3,249,727
Furniture, fixtures and office equipment	426,233	66,049	13,891	-	478,391
Vehicles	28,893	4,751	2,878	-	30,766
Total	4,301,251	284,891	62,271	-	4,523,871

(Unit : Thousand Baht)

	Consolidated F/S				
	2014	Increase	Decrease	Transfer in (out)	2015
Net book value	2,999,199				3,073,587
Depreciation allocation for the year:					
Cost of sales	159,059				175,867
Selling and administrative expenses	119,934				109,024
Total	278,993				284,891

(Unit : Thousand Baht)

	Separate F/S				
	2014	Increase	Decrease	Transfer in (out)	2015
Cost :					
Land	411,327	73,617	-	2,566	487,510
Building and structures	1,143,476	7,501	20,966	76,464	1,206,475
Machinery and equipment	2,273,180	12,229	5,789	50,828	2,330,448
Furniture, fixtures and office equipment	528,238	20,976	11,511	46,314	584,017
Vehicles	23,946	-	3,372	-	20,574
Construction in progress	71,123	189,733	4,229	(176,172)	80,455
Total	4,451,290	304,056	45,867	-	4,709,479
Less Accumulated depreciation :					
Building and structures	492,023	61,192	16,427	-	536,788
Machinery and equipment	1,596,610	75,863	5,789	-	1,666,684
Furniture, fixtures and office equipment	336,902	59,283	11,015	-	385,170
Vehicles	17,926	2,729	2,878	-	17,777
Total	2,443,461	199,067	36,109	-	2,606,419
Net book value	2,007,829				2,103,060
Depreciation allocation for the year:					
Cost of sales	83,859				92,077
Selling and administrative expenses	81,799				106,990
Total	165,658				199,067

(Unit : Thousand Baht)

	Consolidated F/S				
	2013	Increase	Decrease	Transfer in (out)	2014
Cost :					
Land	474,123	175,905	93,000	1,956	558,984
Building and structures	1,414,668	639,857	657,723	82,770	1,479,572
Building improvements	57,975	-	-	-	57,975
Machinery and equipment	4,297,611	22,856	36,388	143,698	4,427,777
Furniture, fixtures and office equipment	484,241	100,580	110,213	164,398	639,006
Vehicles	166,863	16,286	37,137	(109,065)	36,947
Construction in progress	174,101	234,078	24,233	(283,757)	100,189
Total	7,069,582	1,189,562	958,694	-	7,300,450
<u>Less Accumulated depreciation :</u>					
Building and structures	611,911	328,399	261,845	3	678,468
Building improvements	31,027	1,210	-	-	32,237
Machinery and equipment	3,037,214	130,740	34,646	2,112	3,135,420
Furniture, fixtures and office equipment	375,484	109,399	92,720	34,070	426,233
Vehicles	71,852	18,960	25,734	(36,185)	28,893
Total	4,127,488	588,708	414,945	-	4,301,251
Net book value	2,942,094				2,999,199
Depreciation allocation for the year:					
Cost of sales	134,989				159,059
Selling and administrative expenses	92,196				119,934
Total	227,185				278,993

(Unit : Thousand Baht)

	Separate F/S				
	2013	Increase	Decrease	Transfer in (out)	2014
Cost :					
Land	233,465	175,905	-	1,957	411,327
Building and structures	448,795	637,081	12,950	70,550	1,143,476
Machinery and equipment	2,196,718	15,871	11,349	71,940	2,273,180
Furniture, fixtures and office equipment	305,415	97,011	24,835	150,647	528,238
Vehicles	127,663	16,291	22,240	(97,768)	23,946
Construction in progress	89,574	178,875	-	(197,326)	71,123
Total	3,401,630	1,121,034	71,374	-	4,451,290
Less Accumulated depreciation :					
Building and structures	214,232	289,012	11,224	3	492,023
Machinery and equipment	1,532,461	71,326	8,703	1,526	1,596,610
Furniture, fixtures and office equipment	237,404	99,801	24,366	24,063	336,902
Vehicles	44,964	15,237	16,683	(25,592)	17,926
Total	2,029,061	475,376	60,976	-	2,443,461
Net book value	1,372,569				2,007,829
Depreciation allocation for the year:					
Cost of sales	69,291				83,859
Selling and administrative expenses	27,127				81,799
Total	96,418				165,658

Land transferred from 3 subsidiaries from the entire business transfer with a total value of Baht 93 million had already been registered in the name of the Company.

Part of the land where the Company's head office building is situated with the value of Baht 73 million (2.7% of total space) has been registered as the servitudes.

As at 31 December 2015 and 2014, a portion of the Company's and its subsidiary' buildings and equipment had been fully depreciated but are remained in active use. The gross carrying amounts of such assets before accumulated depreciation are totalling Baht 2,231 million and Baht 2,231 million, respectively. (the Company's portions : Baht 1,417 million and Baht 1,403 million, respectively)

13. COMPUTER PROGRAM – NET

(Unit : Baht)

	Consolidated F/S				
	2014	Increase	Decrease	Transfer in (out)	2015
At cost					
Computer software	45,114,875	11,015,509	-	-	56,130,384
<u>Less</u> Accumulated amortization	(29,690,499)	(4,949,135)	-	-	(34,639,634)
Net	15,424,376				21,490,750

(Unit : Baht)

	Separate F/S				
	2014	Increase	Decrease	Transfer in (out)	2015
At cost					
Computer software	42,843,898	11,015,509	-	-	53,859,407
<u>Less</u> Accumulated amortization	(29,523,753)	(4,494,939)	-	-	(34,018,692)
Net	13,320,145				19,840,715

(Unit : Baht)

	Consolidated F/S				
	2013	Increase	Decrease	Transfer in (out)	2014
At cost					
Computer software	39,481,775	5,633,100	-	-	45,114,875
<u>Less</u> Accumulated amortization	(24,604,429)	(5,086,070)	-	-	(29,690,499)
Net	14,877,346				15,424,376

(Unit : Baht)

	Separate F/S				
	2013	Increase	Decrease	Transfer in (out)	2014
At cost					
Computer software	39,481,775	3,362,123	-	-	42,843,898
<u>Less</u> Accumulated amortization	(24,604,429)	(4,919,324)	-	-	(29,523,753)
Net	14,877,346				13,320,145

14. GOODWILL

As a result of the business restructuring during the year 2014 described in Note 6 , the Company wrote off goodwill on investments in 3 subsidiaries from the consolidated financial statements amounting to Baht 103.62 million and recorded as “Goodwill written-off” in the consolidated statement of profit or loss and other comprehensive income for the year ended 31 December 2014.

15. OTHER NON - CURRENT ASSETS - NET

(Unit : Baht)

	Consolidated F/S		Separate F/S	
	2015	2014	2015	2014
Property foreclosed - net of accumulated depreciation	5,121,865	5,121,865	4,121,865	4,121,865
<u>Less</u> Allowance for impairment	(2,292,119)	(2,292,119)	(1,307,119)	(1,307,119)
Property foreclosed - net	2,829,746	2,829,746	2,814,746	2,814,746
Non-operating machine	-	4,647,318	-	4,647,318
<u>Less</u> Allowance for impairment	-	(4,647,318)	-	(4,647,318)
Non-operating machine - net	-	-	-	-
Deposit and guarantee	11,872,271	8,568,271	10,772,661	6,748,661
Lease right - land - net	10,471,989	4,793,612	10,471,989	4,793,612
Restricted deposit with bank	-	357,125	-	-
Total	25,174,006	16,548,754	24,059,396	14,357,019

The Company has amortization for land lease right in the statements of profit or loss and other comprehensive income for the year ended 31 December 2015 of Baht 1.48 million. (2014 : Baht 0.60 million)

The property foreclosed comprises land which the Company and a subsidiary take possession from debtors.

16. SHORT – TERM LOANS FROM FINANCIAL INSTITUTIONS

(Unit : Baht)

	Interest rate per annum	Consolidated F/S		Separate F/S	
		2015	2014	2015	2014
Promissory notes	2015: 2.05 - 2.50 per annum 2014: 2.50 - 2.87 per annum	960,000,000	1,390,000,000	960,000,000	1,390,000,000
Total		960,000,000	1,390,000,000	960,000,000	1,390,000,000

3 promissory notes will be matured at call.

As at 31 December 2015 and 2014, the Company and its subsidiary have credit facilities with the financial institutions as follow :

	Credit line (Million Baht)		Interest rate	Maturity Date
	2015	2014		
<u>Bank overdraft</u>				
The Company	40	70	At the floating rate at MOR per annum	One year
The subsidiary	30	30	At the floating rate at MOR per annum to MOR less 0.5% per annum	One year
<u>Short - term loans</u>				
The Company	2,167	2,337	At the floating rate at the lower of at MLR - 1.5% and MRR per annum At the average floating rate In 2015 : 2.46% per annum In 2014 : 2.50% per annum	Due at call
The subsidiary	620	620	At the floating rate at MRR per annum	Due at call

The subsidiary has credit facilities of Baht 520 million of which Baht 620 million can be jointly used by the Company.

	Credit line (Million Baht)		Interest rate	Maturity Date
	2015	2014		
<u>Liabilities under trust receipts</u>				
The Company	45	45	At the floating rate at MLR less 1.5% per annum	Maturity on agreement
The subsidiary	20	20	At the floating rate at MOR per annum	Maturity on agreement

The Company and subsidiary have to comply with the covenants as specified in bank overdraft and short - term loan agreements with financial institutions, such as not default the payment of loan, not transfer right or entitlement, not change type of business unless with prior approval from the lender, not change the management structure and have to assign beneficiary of the asset insurance of the Company and subsidiary to the lender, etc. Such credit facilities have no guarantee.

17. TRADE ACCOUNTS PAYABLE

Trade accounts payable classified by currencies as at 31 December 2015 and 2014 are as follows :

	Consolidated F/S			
	Currencies (Units)		Unit : Baht	
	2015	2014	2015	2014
Baht	-	-	468,758,502	496,818,363
Euro	234,641	80,899	9,338,607	3,264,700
USD	-	217,035	-	7,186,724
			478,097,109	507,269,787

	Separate F/S			
	Currencies (Units)		Unit : Baht	
	2015	2014	2015	2014
Baht	-	-	259,987,674	291,394,080
Euro	126,125	45,367	5,019,706	1,830,801
			265,007,380	293,224,881

18. OTHER CURRENT LIABILITIES

(Unit : Baht)

	Consolidated F/S		Separate F/S	
	2015	2014	2015	2014
Accrued salaries, wages and other employee compensation	79,056,666	78,180,935	45,448,156	47,060,224
Others	120,014,244	128,218,265	117,580,286	124,624,449
Total	199,070,910	206,399,200	163,028,442	171,684,673

19. UNFUNDED PROVIDENT FUND – NON CONTRIBUTORY

(Unit : Baht)

	Consolidated F/S	
	2015	2014
Beginning balance	55,386,296	53,479,429
Increase during the year – accrued interest	2,716,219	2,646,364
Payment during the year	(1,481,067)	(739,497)
Ending balance	56,621,448	55,386,296

The subsidiary had established a non-contributory provident fund covering all of its employees who has joined the Company before the year 1997, which the fund is a self-managed by the subsidiary (not in accordance with the Provident Fund Act B.E.2530). The subsidiary set up accruals for the fund at the amount equivalent to 5.5% of employees' salaries per annum based on the number of years employed at the specified rate. Employees will receive such benefits when resign. The accrual under this fund is made up to the year 2003. The subsidiary stopped accruing the fund under this fund when it established a funded provident fund in the year 2003.

20. PROVIDENT FUND

The Company's and subsidiary's had established a provident fund covering all of its employees in accordance with the provident Fund Act B.E. 2530. The employees contribute to the fund at the amount equivalent to 5% of the basic salaries and the Company and its subsidiary contribute to the fund for each employee at amount based on the number of years employed at the specified rate. The Company and its subsidiary appointed fund managers to manage the fund in accordance with the terms and conditions prescribed in the Provident Fund Act B.E.2530.

The Company and its subsidiary' contribution for the years ended 31 December 2015 and 2014 amounted to Baht 33.07 million and Baht 32.22 million, respectively. (Separate F/S: Baht 18.42 million and Baht 15.66 million, respectively)

21. EMPLOYEE BENEFITS OBLIGATION

- Employee benefits expense

Expenses recognised for employee benefits are analysed below:

(Unit : Baht)

	Consolidated F/S		Separate F/S	
	2015	2014	2015	2014
Salaries and wages	474,378,682	509,617,604	325,477,269	299,537,663
Social security costs	18,246,016	15,451,079	12,466,930	9,617,565
Pensions – defined benefit plans	13,473,118	10,368,423	10,445,201	7,407,546
Total	506,097,816	535,437,106	348,389,400	316,562,774

- Movements in employee benefits obligation for the year ended 31 December 2015 and 2014 are as follows :

(Unit : Baht)

	Consolidated F/S		Separate F/S	
	2015	2014	2015	2014
Defined benefit obligation at 1 January	112,593,793	135,695,957	67,045,154	57,178,789
Current service cost before deduction of beneficiary contributions	8,735,933	8,152,542	6,648,126	4,615,745
Interest expense	4,858,808	4,217,272	2,882,818	2,274,417
Remeasurement – actuarial gains from changes in demographic assumptions	-	-	-	-
Remeasurement – actuarial gains from changes in financial assumptions	-	(34,896,035)	-	(10,782,806)
Increase from employee transfer	-	-	-	13,850,352
Benefits paid	(824,889)	(575,943)	(348,387)	(91,343)
Defined benefit obligation at 31 December	125,363,645	112,593,793	76,227,711	67,045,154
Wholly unfunded	125,363,645	112,593,793	76,227,711	67,045,154

Actuarial gains or losses occurred from the change in the salaries and wages and other factors for the computation of post-employee benefits are presented under shareholders' equity.

- Principal actuarial assumptions at the reporting date for the years ended 31 December 2015 and 2014 are as follows :

(Unit : Percent)

	Consolidated F/S		Separate F/S	
	2015	2014	2015	2014
Discount rates	4.01 - 4.34	4.01 - 4.34	4.01 - 4.34	4.01 - 4.34
Salary growth rate	3 - 7	3 - 7	3 - 7	3 - 7
Average life expectancies:				
Male, 55 years of age at reporting date	34	33	34	33
Female, 55 years of age at reporting date	35	34	35	34
Weighted average duration of the defined benefit obligations (years)	20	21	21	22

The present value of the defined benefit obligation was measured using the projected unit credit method.

- Defined benefit plan expenses

Amounts recognised in profit or loss related to the Company's and subsidiary's defined benefit plans are as follows:

(Unit : Baht)

	Consolidated F/S		Separate F/S	
	2015	2014	2015	2014
Current service cost	8,735,933	8,152,542	6,648,126	4,615,745
Net interest expense	4,858,808	4,217,272	2,882,818	2,274,417
Total expenses recognised in profit or loss	13,594,741	12,369,814	9,530,944	6,890,162

The current service cost is included in employee benefits expense. The net interest expense is included in finance costs.

- Amounts recognised in other comprehensive income related to the Company's and subsidiary's defined benefit plans are as follows:

(Unit : Baht)

	Consolidated F/S		Separate F/S	
	2015	2014	2015	2014
Actuarial gains from changes in demographic assumptions	-	-	-	-
Actuarial gains from changes in financial assumptions	-	34,896,035	-	10,782,806
Total income recognised in other comprehensive income	-	34,896,035	-	10,782,806

All expenses summarised above were included within items that will not be reclassified subsequently to profit or loss in the statement of profit or loss and other comprehensive income.

- Sensitivity analysis

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

Changes in the significant actuarial assumptions

(Unit : Baht)

	Consolidated F/S			
	2015		2014	
	Increase 1%	Decrease 1%	Increase 1%	Decrease 1%
Discount rate				
Increase (decrease) in the defined benefit liability	(11,459,479)	14,928,688	(11,370,554)	14,054,899
Salary growth rate				
Increase (decrease) in the defined benefit liability	17,542,397	(15,319,493)	14,851,669	(13,154,272)
Staff Turnover rate				
Increase (decrease) in the defined benefit liability	(2,808,373)	2,272,724	(2,460,377)	2,385,544

(Unit : Baht)

	Separate F/S			
	2015		2014	
	Increase 1%	Decrease 1%	Increase 1%	Decrease 1%
Discount rate				
Increase (decrease) in the defined benefit liability	(7,475,242)	9,319,873	(6,745,621)	8,245,181
Salary growth rate				
Increase (decrease) in the defined benefit liability	10,752,491	(9,730,349)	4,304,290	(7,849,578)
Staff Turnover rate				
Increase (decrease) in the defined benefit liability	(1,892,376)	1,892,376	(1,619,865)	1,619,865

22. SHARE CAPITAL

At the Extraordinary Shareholders' Meeting No. 1/2015 held on 2 June 2015, the shareholders passed a resolution to approve the increment of registered share capital from Baht 408.00 million to Baht 652.80 million by issuance of new 2,448,000,000 shares at par value of Baht 0.10. The Company has registered such increment on 12 June 2015.

At the extraordinary shareholders' meeting No. 1/2014 held on 23 December 2014, the shareholders passed a resolution to approve the change in number and par value of common share from Baht 1.00 par value to Baht 0.10 par value. As a result, the number of common shares increased from 408 million shares to 4,080 million shares which effective on 7 January 2015. However, the proportion of shareholding, the registered and paid – up capital are not affected from such change. The Company had registered such change in the Memorandum of association with the Department of Business Development on 29 December 2014.

23. LEGAL RESERVE

Under the Public Companies Act B.E. 2535, the Company and a subsidiary are required to set aside as a statutory reserve at least 5 percent of its net income, after deduction of deficit (if any), until the reserve reaches 10 percent of the registered capital. The reserve is not distributable for dividends.

24. DEFERRED INCOME TAX

Deferred income tax asset and liability are as follows :

(Unit : Baht)

	Consolidated F/S		Separate F/S	
	2015	2014	2015	2014
Deferred income tax asset	37,373,124	35,698,451	15,245,542	13,409,031
Deferred income tax liability	(49,633,045)	(41,986,938)	(49,633,045)	(41,986,938)
Deferred income tax - net	(12,259,921)	(6,288,487)	(34,387,503)	(28,577,907)

The movements in deferred income tax asset and liability are as follows :

(Unit : Baht)

	Consolidated F/S			
	Recognised as income (expense)			
	1 January 2015	Statement of income	Shareholders' equity	31 December 2015
Deferred income tax asset :				
Inventories				
From profit in inventories	2,102,433	(1,126,327)	-	976,106
Employee benefits obligation				
From employee benefits obligation	22,518,758	2,553,970	-	25,072,728
From unfunded provident fund	11,077,260	247,030	-	11,324,290
	35,698,451	1,674,673	-	37,373,124
Deferred income tax liability :				
From difference of depreciation between accounting and tax bases	(41,986,938)	(7,646,107)	-	(49,633,045)

(Unit : Baht)

	Consolidated F/S			
	Recognised as income (expense)			
	1 January 2014	Statement of income	Shareholders' equity	31 December 2014
Deferred income tax asset :				
Inventories				
From profit in inventories	89,994,600	(87,892,167)	-	2,102,433
Employee benefits obligation				
From employee benefits obligation	26,645,591	2,852,374	(6,979,207)	22,518,758
From unfunded provident fund	10,695,886	381,374	-	11,077,260
	127,336,077	(84,658,419)	(6,979,207)	35,698,451
Deferred income tax liability :				
From difference of depreciation between accounting and tax bases	(33,300,322)	(8,686,616)	-	(41,986,938)

(Unit : Baht)

	Separate F/S			
	Recognised as income (expense)			
	1 January 2015	Statement of income	Shareholders' equity	31 December 2015
Deferred income tax asset :				
From employee benefits obligation	13,409,031	1,836,511	-	15,245,542
Deferred income tax liability :				
From difference of depreciation between accounting and tax	(41,986,938)	(7,646,107)	-	(49,633,045)

(Unit : Baht)

	Separate F/S			
	Recognised as income (expense)			
	1 January 2014	Statement of income	Shareholders' equity	31 December 2014
Deferred income tax asset :				
From employee benefits obligation	11,045,018	1,750,504	613,509	13,409,031
Deferred income tax liability :				
From difference of depreciation between accounting and tax	(33,300,322)	(8,686,616)	-	(41,986,938)

Income tax expenses for the years ended 31 December 2015 and 2014 are as follows :

(Unit : Baht)

	Consolidated F/S		Separate F/S	
	2015	2014	2015	2014
Current income tax expense	342,088,315	248,369,767	326,686,115	214,838,133
The amount of deferred income tax expense relating to the initial and reversal of temporary differences	5,971,433	93,345,035	5,809,595	6,936,113
Income tax expense	348,059,748	341,714,802	332,495,710	221,774,246
<i>Income tax recognizes in other comprehensive income</i>	-	(6,979,207)	-	(2,156,561)
From Actuarial gains	-	34,896,035	-	10,782,806
Total	-	27,916,828	-	8,626,245
<i>Accounting profit</i>	1,723,641,258	1,570,467,894	1,653,883,268	1,962,993,852
Tax at the applicable tax rate of 20%	344,728,252	314,093,579	330,776,654	392,598,770
Tax effect on income and expense that are not taxable income or not deductible in determining taxable profit				
Tax on non – taxable income	(9,707,955)	(77,635,405)	(9,564,493)	(182,859,594)
Tax on expenses that are not claimable as income deduction	13,039,451	105,256,628	11,283,549	12,035,070
Income tax expense	348,059,748	341,714,802	332,495,710	221,774,246
Effective tax rate (Percentage)	20.19	21.75	20.10	11.29

25. DIVIDEND PAYMENTS

Description	Date of Board Approval	Date Payment of dividend	Declaration of dividend		
			Per share (Baht)	Amount (Million Baht)	Amount paid (Million Baht)
- payment of final dividend for Year 2015*	On 25 January 2016	On 13 May 2016	0.053	345.98	-
- payment of interim dividend 3/2015	On 26 October 2015	On 20 November 2015	0.042	274.20	274.20
- payment of interim dividend 2/2015	On 28 July 2015	On 21 August 2015	0.056	365.60	365.60
- payment of interim dividend 1/2015**	On 21 April 2015	On 12 June 2015	0.09408	383.85	383.85
- payment of final dividend for year 2014***	On 27 January 2015	On 30 April 2015	0.069*****	281.52	281.52
Total					1,305.17
- payment of interim dividend 3/2014	On 28 October 2014	On 27 November 2014	0.67	273.36	273.36
- payment of interim dividend 2/2014	On 22 July 2014	On 20 August 2014	0.78	318.24	318.24
- payment of interim dividend 1/2014	On 29 April 2014	On 23 May 2014	0.87	354.96	354.96
- payment of final dividend for year 2013****	On 28 January 2014	On 9 May 2014	0.63	257.04	257.04
Total					1,203.60

* The shareholders approved such dividend payments at the Annual Shareholders' Meeting for 2015.

** The shareholders approved interim dividend payment for quarter 1/2015 by paying stock dividend and cash dividend as described in Note 26.

*** The shareholders approved such dividend payments at the Annual Shareholders' Meeting for 2015, held on 21 April 2015.

**** The shareholders approved such dividend payments at the Annual Shareholder's Meeting for 2014, held on 29 April 2014.

***** The shareholders approved change in number and par value of common share from Baht 1 per share to Baht 0.10 per share.

26. EARNINGS PER SHARE

Change in par value of share capital

Basic earnings per share is calculated by dividing income for the year by the weighted average number of common shares outstanding during the year, after adjusting the number of common shares in proportion to the change in the number of shares as a result of the change in par value from Baht 1 to Baht 0.10. The number of common shares is adjusted as if the share split had occurred at the beginning of the earliest period reported.

Stock dividend

At the Extraordinary Shareholders' Meeting No.1/2015 held on 2 June 2015, the Shareholders approved interim dividend payment at the rate of Baht 0.09408 per share, totaling Baht 383.85 million as described in Note 25, by paying cash dividend at Baht 0.03408 per share, amounting to Baht 139.05 million and stock dividend of 2,448 million shares at Baht 0.06 per share amounting to Baht 244.80 million. The interim dividend payment was paid on 12 June 2015.

Restatement of financial statements and effects on basic earnings per share

	Consolidated F/S		Separate F/S	
	For the years ended 31 December			
	2015	2014	2015	2014
Income for the year – portion of the Company's shareholders (Thousand Baht)	1,372,439	1,226,663	1,321,388	1,741,220
No. of share capital (Thousand Shares)				
Before par value adjustment				
- at Baht 1 per share	408,000	408,000	408,000	408,000
After par value adjustment				
- at Baht 0.10 per share	4,080,000	4,080,000	4,080,000	4,080,000
Share increment from stock dividend	2,448,000	2,448,000	2,448,000	2,448,000
Total share capital registered	6,528,000	6,528,000	6,528,000	6,528,000
Total share capital issued and paid-up (Thousand shares)*	6,527,994	6,527,994	6,527,994	6,527,994
Basic Earnings per share (Baht)	0.210	0.188	0.202	0.267

* In the payment of share dividend, the Company issued new shares capital to existing shareholders with no additional consideration. Therefore, the number of share capital outstanding before the issuance of share dividend is adjusted to the number of outstanding shares for earnings per share computation as if the number of shares had changed since the prior year.

27. SEGMENT REPORTING

The segment reporting of the Company and its subsidiary for the years ended 31 December 2015 and 2014 are as follows:

(Unit : Thousand Baht)

	Consolidated F/S							
	Domestic		Overseas		Eliminated		Total	
	2015	2014	2015	2014	2015	2014	2015	2014
Revenue from sale to external customers - net	6,934,431	6,996,680	237,556	180,813	-	-	7,171,987	7,177,493
Revenue from sale to subsidiary - net	-	2,479,547	-	-	-	(2,479,547)	-	-
Cost of sales	(4,007,076)	(4,015,217)	(154,307)	(126,090)	-	-	(4,161,383)	(4,141,307)
Gross income	2,927,355	5,461,010	83,249	54,723	-	(2,479,547)	3,010,604	3,036,186
Other income							11,461	19,799
Interest income							831	800
Interest expense							(25,523)	(32,853)
Depreciation and amortization							(291,319)	(285,054)
Income before income tax							1,723,641	1,570,468
Property, plant and equipment - net							3,073,587	2,999,199
Other assets							2,060,674	2,191,900
Total assets							5,134,261	5,191,099

Gross margin on sales of each geographical segment is derived from the deduction of total costs of sales from the total sales amounts proportionately based on sales of the Company and its subsidiary.

Other assets mainly consist of cash and cash equivalents, trade accounts receivable, inventories and others.

Major Customer

The Company does not have major customer from external sales.

28. EXPENSES BY NATURE

(Unit : Baht)

	Consolidated F/S		Separate F/S	
	2015	2014	2015	2014
Changes in finished goods and work in process	163,489,624	(49,518,954)	168,891,182	(995,789,491)
Raw materials and supplies used	1,984,085,614	1,985,347,501	866,925,329	823,921,329
Salaries, wages and other employee compensation	900,361,444	883,556,242	587,323,119	460,613,098
Depreciation and amortization	291,319,339	285,054,182	205,041,339	171,180,678
Transportation expense	482,830,787	544,855,479	482,830,787	544,855,479
Electricity and fuel expenses	1,216,541,386	1,580,390,929	540,721,461	662,660,353

29. COMMITMENTS AND CONTINGENT LIABILITIES

As at 31 December 2015, the Company and its subsidiary have :

- 29.1 Outstanding letters of guarantees issued by bank for electricity usage and importation of machineries approximately Baht 20.87 million for the Company and Baht 27.31 million for the subsidiary.
- 29.2 Commitment to pay under the agreement for construction of building of the Company of Baht 68.53 million.
- 29.3 Commitments under operating lease agreements

The Company and subsidiary have commitments to pay for the vehicles lease payments and land lease agreements as follows:

	Million Baht
Vehicle lease agreements	
Within	
1 year	44.53
2 - 5 years	118.60
Land lease agreements	
Within	
1 year	64.24
2 - 5 years	161.81
after 5 years	137.71

- 29.4 Unused credit facilities granted by bank for the company and subsidiary totaling Baht 2,064.18 million (Baht 1,316.26 million for the Company.)

30. FINANCIAL INSTRUMENTS

30.1 Accounting policies

Details of the significant accounting policies are disclosed in Note 3.

30.2 Financial risk management

The Company and its subsidiary manage financial risk exposures on financial assets and financial liabilities in normal business by the internal management and control system. The Company and its subsidiary do not held or issue any derivative instruments.

30.3 Credit risk

The Company and its subsidiary have exposures to credit risk primarily with respect to trade accounts receivable. The Company and its subsidiary have a prudent credit policy and maintain a well - diversified customer base and believe that the maximum credit risk exposure is lower than the book value of accounts receivable in the statement of financial position.

30.4 Interest rate risk

Interest rate risk arises from the potential change in interest rate that will have an adverse effect on the Company and its subsidiary in the current reporting period and in future periods. The Company and its subsidiary do not expect to incur significant incremental effect on its interest expense.

30.5 Foreign currency risk

The Company and its subsidiary have exposure to foreign currency risk relating to their monetary assets and liabilities in US and EURO currencies. However, the Company and its subsidiary do not expect to incur significant risk from the exchange rates.

The Company and its subsidiary have foreign currency assets and liabilities as follows :

	Consolidated F/S		Separate F/S	
	2015	2014	2015	2014
Assets – USD	-	195,849	-	195,849
Liabilities – USD	2,891	242,483	2,891	25,448
Liabilities – EURO	234,641	80,899	126,125	45,367

30.6 Fair value of financial instruments

The following methods and assumptions are used to estimate the fair value of each class of financial instruments :

Cash and cash equivalent, accounts receivable and accounts payable - the carrying values approximate their fair values due to the relatively short - term maturity of these financial instruments.