

DYNASTY TILETOP

รายงานประจำปี
ANNUAL REPORT

18/61

LOOKING FOR
A BETTER PROSPECT

Dynasty Ceramic Public Company Limited

บริษัท ไดมัสตี้ เซรามิก จำกัด (มหาชน)

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Message from Chairman

Dear Shareholders,

2018 was a challenging year for the ceramic tile industry in Thailand as oil price posted a rising trend from the second quarter onwards. This has significant impact on local ceramic tile manufacturers, where natural gas is the main source of energy in production process and transportation relies on diesel fuel; resulting in an increase of more than 20 percent from last year in our production and transportation costs. Regarding the industry competitive landscape, competition still existed among local producers as well as imported products from China, while consumption contracted. In general, overall ceramic tiles sales declined mainly due to several factors including continuing low agricultural prices, high household debt, and strict mortgage rules.

Nevertheless, the management team was fully acquainted of these potential threats and has implemented an action plan that enhanced production efficiency, reduce energy usage in the production process, and saved energy in various activities. For marketing strategy, our approach into property developers has been successful, yet it was done with careful consideration and judgement in order to avoid bad debts. It was a great achievement for the Company that we were able to deliver a record-high sales in 2018 at around 8,000 million Baht, or 9 percent growth YoY, accomplishing as we have targeted, but net profit was lower mainly as a result of higher costs. However, the Company maintained its dividend policy and continuously payout dividend to our shareholders, despite our continuous expansion in our outlets and production capacity. Currently, our production capacity reached 85 million sq.m. in 2018.

In addition, the Company has also initiated another big project, which is a construction material community mall as a one-stop service for construction materials in several of our outlets located in major cities. In addition to the Company's ceramic tiles, this mall has gathered various manufacturers, importers, and service providers who are specialized in their products or services, competitive in price, and easily accessible for customers. We believe this will create a synergy with our ceramic tile products as well as create traffic to our stores. In the future, we also plan to rent out other available spaces for restaurants or commercial bank branches, which in our view, together these plan will create additional recurring income as well as strengthen our business in the long run.

Lastly, on behalf of the Board of Directors and the management, we would like to express our gratitude to all of our customers, business partners, and shareholders for always trusting in and giving support to the Company. Additionally, we would like to thank and express our admiration towards all employees for their dedication and determination with their full abilities in performing professionally. The Company is committed in conducting our business by taking into account the maximum benefits for all stakeholders and customers along with economy, society, communities, in order for

Yours faithfully,



Mr. Roongroj Saengsastra

Chairman





Board of Directors



Mr. Roongroj Saengsastra

Chairman / Chairman of Executive Director
Chairman of Corporate Governance Committee
Chairman of Nomination and
Remuneration Committee



Gen. Yuthasak Sasiprapha

Independent Director and
Chairman of Audit Committee



Miss Cattleya Saengsastra

Executive Director
and Company's Secretary



Mr. Chaiyasith Viriyamettakul

Director



Mr. Suvit Smarnpanchai

Director





Mr. Surasak Kosiyaajinda

Independent Director & Audit Committee



Mr. Siripong Tinnarat

Independent Director & Audit Committee



Mr. Totsaporn Banyongwate

Independent Director & Audit Committee



Mr. Monrak Saengsastra

Executive Director and
Chief Business Development



Mr. Maruth Saengsastra

Executive Director and
Chief Marketing Officer



Mr. Jaruwat Traithavil

Executive Director
Chairman of Risk Management Committee
Chief Production Officer

Mr. Roongroj Saengsastra

Position	Chairman / Chairman of Executive Director Chairman of Corporate Governance Committee Chairman of Nomination and Remuneration Committee (Authorized)
Age	68 years
Citizen	Thai
Highest Education	Bachelor of Accounting, Chulalongkorn University
Appointed	26 January 1998
Year of directors membership (Dec 31,2018)	20 years 11 months
% of Share Holding at Dec 31, 2018	DCC: 1,600,000,000 shares or 24.510 percent of all voting shares. (Including the share held by spouse and minor children) DCC-W1: 640,000,000 Units (Including the share held by spouse and minor children)
Training	None
Family relationship among executives	- Mr.Monrak Saengsastra and Mr.Maruth Saengsastra's father - Miss Cattleya Saengsastra's brother
Other Current Position:	Listed Company 1 Company 1. Executive of Chairman / The Royal Ceramic Industry PLC.(Construction Materials)
Other Current Position:	Non Listed Company 2 Companies 1.Chairman of Tile Top Industry PLC. (Construction Materials) 2.Director of Royal Asia Brick and Tile Co., Ltd.(Clay Tiles) (Cease operation)
A director or executive positions in other businesses that might cause conflicts	Executive of Chairman / The Royal Ceramic Industry PLC.(Construction Materials)
Experience	2011-2014 - Chairman of Pick and Pay Co., Ltd - Chairman of Muang Thong Ceramic Co., Ltd - Chairman of World Wide Ceramic Co., Ltd
Meeting Attendance Year 2018	- Board of Directors 7/7 meetings - Board of the Corporate Governance Committee 2/2 meetings - Board of the Nomination and Remuneration Committee 2/2 meetings - AGM 2018 1/1 meeting
Illegal history within the past 10 years	None

Gen.Yuthasak Sasiprapha

Position	Independent Director and Chairman of Audit Committee (Not Authorized)
Age	81 years
Citizen	Thai
Highest Education	- The National Defence Course for Joint State-Private sectors #33 - Army Command and General Staff College #48 - Chulachomklao Royal Military Academy
Appointed	21 April 2015
Year of directors membership (Dec 31,2018)	3 years 8 months
% of Share Holding at Dec 31, 2018	None (Including the share held by spouse and minor children)
Training	- Director Accreditation Program (DAP) No.56/2006 - Leader Program Capital Market Academy Class XI 2010
Family relationship among executives	None
Other Current Position:	Listed Company None
Other Current Position:	Non Listed Company None
A director or executive positions in other businesses that might cause conflicts	None
Experience	- Jan 2012-Oct 2012 Deputy Prime Minister - Aug 2011-Jan 2012 Minister of Defence
Meeting Attendance Year 2018	- Board of Directors 7/7 meetings - Board of Audit Committee 4/4 meetings - AGM 2018 1/1 meeting
Illegal history within the past 10 years	None

Miss Cattleya Saengsastra

Position	Executive Director and Company's Secretary (Authorized)
Age	70 years
Citizen	Thai
Highest Education	- Bachelor degree Accounting (Honor), Chulalongkorn University - Management Development Program-J.J.Kellogg North Western University
Appointed	26 January 1998
Year of directors membership (Dec 31,2018)	20 years 11 months
% of Share Holding at Dec 31, 2018	DCC: 176,000,000 shares or 2.696 percent of all voting shares. (Including the share held by spouse and minor children) DCC-W1:72,900,000 Units (Including the share held by spouse and minor children)
Training	Directors Accreditation Program (DAP) No.47/2005
Training from IOD: Company Secretary Program	None
Family relationship among executives	Mr. Roongroj Saengsastra's sister
Other Current Position:	Listed Company 2 Companies
	1.Independent Director and Chairman of Audit Committee / S&P Syndicated PLC.
	2.Company's Secretary / The Royal Ceramic Industry PLC. (Construction Materials)
Other Current Position:	Non Listed Company 1 Company
	1.Executive Director of Tile Top Industry PLC. (Construction Materials)A director or executive positions in other businesses that might cause conflicts Company's Secretary / The Royal Ceramic Industry PLC.(Construction Materials)
Experience	
	2011-2014
	- Director of Pick and Pay Co., Ltd
	- Director of Muang Thong Ceramic Co., Ltd
	- Director of World Wide Ceramic Co., Ltd
Meeting Attendance Year 2018	
	- Board of Directors 7/7 meetings
	- Board of the Corporate Governance Committee 2/2 meetings
	- AGM 2018 1/1 meeting
Illegal history within the past 10 years	None

Chaiyasith Viriyamettakul

Position	Director (Authorized)
Age	69 years
Citizen	Thai
Highest Education	- Bachelor of Engineering, Chulalongkorn University - National Defense College (NDC.4414)
Appointed	26 January 1998
Year of directors membership (Dec 31,2018)	20 years 11 months
% of Share Holding at Dec 31, 2018	DCC: 330,900,000 shares or 5.069 percent of all voting shares. (Including the share held by spouse and minor children) DCC-W1: 162,660,000 Units (Including the share held by spouse and minor children)
Training	- Director Accreditation Program (DAP) No. 20/2004 - Increasing Your Corporate Value through Effective Communication Year 2003 - Risk Management - Capital Market Academy, Class 15 (15 CMA)
Family relationship among executives	None
Other Current Position: Listed Company 3 Companies	
1. President / Vibhavadee Hospital PLC. (Health Care Services)	
2. Director/ Chiang Mai Ram Medical Business PLC. (Health Care Services)	
3. Director/ Sikarin PLC. (Health Care Services)	
Other Current Position: Non Listed Company 2 Companies	
1. Vice Chairman of BOD / Chaophya Hospital PLC.	
2. Executive Director / Vibharam Co., Ltd and its Subsidiaries	
A director or executive positions in other businesses that might cause conflicts	
Experience	
None	
Meeting Attendance Year 2018	
- Board of Directors 7/7 meetings	
- AGM 2018 1/1 meeting	
Illegal history within the past 10 years	
None	

Mr. Suvit Smarnpanchai

Position	Director (Authorized)
Age	70 years
Citizen	Thai
Highest Education	High school education, Sahakulsuksa
Appointed	26 January 1998
Year of directors membership	20 years 11 months
(Dec 31,2018)	
% of Share Holding	DCC: 160,000,000 shares or 2.451 percent of all voting shares.
at Dec 31, 2018	(Including the share held by spouse and minor children)
	DCC-W1: 0 Unit
	(Including the share held by spouse and minor children)
Training	Director Accreditation Program (DAP) No.54/2006
Family relationship	None
among executives	
Other Current Position:	Listed Company None
Other Current Position:	Non Listed Company None
A director or executive positions in other businesses that might cause conflicts	None
Experience	
	- Advisor of the Audit Committee and Monitoring The Police Administration of Ratchaburana police Station
Meeting Attendance Year 2018	
	- Board of Directors 7/7 meetings
	- AGM 2018 1/1 meeting
Illegal history within the past 10 years	None

Mr. Surasak Kosiyajinda

Position	Independent Director & Audit Committee (Not Authorized)
Age	75 years
Citizen	Thai
Highest Education	Bachelor of Law, Thammasart University
Appointed	30 April 1998
Year of directors membership	20 years 8 months
(Dec 31,2018)	
% of Share Holding	None (Including the share held by spouse and minor children)
at Dec 31, 2018	
Training	Director Accreditation Program (DAP) No. 48/2005
Family relationship	None
among executives	
Other Current Position:	Listed Company 1 Company
	1.Independent Director & Audit Committee / AJ Plast PLC.

Other Current Position: **Non Listed Company** 1 Company

1. Director / United Food PLC.

A director or executive positions in other businesses that might cause conflicts None

Experience

2011 – Present Own office at Jutturatham Law Office

Meeting Attendance Year 2018

- Board of Directors 7/7 meetings
- Board of Audit Committee 4/4 meetings
- AGM 2018 1/1 meeting

Illegal history within the past 10 years None

Mr. Siripong Tinnarat

Position Independent Director & Audit Committee (Not Authorized)

Age 69 years

Citizen Thai

Highest Education -Master of Education (Education Administration)
/Sukhothai Thammathirat Open University
- Bachelor of Commerce, Chulalongkorn University

Appointed 24 April 2017

Year of directors membership 1 year 8 months

(Dec 31,2018)

% of Share Holding None (Including the share held by spouse and minor children)
at Dec 31, 2018

Training Director Accreditation Program (DAP) No.143/2017

Family relationship None

among executives

Other Current Position: **Listed Company** None

Other Current Position: **Non Listed Company** 3 Companies

1. Licensee School / Maneeya Kindergarten School
2. Treasurer – Thai Israeli Club Foundation Under the royal patronage of
Her Royal Highness Princess Maha Chakri Sirindhorn
3. Treasurer - Association of Private Vocational Schools, Nonthaburi

A director or executive positions in other businesses that might cause conflicts None

Experience

Licensee School / Maneeya Kindergarten School

Meeting Attendance Year 2018

- Board of Directors 7/7 meetings
- Board of Audit Committee 4/4 meetings
- AGM 2018 1/1 meeting

Illegal history within the past 10 years None

Mr. Totsaporn Banyongwate

Position	Independent Director & Audit Committee (Not Authorized)
Age	68 years
Citizen	Thai
Highest Education	Bachelor of Engineering (Mechanical Engineering) King Mongkut Technical University
Appointed	24 April 2017
Year of directors membership (Dec 31,2018)	1 year 8 months
% of Share Holding at Dec 31, 2018	DCC: 977,200 shares or 0.015 percent of all voting shares. (Including the share held by spouse and minor children) DCC-W1: 390,880 Units (Including the share held by spouse and minor children)
Training	Director Accreditation Program (DAP) No.143/2017
Family relationship among executives	None
Other Current Position:	Listed Company None
Other Current Position:	Non Listed Company 1 Company 1. Managing Director / CT Link Co.,Ltd.
A director or executive positions in other businesses that might cause conflicts	None
Experience	<ul style="list-style-type: none"> - Technical and Government Sales Manager / Dunlop (Thailand) Co.,Ltd. - Plant Manager / Thai Swedish Assembly Co.,Ltd. - Process Engineer / Bangchan General Assembly Co., Ltd.
Meeting Attendance Year 2018	<ul style="list-style-type: none"> - Board of Directors 7/7 meetings - Board of Audit Committee 4/4 meetings - AGM 2018 1/1 meeting
Illegal history within the past 10 years	None

Mr. Monrak Saengsastra

Position	Executive Director and Chief Business Development (Authorized)
Age	43 years
Citizen	Thai
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)
Appointed	29 January 2013
Year of directors membership (Dec 31,2018)	5 years 11 months
% of Share Holding at Dec 31, 2018	DCC: : 480,000,000 shares or 7.353 percent of all voting shares. (Including the share held by spouse and minor children) DCC-W1: 192,000,000 Units (Including the share held by spouse and minor children)
Training	Director Accreditation Program (DAP) No.107/2014
Family relationship among executives	Mr. Roongroj Saengsastra's son and Mr. Maruth Saengsastra's brother
Other Current Position:	Listed Company 1 Company 1. Executive Director and Chief Business Development at The Royal Ceramic Industry PLC. (Construction Materials)
Other Current Position:	Non Listed Company 2 Companies 1. Executive Director /Tile Top Industry PLC. (Construction Materials) 2. Director of Royal Asia Brick and Tile Co., Ltd. (Clay Tiles) (Cease operation)
A director or executive positions in other businesses that might cause conflicts	Executive Director and Chief Business Development at The Royal Ceramic Industry PLC. (Construction Materials)
Experience	2013 – 2017 Executive Director (Administration)/ Dynasty Ceramic PLC.(Construction Materials) and Tile Top Industry PLC. (Construction Materials)
Meeting Attendance Year 2018	- Board of Directors 7/7 meetings - Board of the Corporate Governance Committee 2/2 meetings - Board of the Nomination and Remuneration Committee 2/2 meetings - Board of Risk Management Committee 2/2 meetings - AGM 2018 1/1 meeting
Illegal history within the past 10 years	None

Mr. Maruth Saengsastra

Position	Executive Director and Chief Marketing Officer (Authorized)
Age	41 years
Citizen	Thai
Highest Education	M.S.Computer Science University of North Texas,USA
Appointed	21 April 2015
Year of directors membership (Dec 31,2018)	3 years 8 months
% of Share Holding at Dec 31, 2018	DCC: : 480,000,000 shares or 7.353 percent of all voting shares. (Including the share held by spouse and minor children) DCC-W1: 192,000,000 Units (Including the share held by spouse and minor children)
Training	Director Accreditation Program (DAP) No.107/2014
Family relationship among executives	Mr. Roongroj Saengsastra's son and Mr. Monrak Saengsastra's brother
Other Current Position:	Listed Company 1 Company
	1. Executive Director and Chief Marketing Officer at The Royal Ceramic Industry PLC. (Construction Materials)
Other Current Position:	Non Listed Company 2 Companies
	1. Executive Director /Tile Top Industry PLC. (Construction Materials) 2. Executive Director of Royal Asia Brick and Tile Co., Ltd. (Clay Tiles) (Cease operation)
A director or executive positions in other businesses that might cause conflicts	Executive Director and Chief Marketing Officer at The Royal Ceramic Industry PLC. (Construction Materials)
Experience	2011 – 2017 Senior Executive Vice President (Marketing) at Dynasty Ceramic PLC. And Tile Top Industry PLC. 2011 – Present Assistant Company Secretary and Investor Relation at Dynasty Ceramic PLC. 2011 -2015 Vice President Information Officer at Dynasty Ceramic PLC. and Tile Top Industry PLC.
Meeting Attendance Year 2018	- Board of Directors 7/7 meetings - Board of the Corporate Governance Committee 2/2 meetings - Board of the Nomination and Remuneration Committee 2/2 meetings - Board of Risk Management Committee 2/2 meetings - AGM 2018 1/1 meeting
Illegal history within the past 10 years	None

Mr. Jaruwat Traithavil

Position	Executive Director /Chairman of Risk Management Committee /Chief Production Officer (Authorized)
Age	38 years
Citizen	Thai
Highest Education	- Master of Engineering Project Management, University of Melbourne, Australia - Bachelor of Engineering (Honours), Australian National University, Australia - Bachelor of Information Technology, Australian National University, Australia
Appointed	8 August 2017
Year of directors membership (Dec 31,2018)	1 year 5 months
% of Share Holding at Dec 31, 2018	DCC: 8,000,000 shares or 0.123 percent of all voting shares. (Including the share held by spouse and minor children) DCC-W1: 3,200,000 Units (Including the share held by spouse and minor children)
Training	Director Accreditation Program (DAP) No.143/2017
Family relationship among executives	None
Other Current Position: Listed Company 1 Company	
1. Executive Director and Chief Production Officer at The Royal Ceramic Industry PLC. (Construction Materials)	
Other Current Position: Non Listed Company 2 Companies	
1.Executive Director /Tile Top Industry PLC. (Construction Materials) 2. Executive Director of Royal Asia Brick and Tile Co., Ltd. (Clay Tiles) (Cease operation)	
A director or executive positions in other businesses that might cause conflicts	
Executive Director and Chief Production Officer at The Royal Ceramic Industry PLC. (Construction Materials)	
Experience	
2010 – 2017 Vice President Production at Dynasty Ceramic PLC. 2009 – Present Vice President Production at Tile Top Industry PLC.	
Meeting Attendance Year 2018	
- Board of Directors 7/7 meetings - Board of the Corporate Governance Committee 2/2 meetings - Board of the Nomination and Remuneration Committee 2/2 meetings - Board of Risk Management Committee 2/2 meetings - AGM 2018 1/1 meeting	
Illegal history within the past 10 years	
None	

DCC Group Vision

“ The Leader of Tile Business
with Outlets throughout Thailand ”

DCC Group 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

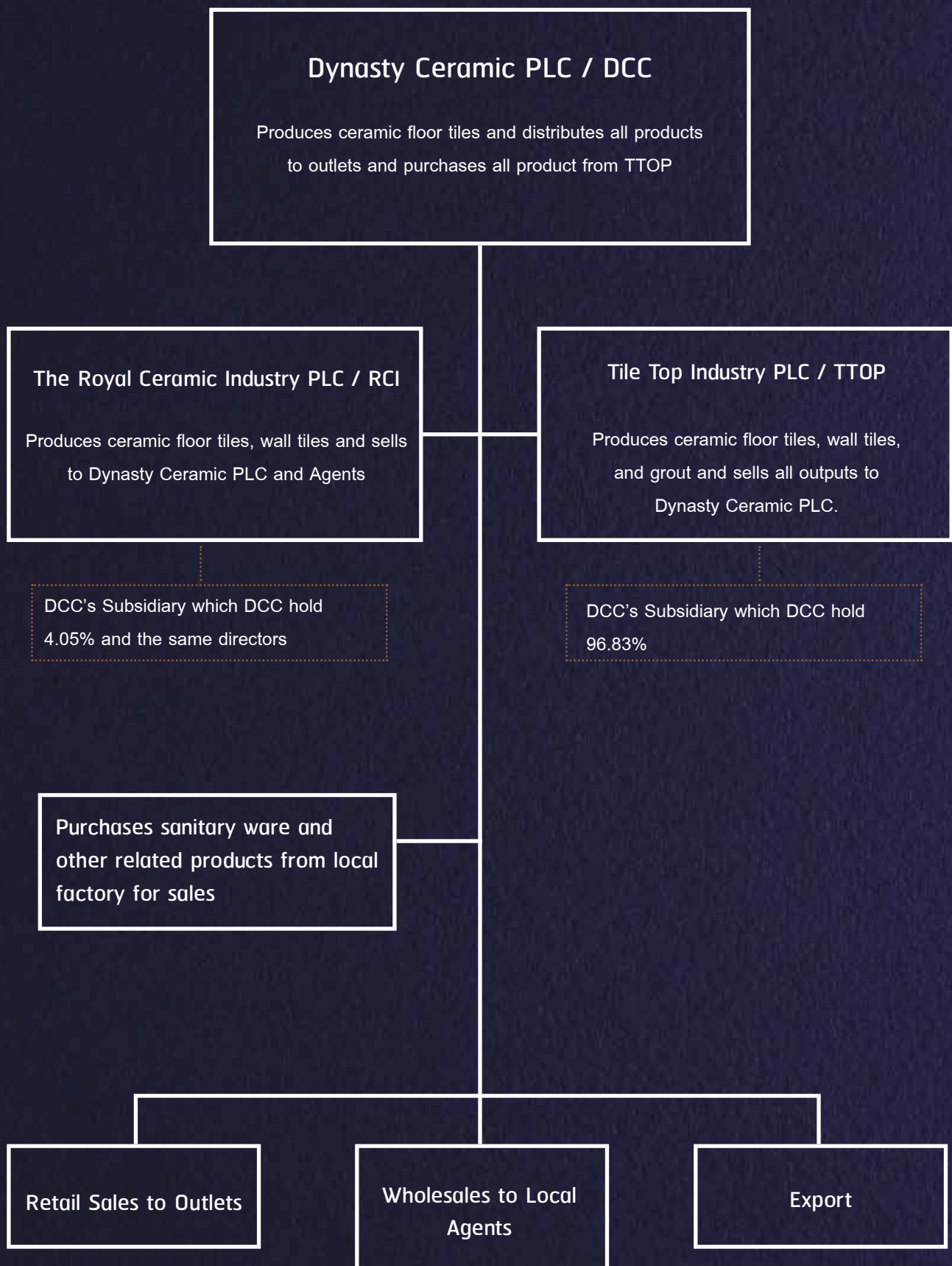
Trustworthy Product Quality

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.

In the middle year 2016, Shareholder's equity decreased by registered capital from 652,800,000 baht to 652,799,395.80 baht equal Registered Paid-up Capital of ordinary shares 6,527,993,958 shares at Baht 0.10 each.

According to the resolution of the Annual General Meeting of Shareholders for the year 2017 held on April 24, 2017 approved the Directors and Executives of the Company for 5 directors as the management of the Royal Ceramic Industry Public Company Limited, which is operated the same business type, effective on April 28, 2017, after the resolution of the Annual General Meeting of Shareholders for the year 2017 of the Royal Ceramic Industry Public Company Limited and approved to enter into a business management contract for one year (since May 2, 2017 to May 1, 2018) and was told to terminate the contract before the end of the contract. Effective from October 1, 2017.

Due to there are the same directors working together and have control the management. The consolidated financial statements must be prepared in the same manner as the Royal Ceramic Industry Public Company Limited as a subsidiary from April 1, 2017 onwards.

According to the 2018 Annual General Meeting of Shareholders of the Company, held on 24 April 2018 resolving to approve the issue and offer of warrants to purchase ordinary shares in Dynasty Ceramic Public Company Limited No. 1 in the amount of 2,611,197,583 units (DCC-W1) (Warrants) to existing shareholders by way of rights issue at the offering ratio of 2.5 existing shares to 1 unit of warrants without consideration. Exercise date is once every year, on 8 May 2019, 8 May 2020, and last exercise date is 3 years from the issuing date of warrant, which will be on 7 May 2021. (If the last exercise date falls on a non-business day of SET, then the exercise date of warrant shall be made on the last business day proceeding such last exercise date).

The company has increased the registered capital to support the warrants to purchase ordinary shares from ordinary shares in the amount of 6,527,993,958 shares for 9,131,191,541 share at 0.10 baht per share with a paid-up registered capital of 6,527,993,958 shares worth 0.10 baht per share, totaling 652,799,395.80 baht.

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 89.84% and 10.16 % by foreigners. (Register closed 28 December, 2018)

Our Brands

The ceramic tiles produced by the Company and its subsidiaries comprise under the trademark "Dynasty", "Tile Top", "Jaguar", "Value", "Mustang", "Chicken", "Birdie", "Ducky", "Swan"

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

3.Grout (Produces by the subsidiary)

Brand of products (Trading goods)

Cement Grout under Crocodile Silver Trademark

Tile Adhesive under DAVCO Trademark and Gecko Trademark

Income Structure

- Sales from tiles produces by Dynasty Ceramic PCL
- Sales from tiles and grout purchases from Tile Top Industry PLC (TTOP) and The Royal Ceramic Industry PLC and markup 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, Rental income, Gain on sales other investments , Income service system IT etc.

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

Type of Income	by	Y2018		Y2017 ⁽¹⁾		Y2016	
		MB	%	MB	%	MB	%
Domestic							
Sales from tiles	DCC + Purchases from subsidiaries	7,428	93	6,790	92	6,672	93
Sales from grout and others	DCC and Outlets	326	4	285	4	201	3
Total Sales - Domestic		7,754	97	7,075	96	6,873	96
Overseas							
Sales from tiles	DCC + TTOP	273	3	288	4	291	4
Sales from grout and others	DCC	0	0	0	0	1	0
Total Sales - Overseas		273	3	288	4	292	4
Total Sales		8,027	100	7,363	100	7,165	100
Others income		26	0	30	0	19	0
Total income		8,053	100	7,393	100	7,184	100

⁽¹⁾ According to the resolution of the Annual General Meeting of Shareholders for the year 2017, held on 27 April, 2017, approved the company to be hired in management contract with The Royal Ceramic Public Company Limited ("RCI") and has authorized in controlling the management through the same Directors and Executives included determining the management policy. Therefore, RCI has allocated in the consolidated financial statements since 1st April, 2017.





Major changes in 2018

Production

Product development to meet customer demand

During the past year, our production team has increase production volumes of larger size tiles, following higher sales volume and demand in this product, as well as to compete with imported products which usually are in larger size tiles. We also increase production mix of digital printing tiles to correspond to the demand of customers which shift to look for fancy and colorful patterns.

Increase in productivity of the production system

Production team has been consistently in increasing efficiency in production process with improvement in speed, accuracy, balance and communication in the production system toward maximum productivity. Full Automatic System has been implemented and Quick Setup Time has been use to respond to dynamic change in customer taste. We also reduced firing process from multiple to one time in order to reduce energy consumption.



Head Office

Warrant Issuance

According to the 2018 Annual General Meeting of Shareholders of the Company, held on 24 April 2018 (2018 AGM) resolving to approve the issue and offer of warrants to purchase ordinary shares in Dynasty Ceramic Public Company Limited No. 1 in the amount of 2,611,197,583 units (DCC-W1) (Warrants) to existing shareholders by way of rights issue at the offering ratio of 2.5 existing shares to 1 unit of warrants without consideration. Exercise date is once every year, on 8 May 2019, 8 May 2020, and last exercise date is 3 years from the issuing date of warrant, which will be on 7 May 2021. If the last exercise date falls on a non-business day of SET, then the exercise date of warrant shall be made on the last business day proceeding such last exercise date.

Development of efficiency of employees and working process

The Company remained focus on efficiency and quality to ensure that the employees could work with creativity and present their ideas in order to develop their work quality in every function. The Company also arranged of training program in-house and externally throughout the year with emphasis on implementation of software and application to ensure maximum efficiency.

Outlets

Store expansion and rebranding projects

The Company proceeded with store expansion, by looking for new location to set up new additional outlets and to relocate the existing ones which contracts expire during the year. We emphasized on rebranding the appearance and ambience of the outlets with modern designs and offering conveniences to customers. In addition, the customer service area including office room and staff zone will also be improve to ensure better workplace for our staff.

Rental space and Construction materials community mall plan

In addition to ceramic tiles sales, we also worked on our plan to rent out vacant spaces to other manufacturer and importers of construction material and equipment to make our outlets a community mall for construction materials in the future. By end of 2018, we also rented out 3 outlets as rental space.

Software development

New applications have been developed continuously such as Sales and Inventory Applications for head office and outlet managers to utilize these tools to help them monitor and analyze the data more profoundly. At the same time, existing software applications have been continuously improved to reduce the working process and redundancy, as well as increase work efficiency.





Industrial Condition and Competition

During 2018 Thailand economic growth was driven by export and tourism sectors, rather than domestic consumption, and GDP in the latter half was better than the first half of the year. Purchasing power, especially in the upcountry, was pressured from various factors including high household debt and low agricultural prices that directly impact farmers' income and their home and improvement's budget accordingly. As a result, ceramic tiles manufacturers both local and importers started using aggressive price discount to compete for sales amid stagnant market condition. The overall ceramic tile industry condition and competitive landscape in 2018 was summarized below.

In the first half of 2018, first quarter is usually high season of the ceramic tile industry. Production volume and sales revenue in 1H2018 increased from local and export demand, as well as last year's low base because the country was under mourning period in 2017. However, due to competitive market environment, the Company needed to use price discount to stimulate sentiment, which this resulted in lower average selling price compared with 1H17. Because second quarter is usually a rainy season and there is a long holiday during Songkran festival in Thailand, construction and home renovation activities have always been seasonally lower from the first quarter. Meanwhile, price competition remained strong and production cost was hit by higher natural gas price from the end of second quarter onwards and carried on the rest of the year.

In the second half of 2019, the Company's effort of producing more designs in the larger size tiles became successful. We have seen higher sales of larger size tiles and cushioned higher average selling price, although the Company's net profit was still severely impacted by higher natural price by 30 percent in 2018.

Plan and Strategy

During 2018, the management has been progressively working in accordance with the Company's work plan. In the marketing aspect, the Company moved forward with our approach in retail and wholesale segment. For our retail outlets, we have stimulated new store openings, exist store expansions and renovations, as well as modernizing store ambiance. At the same time, our production team has constantly supply adequate production to ensure stock availability

and continuously developing new designs in various sizes that corresponded well with the changing demand and taste of customer. In this year, the Company has invested in acquire new land plots to construct new outlets. We also worked on our plan to rent out vacant spaces to other manufacturer and importers of construction material and equipment to make our outlets a community mall for construction materials in the future.

In 2019, the Company will continue to develop the potential of our employees in a level to improve our service quality and we also set forth marketing strategy for next year as follows:

Develop distribution channel and customer approach

The Company is confident that our retail outlets is the key strength in allowing us to reach retail customers effectively. Nevertheless, we also recognize the emerging of technology that play more important role in providing customers with information required to make their purchase decisions. Therefore, the Company has developed our online website that be more informative and user-friendly and act as a brochure that customers can choose and select over a thousand designs of our tiles online. In addition, the Company will emphasize on communicating our promotion news through channels that directly reach our target customers such as point-of-sales promotion and online channel ie. Social media that require low budget yet effective.

Existing store renovation

Because our outlets are the center of our customer service, the Company's plan to constantly renovate existing stores remain firm. We plan to refresh the environment of the stores to be more modern with parking area as well as putting air-conditioning in some outlets, so customers can spend more time in our stores.

Progress with construction material community mall

The Company plans to allocate some space in our owned stored to other construction material and equipment manufacturer and importers to rent with a goal to become a construction material community mall. In 2019, we plan to rent out 5-10 more locations, in addition to the 3 locations already rented out in 2018.

Look for new opportunity in construction projects and wholesales

In addition to our own stores, we strive to look for new opportunity in construction projects and wholesales where we see rooms to grow. For wholesales, the Company plans to launch new fighting brand that cater for this segment, manufacture OEM products, as well as assisting small shops on product and sales knowledge. For construction project, we target to communicate our products directly to developer and architects.



Risk Factors

Nowadays the ecosystem of business is changing rapidly. Risk management is very important to help us plan and reduce factors of uncertainty in business. Our company has used this tool and incorporated it in the organisational culture by including risk management in every department during the whole process of working to ensure that everyone can succeed in their goals in the short term and long term.

Our company categorises risk management into 5 areas to enable sustainable development, that include economics social and environmental factors as follows

1 The risk in the shift of natural gas, petroleum gas and raw materials of production.

The effect

- Unstable production cost

Management

- Following the news about shifting of natural gas and petroleum gas closely.
- Reducing the energy consumption per unit of production with our company setting the goal to reduce energy consumption by 5 percent for all of production units by 2020.
- Changing the process of production of "Double firing ceramic wall tile" to "Single firing ceramic wall tile" that may help to reduce cost of natural gas and electric power in the process of making "Wall Tile".
- Reserving and supplying other materials with a suitable price, to control cost and further more develop the process of production and substitution materials.

2 The risk of changing IT and product innovation.

The effect

- Income of business / Cost changes.

Management

- Follow the development of systems of ceramic production in Thailand and other countries.
- Improve and give an impetus to production in every department.
- Expand investment in Digital Printing Systems and Automation Systems to reduce cost and add value to products.

3 The risk from operation that might affect to a personal community and social.

The effect

- Safety and Reliability of personal community and social to business operation.

Management

- Standardize safety system according to the law and evaluate procedure of operating to indicate danger from working and organize safety system in all production process.
- Operate Zero Accident Campaign in all department.
- Surveying, inspecting and following the environment in all factory by an annual action plan.
- Medical Checkup and follow up result of medical examination of employees to indicate health risk from working and provide protection plan and reduce risk that might be happened
- Making some activity to acknowledge people about "How to evaluate when company got fire"

4 The risk of water scarcity.

The effect

- The production process is interrupted due to insufficient water.

Management

- Encouraging company to have policy about save the water in all processes and provide more water-well to store up water for using in factory's area.

5 The risks of business and economic.

The effect

- Ceramic Tiles market is affected by imported products, its cheaper and free trades, so that make the business has competition in both in price and quality.

Management

- Focus on product development to create differentiation and added value. Increasing distribution channels and public relations to access the customers.

Research and development in technology and innovation

In 2018 the company spent 787,741 baht on research and development of technology and innovation consisting of spending on personnel, test experimentation and research.

The research and development of the company in past year involved with trial development with an aim to conserve energy and improvement of the production process. The results of research and development success resulting in cost savings in the production of raw materials and reduce the energy consumption per unit of products in the past year.

The company is able to learn and collect the knowledge from the research and development to improve its products and process in the future. The company continues to focus on research and development to create innovation in production, increase product value and able to compete in the business sustainably.

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	913,919,154.10 Baht, comprising of 9,139,191,541 shares with a par value of 0.10 Baht per share
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.,(subsidiary) and purchases the ceramic floor and wall from The Royal Ceramic Industry Public Co., Ltd.,(subsidiary) 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
Tel. 02-276-9275-81 Fax. 02-276-0313-17
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

2. The Royal Ceramic Industry
Public Co., Ltd
Manufacturer of ceramic floor
and wall tiles

Head Office DCC Building
Address 37/7 Suthisarn-Vinijchai Road,
Samsen-Nok Sub-district HuayKwang District, Bangkok 10310
Tel. 0-2276-9275-80 Fax. 0-2643-0948-9
Factory 54/7 Moo 3, Suwannasorn Road, Koke Yae Sub-District,
NongKae District, Saraburi Province 18230
Tel. 036-305249 Fax. 036-305988

Registrar

Thailand Securities Depository Co., Ltd.
93 Ratchadaphisek Road, Dindaeng, Bangkok 10400, Thailand
Tel: (66 2) 009 9000 Fax: (66 2) 009 9991
SET Contact center: 0 2009-9999
Website: <http://www.set.or.th/tsd>
E-mail: SETContactCenter@set.or.th

Auditor

Karin Audit Co., Ltd
138 Boonmitr Building 6thFloor,B1 Silom Road Suriyawong,
Bangrak, Bangkok 10500
Tel.0-2634-2484-6 Fax. 0-2634-2668
<http://www.karinaudit.co.th/>

Company Secretary

Miss Cattleya Saengsastra
Tel. 0-2276-9275-81 Ext 403 Fax. 02-276-0313-17
E-mail: Cattleya.sa@dynastyceramic.com

“ 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 4 Audit Committee members, which all members are independent and qualified in both experience and business knowledge. Gen. Yuthasak Sasirapha as Chairman of the Audit Committee and other Member of the Audit Committee includes Mr. Siriphong Thirarat who is qualified to review the Financial Statement of the Company, Mr. Surasak Kosiyajinda and Mr. Thossaporn Banyongwes.

The Audit Committee perform the work in accordance with the charter of the audit committee, that is, review of the financial statements, internal control system, internal audit, compliance with laws, policies, regulations, order, review of inter-company transactions and conflict of interest, promotion of good governance and proposal on appointment and determination of remuneration of the auditor.

To accomplish the duties and responsibilities described above, in 2018 all Audit Committee has consistently attended the meeting four times to supervise the audit work to ensure fairness and independence from the management, the Audit Committee has conducted the joint meeting with the auditor. The auditor has made a comment that cooperation has been well provided and the accounting standards are appropriately complied. The Audit Committee has provided an opportunity to the internal auditor and auditor for discussion at all times. The summary of the meeting could be concluded as follows.

1. Review of the quarterly and annual financial statements of the individual company and the consolidated financial statements in 2018

The joint meeting among the auditor, the internal auditor, the accounting director and the related management has been arranged to review the data, evidence and accounting system, including inquiries and clarification on the key transactions to ensure that the financial statements are reliable in accordance with the accounting standards provided by the Federation of Accounting Professions of Thailand issued in pursuant to the Accounting Act and sufficient disclosure in notes to financial statements suitable to business undertaken while the auditor has expressed an unqualified opinion on the individual financial statements and consolidated financial statements of the company.

After the review has been conducted to the satisfactory level, the Audit Committee has approved the report of the auditor, the financial statements and notes to financial statements and such consolidated financial statements for submission to the Board of Directors before they were submitted for approval by the general meeting of shareholders of the company.

2. Review of the internal control system

The Audit Committee has reviewed and assessed the internal control system in accordance with the concept of COSO (The Committee of Sponsoring Organizations of the Treadway Commission) which has been improved and ensured that the computer system employed to record the financial information and internal audit team have jointly conducted with the management related to compliance with the internal control requirements and authority and duty of the company. It is viewed that the internal control system and computer system of the company is adequate and appropriate for the work in accordance with the business environment in congruence with the assessment of the auditor which has not material comment on the internal control system of the company.

3. Review of the internal control

The Audit Committee has reviewed the audit work in accordance with the plan and it is found that the work has been accomplished in accordance with the targets and developed in accordance with the vision, that is, creative examination to enhance value added to the organization in accordance with the good governance principles, to determine the strategy and plan completely in accordance with the target based on the quarterly summary of the audit report which has presented the issued found and joint comments with the audited units to determine the corrective measures to ensure additional efficiency of the working units.

4. Review on compliance with laws, regulations and requirements

The Audit Committee has conducted a joint review with the auditing unit and the related management and found that the working units have satisfactorily complied with the laws, regulations and requirements provided. In case of the discrepancies, the correction would be undertaken as soon as possible. In addition, the agenda was involved with changes in laws, accounting standards and other matters related to the operation of the company in each quarter to make a study and provide comments on the suitable practices of the related units in compliance with the operation and business of the company.

5. Assessment on risk management

The Audit Committee has reviewed and assessed the risk management of the risk management committee and it is found that the company has complied with the requirements on risk management with risk control, monitoring and management, particularly in reducing the major risk, to the acceptable level as evident in the performance which is more efficient, concise, rapid and could reduce the working time while the key risk factors are shown in the annual report.

6. Review of inter-company transactions and conflict of interest transactions

The Audit Committee has examined and made comments on inter-company transactions or transactions with possible conflict of interest of the company and its subsidiaries on a quarterly basis based on conservatism assumption, reasonable and consideration of the stakeholders benefits, including sufficient disclosure in accordance with the conditions provided by the Stock Exchange of Thailand while such transactions have been sufficiently disclosed in notes to financial statements.

7. Promotion of good governance

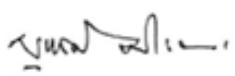
The company has determined to manage the business operation in accordance with good governance principles to ensure transparency and ethics via implementing whistle blower to accept non-compliance with laws, regulations, requirements and ethics issue, in order to enhance confidence of shareholders and stakeholders. In 2018 there were a few claims against non-compliance with regulations and fraud and the investigations have been completed in accordance with the regulation. In addition, communication activities have been arranged for the employees in all levels to ensure understanding and compliance with the ethics, particularly, anti-corruption, and increase in performance efficiency. As a result, the internal audit work has been developed toward the prevention.

8. Proposed appointment and remuneration of the auditor for the year 2019

The Audit Committee has proposed the former auditor based on the qualification and experience as deemed appropriate, which is Karin Audit Co., Ltd, as the auditor of the company and its subsidiaries, and proposed to the Board of Directors for approval before it is submitted to the general meeting of shareholders for appointment and determination of remuneration of the auditor in 2019. According to the assessment in "Self-Assessment Form of the Audit Committee" of 2018, the Audit Committee is able to completely comply with the charter provided by the audit committee.

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 Co., Ltd. (Public)

Gen 
(Yuthasak Sasiprapa)

Chairman on the Audit Committee

18 February 2019

Report of the Executive and Corporate Governance Committee

To the Shareholders

The Board of Directors has appointed Corporate Governance Committee to be responsible for the corporate governance policy of the Company in accordance with the principles of good corporate governance of international standard, which has been applied and continuously promoted as the Company's corporate culture.

During 2018, Corporate Governance Committee conducted a total of two corporate governance meetings 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. Determined the strategy and operational plan of the Company and its subsidiaries. Strategies and plan are communicated to management and staff at all levels in the organization in order to implement in line with the objective set. In addition, Corporate Governance Committee monitored the performance of the Company and its subsidiaries to operate in accordance with the plan as assigned by the Board of Directors, approved to the annual budget and studied the investment of the Company prior to proposing to the Board of Directors for approval.
2. Considered and approved corporate governance procedure in order to comply with the principles of good corporate governance to promote corporate governance continuously as corporate culture such as:
 - Gave rights to shareholders to propose agenda and/or to nominate qualified candidates in advance to be elected as Directors at the 2019 Annual General Meeting of Shareholder.
 - Promoted the Board of Directors and Management to conduct a self-assessment according to the Corporate Governance Self-Assessment Evaluation.
 - Encouraged the implementation of the defined anti-corruption policy
3. Ensured the implementation of policies and activities related to corporate social responsibility.
4. Reviewed and communicated good corporate governance and code of conduct, to be current and consistent with the guidelines of the Stock Exchange of Thailand and the regulatory agencies.

The evaluation has shown that the company has given priority and recognized importance of good governance, concentrated and dedicated all attempts to comply with principles of good corporate governance constantly.



(Mr. Roongroj Saengsastra)

Chairman of the Corporate Governance Committee

Report of the Risk Management Committee

To the Shareholders

The Board of Directors of Dynasty Ceramic Public Co., Ltd. recognizes the importance of risk management that will enhance business continuity. Accordingly, the Board of Directors has appointed the Risk Management Committee with roles and duties of monitoring to ensure that significant risks is managed in every main activities, as well as establishing suitable action plan to reduce or handle the impact of the risk related to the business to ensure that the risk of the company has been undertaken effectively and continuously toward a sustainable business.

In 2018, the Risk Management Committee made a discussion and conclusion on the duties to be performed as follows:

- 1.To consider risk management plan annually with the cooperation and risk assessment from the management of all departments.
- 2.To prioritise risks and assess impacts that may follow in order to establish risk management plan.
- 3.To monitor the risk management plan of various sectors. If there is additional risk or change in risk, the problem could be handled in a timely manner so that the company could manage the key risk within an acceptable level.
- 4.To support and encourage risk management culture in the organization so employees in every level are able to participate in the risk management related to the work under their responsibility.

From the abovementioned process, the Risk Management Committee is assured that the Company's risk assessment is continuing in an effective manner and align with Good Corporate Governance policy. In addition, the Company has internal audit process is sufficient and suitable with the business operation that fully follow the law and related regulations in order to strengthen and prepare for possible risk and ensure business continuity in the future.



(Mr. Jaruwat Traithavil)

Chairman of the Risk Management Committee

Report of the Nomination and Remuneration Committee

To the Shareholders

The Nomination and Remuneration Committee of the Company which currently consists Mr. Roongroj Saengsastra as Chairman of the Nomination and Remuneration Committee Mr. Monrak Saengsastra Mr. Maruth Saengsastra and Mr. Jaruwat Traithavil as directors. In the year 2018 had held 2 meetings, with perfect attendance, to consider related matters. The committee has continuously held the meetings and regularly suggested 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 directors who are retired by rotation

The Company has made an announcement on the company's website and on the Stock Exchange of Thailand's website to invite shareholders to propose names of qualified candidate to be elected as director during 1 October 2018 to 31 December 2018 in advance. However, during such period, no shareholder nominated any candidate for consideration.

- In 2019, there are four directors who are retired by rotation consists namely are Mr. Roongroj Saengsastra Miss Cattleya Saengsastra Mr. Suvit Smarnpanchai and Mr. Jaruwat Traithavil. Therefore the Committee (excluding Mr. Roongroj Saengsastra and Mr. Jaruwat Traithavil with vested interests) has considered the list of 4 persons proposed by the Board of Directors, which is the same director who has retired by rotation. After carefully considering individual qualifications then unanimously resolved to propose to the Board of Directors meeting to consider 4 former directors which are Mr. Roongroj Saengsastra Miss Cattleya Saengsastra Mr. Suvit Smarnpanchai and Mr. Jaruwat Traithavil to be re-appointed for another term due to their expertise in management and also have experiences in various fields that is consistent with the company's business strategy. Therefore, Mr. Roongroj Saengsastra Miss Cattleya Saengsastra and Mr. Jaruwat Traithavil are directors and executive in the Royal Ceramic Industry Public Company Limited, which is the same business type as the company, approved in accordance with the resolution of the 2017 Annual General Meeting of Shareholders on 24 April, 2017.

- Setting the directors committee's remuneration and proposed to the Annual General Meeting of Shareholders for approval.

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 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 2019 and determine the annual bonus for the year 2018 and policy of annual bonuses for the year 2018 in collaboration with human resources and the Management Committee in the proper ratio and correspond to the performance of the company.

- Performance evaluation of the Board of Directors

Provide a self-evaluation of the Board of Directors, sub-committee, and individual annually. The assessment result is reported to the Board of Directors to acknowledge and use to improve operational efficiency and achieve the objectives of the Company.

In summary, the nomination and remuneration committee has fully performed its duties. Nomination and Remuneration Committee approved by the Board of Directors by using knowledge careful knowledge and sufficient independence in giving opinions and suggestions for the overall benefits of the company.



(Mr. Roongroj Saengsastra)

Chairman of the Nomination and Remuneration Committee

Report of the Board of Directors’ Responsibilities for Financial Reports

To the Shareholders

The Board of Directors is responsible for the consolidated and Company-only financial statements, 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 has considered of Company’s internal control system. From the year ended on December 31, 2018, the company has settled in satisfactory level and create a reasonable reliable to the reliability of consolidated financial statement of the company and its subsidiaries.



(Mr. Roongroj Saengsastra)
Chairman/ Chief Executive officer

Shareholding Structure

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

Ranking No.	Shareholder name	% of shareholding		
		31 Jan 2017	29 Dec 2017	28 Dec 2018
1	Mr. Roongroj Saengsastra	24.510	24.510	24.510
2	Mr. Monrak Saengsastra	7.353	7.353	7.353
3	Mr. Maruth Saengsastra	7.353	7.353	7.353
4	Mr. Chaiyasith Viriyamettakul	5.038	5.038	5.069
5	N.C.B.TRUST LIMITED-NORGES BANK 11	2.723	2.887	2.996
6	Miss Supanee Thongplengsri	2.838	2.613	2.959
7	SOUTH EAST ASIA UK (TYPE C) NOMINEES LIMITED	-	-	2.821
8	Miss Cattleya Saengsastra	2.696	2.696	2.696
9	Mr. Suvit Smarnphanchai	2.451	2.451	2.451
10	Miss Rotsukon Wadcharasurang	2.257	2.257	2.257
Total 10 major shareholders		57.218	57.158	60.465
Total number of shares (Shares)		6,528,000,000	6,527,993,958	6,527,993,958
Issued and Paid-up share capital (Baht)		652,799,395.80	652,799,395.80	652,799,395.80
Authorized Share Capital (Baht)		652,800,000	652,799,395.80	913,919,154.10
Par Value per share (Baht)		0.10	0.10	0.10

Data as of 28 December 2018

Shareholders that are Thai legal entities 41 entities; holding 604,333,049 shares or 9.26%

Major shareholder that is Thai legal entity is Aberdeen Standard Small Cap Fund

Shareholders that are foreign legal entities 49 entities; holding 662,912,690 shares or 10.16%

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

List of warrant holders to purchase ordinary shares of Dynasty Ceramic Company Limited No.1 (DCC-W1) 10 major (Data as of 28 December 2018)

Ranking No.	Shareholder name	% of warrants
1	Mr. Roongroj Saengsastra	24.510
2	Mr. Monrak Saengsastra	7.353
3	Mr. Maruth Saengsastra	7.353
4	Mr. Chaiyasith Viriyamettakul	6.134

5	SOUTH EAST ASIA UK (TYPE C) NOMINEES LIMITED	3.357
6	Miss Supanee Thongplengsri	2.838
7	Miss Cattleya Saengsastra	2.792
8	Miss Rotsukon Wadcharasurang	2.257
9	Mr. Viboon Wadcharasurang	2.245
10	Mr. Kanthawat Wadcharasurang	2.143
Total		60.980

In accordance with the resolution of the Annual General Meeting of Shareholders for the year 2018, on April 24, 2018, approved the issuance and offering of warrants to purchased ordinary shares of the Company No.1 (DCC-W1) in the amount of 2,611,197.583 units for offering to the existing shareholders of the company in proportion to their shareholding in the ratio of 2.5 existing shares per unit of warrants without charge.

Shareholding Structure of the Subsidiaries as of 28 December 2018

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
4	Minority shareholders	4,094	0.02
Total		22,200,000	100.00

2. The Royal Ceramic Industry Public Co.,Ltd (10 major shareholders)

	Company/individual shareholder name	% of shareholding
1	Mr. Monrak Saengsastra	6.160
2	Mr. Chaiwit Arunnetrtong	6.160
3	Mr. Maruth Saengsastra	6.160
4	Mr. Viboon Wadcharasurang	5.623
5	Mr. Nakarin Saengsastra	4.864
6	Miss. Malinee Boonrak	4.864
7	Miss. Waraporn Smarnphanchai	4.327
8	Miss. Sunee Anantaprakorn	4.117
9	Dynasty Ceramic Public Co., Ltd	4.053
10	Mrs. Patchanee Viboolchan	3.080
Total 10 major shareholders		49.408
Total number of shares (Shares)		616,839,365
Issued and Paid-up share capital (Baht)		616,839,365
Authorized Share Capital (Baht)		616,839,365
Par Value per share (Baht)		1.00

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

- 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 2018, 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)	Hold-ing (%)	Cost Method (Baht)	Invest-ment in other compan-ies
Subsidiaries companies:						
Tile Top Industry Public Co., Ltd	300,000,000	222,000,000	10.00	96.83	109,479,530	None
The Royal Ceramic Industry Public Co.,Ltd	616,839,365	616,839,365	1.00	4.05	100,054,181	Remark 1
World Wide Ceramic Co., Ltd *	1,000,000	1,000,000	100.00	99.93	1,063,937	None
Total	917,839,365	839,839,365			210,597,648	

* The subsidiary company registered its dissolution with the Ministry of Commerce on 30 September,2014 and is in the process of liquidation.

Remark 1: Investments in other companies of The Royal Ceramic Industry Public Co.,Ltd (Subsidiary)

Company's name	Authorized Share Capital (Baht)	Issued and Paid-up share capital (Baht)	Par value per share (Baht)	Hold-ing (%)	Cost Method (Baht)	Less Allow-ance for impairment (Baht)	Cost Method -net (Baht)
Subsidiaries company:							
Royal Asia Brick and tiles Co.,Ltd (1)	80,000,000	80,000,000	10.00	100.00	139,985,000	(60,478,126)	79,506,874
Associated company:							
Bann somehavil co.,Ltd	25,000,000	25,000,000	25.00	45.00	11,250,000	(11,250,000)	-
Non-marketable equity securities:							
Cermas Co.,Ltd	21,000,000	21,000,000	100.00	1.50	314,300	-	314,300
The T.T. Ceramic PLC	600,808,896	600,808,896	1.0	8.32	50,000,000	(21,000,000)	29,000,000
Total					201,549,300	(92,728,126)	108,821,174

(1) Stop operation in April 2017.

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 2019 be proposed to consider and approve the payment of the annual dividend of the year 2018 at the rate of 0.116 Baht per share, for total number of 6,527,993,958 shares as the issued and paid-up share capital of the Company, totally 757,247,299 Baht, of which cash totally 580,991,462 Baht or 0.089 Baht per share was paid as interim dividend during the year 2018. The remaining of 0.027 Baht would be further paid out totally 176,255,837 Baht, the dividend payout ratio of the Company shall be 77%. In case of the Meeting of Shareholders for the year 2019 approves the dividend payment as proposed.

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

Dividend Details	2018	2017	2016	2015	2014
1.Net Profit (Million Baht)	979	1,117	1,422	1,372	1,227
2.Number of shares (Million Shares)	6,528	6,528	6,528	6,528	4,080
3.Earning per Share (Baht)	0.150	0.171	0.218	0.210	0.301
4.Dividend paid per share (Baht)	0.1116	0.128	0.16325	0.210	0.301
5.Total Dividend Paid (Million Baht)	757	836	1,066	1,371	1,228
6.Dividend Payout Ratio (%)	77	75	75	100	100

Y 2018	Net Profit (Million Baht)	Earning per Share (Baht)	Directors approved to pay Dividend (Baht/Share)	Dividend Payout Ratio (%)
Quarter 1	279	0.043	0.033	77
Quarter 2	247	0.038	0.029	76
Quarter 3	227	0.035	0.027	77
Quarter 4	226	0.034	0.027	79
Total	979	0.150	0.116	77

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/ Chief Executive officer
2. Gen. Yuthasak Sasiprapha	Independent Director and Chairman of Audit Committee
3. Mr. Surasak Kosiyajinda	Independent Director and Audit Committee
4. Mr. Siripong Tinnarat	Independent Director and Audit Committee
5. Mr. Totsaporn Banyongwate	Independent Director and Audit Committee
6. Mr. Chaiyasith Viriyamettakul	Director
7. Mr. Suvit Smarnphanchai	Director
8. Ms. Cattleya Saengsastra	Executive Director and Company's Secretary
9. Mr. Monrak Saengsastra	Chief Admin and Finance Officer
10. Mr. Maruth Saengsastra	Chief Marketing and Sales Officer
11. Mr. Jaruwat Traithavil	Chief Production Officer

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 of Directors appoints one director to be the Chairman. The Chairman of the Board is responsible for overseeing the implementation of the policies and strategic guidelines as considered and determined by the Executive Board including to conduct the completion of the Board meetings. Every directors should participate in the meeting and ask important questions during each meeting.

The authority of the Director Board and Management are clearly defined and separated. The Board of Directors will meet at least 6 times a year to advise and support the management through the Executive Committee. Meanwhile The Director Board will not interfere with the routine operation or business activities under the responsibility of management. Therefore, only the Executive Director are authorized by the Board and the responsibility of the executive directors is in accordance with the management effectively.

2. Audit Committee

The Audit Committee comprised 4 members

- | | |
|------------------------------|--|
| 1. Gen. Yuthasak Sasiprapha | Independent Director and Chairman of Audit Committee |
| 2. Mr. Surasak Kosiyajinda | Independent Director and Audit Committee |
| 3. Mr. Siripong Tinnarat | Independent Director and Audit Committee |
| 4. Mr. Totsaporn Banyongwate | Independent Director and Audit Committee |

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

Mr. Siripong Tinnarat 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 2018, 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. Monrak Saengsastra | Nomination and Remuneration Committee member |
| 3. Mr. Maruth Saengsastra | Nomination and Remuneration Committee member |
| 4. Mr. Jaruwat Traithavil | Nomination and Remuneration Committee member |

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 Committee (RMC)

The Risk Management Committee (RMC) comprised 4 members

- | | |
|----------------------------|---|
| 1. Mr. Jaruwat Traithavil | Chairman of the Risk Management Committee |
| 2. Mr. Monrak Saengsastra | RMC's member |
| 3. Mr. Maruth Saengsastra | RMC's member |
| 4. Ms. Somruthai Boonyarit | RMC's member and Secretary |

The Risk Management 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. Ms. Cattleya Saengsastra	Executive Director and Secretary
3. Mr. Monrak Saengsastra	Executive Director
4. Mr. Maruth Saengsastra	Executive Director
5. Mr. Jaruwat Traithavil	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 18 February 2019, the management team comprised of 13 members

- | | |
|----------------------------------|---|
| 1. Mr. Roongroj Saengsastra | Chairman / Chief Executive Officer |
| 2. Mr. Monrak Saengsastra | Chief Admin and Finance Officer |
| 3. Mr. Maruth Saengsastra | Chief Marketing and Sales Officer |
| 4. Mr. Jaruwat Traithavil | Chief Production Officer / VP Production-TTOP |
| 5. Mr. Suthee Boonnak | Senior VP Research and Technical Center |
| 6. Miss Bongkot Sittikornprasart | Chief Accounting and Finance |
| 7. Mr. Chauwalit Pidthong | VP Production-DCC |
| 8. Mr. Somnuek Suriyagrul | VP Engineering-DCC/TTOP |
| 9. Mrs. Pobkhun Kaosaiyanant | VP Purchasing |
| 10. Mr. Chanin Suppapinyopong | VP IT System |
| 11. Ms. Nong Klongvicha | VP Research and Technical Center |
| 12. Mrs. Piyarat Chiengkamolkeet | Assist. VP Accounting |
| 13. 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.

Board Meeting

The Board of Directors is generally required to meet at least 6 times a year. (In the year 2018, there was a total of 7 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

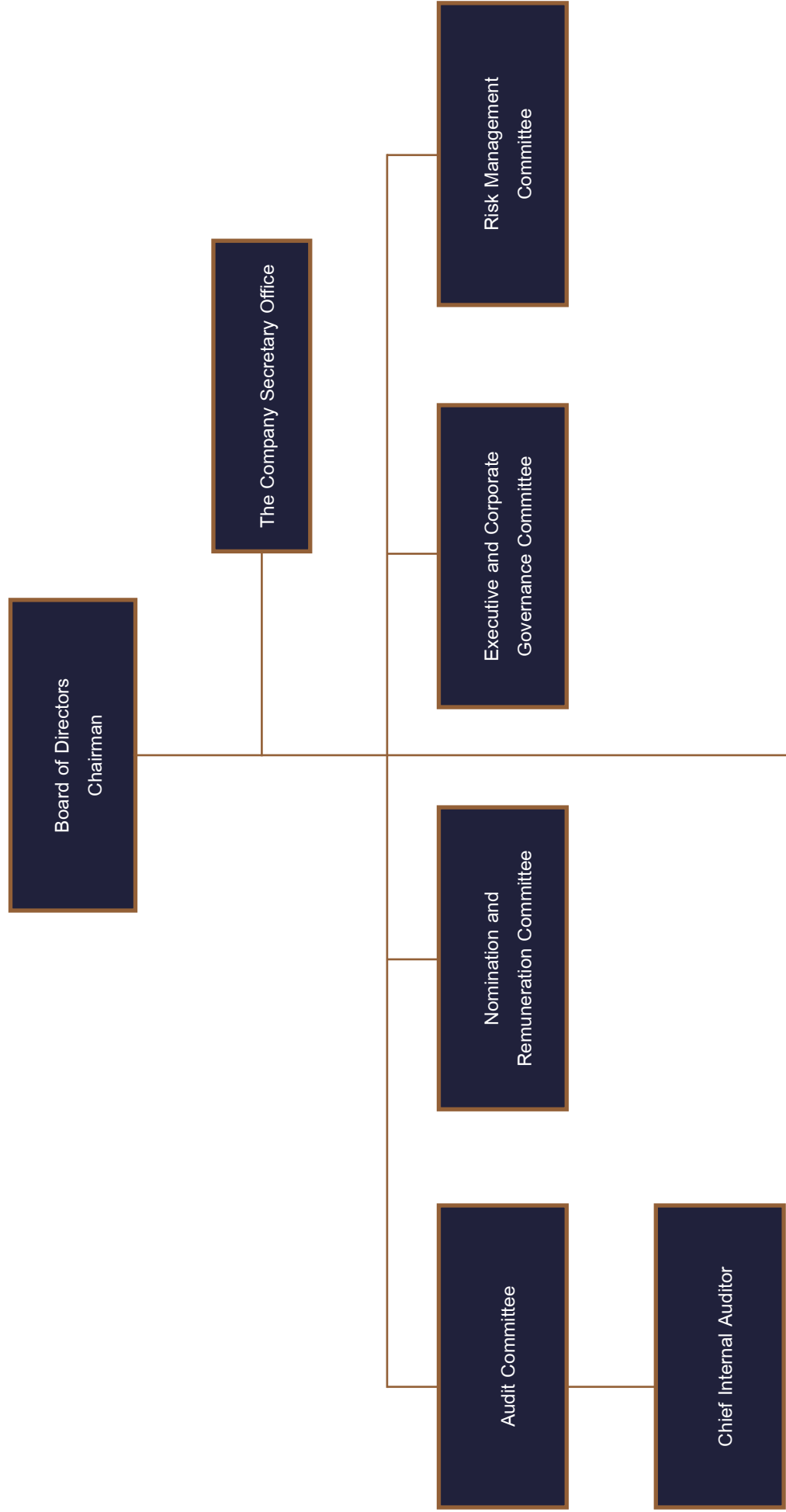
Name Of Directors	Board Meeting in 2018					AGM in 2018
	Board Of Director Total 7 times	Board Of Audit Committee Total 4 times	Nomination and Remu- neration Committee Total 2 times	Executive & Corporate Governance Committee Total 2 times	Risk Manage- ment and Business Continuity Committee Total 2 times	
1.Mr.Roongroj Saengsastra	7/7	-	2/2	2/2	-	1/1
2.Gen.Yuthasak Sasiprapha	7/7	4/4	-	-	-	1/1
3.Mr.Surasak Kosiyajinda	7/7	4/4	-	-	-	1/1
4.Mr.ChaiyasithViriyamettakul	7/7	-	-	-	-	1/1
5.Mr. Suvit Smarnphanchai	7/7	-	-	-	-	1/1
6.Miss Cattleya Saengsastra	7/7	-	-	2/2	-	1/1
7.Mr. Monrak Saengsastra	7/7	-	2/2	2/2	2/2	1/1
8.Mr. Maruth Saengsastra	7/7	-	2/2	2/2	2/2	1/1
9.Mr. Siripong Tinnarat	7/7	4/4	-	-	-	1/1
10.Mr.Totsaporn Banyongwate	7/7	4/4	-	-	-	1/1
11.Mr. Jaruwat Traithavil	7/7	-	2/2	2/2	2/2	1/1

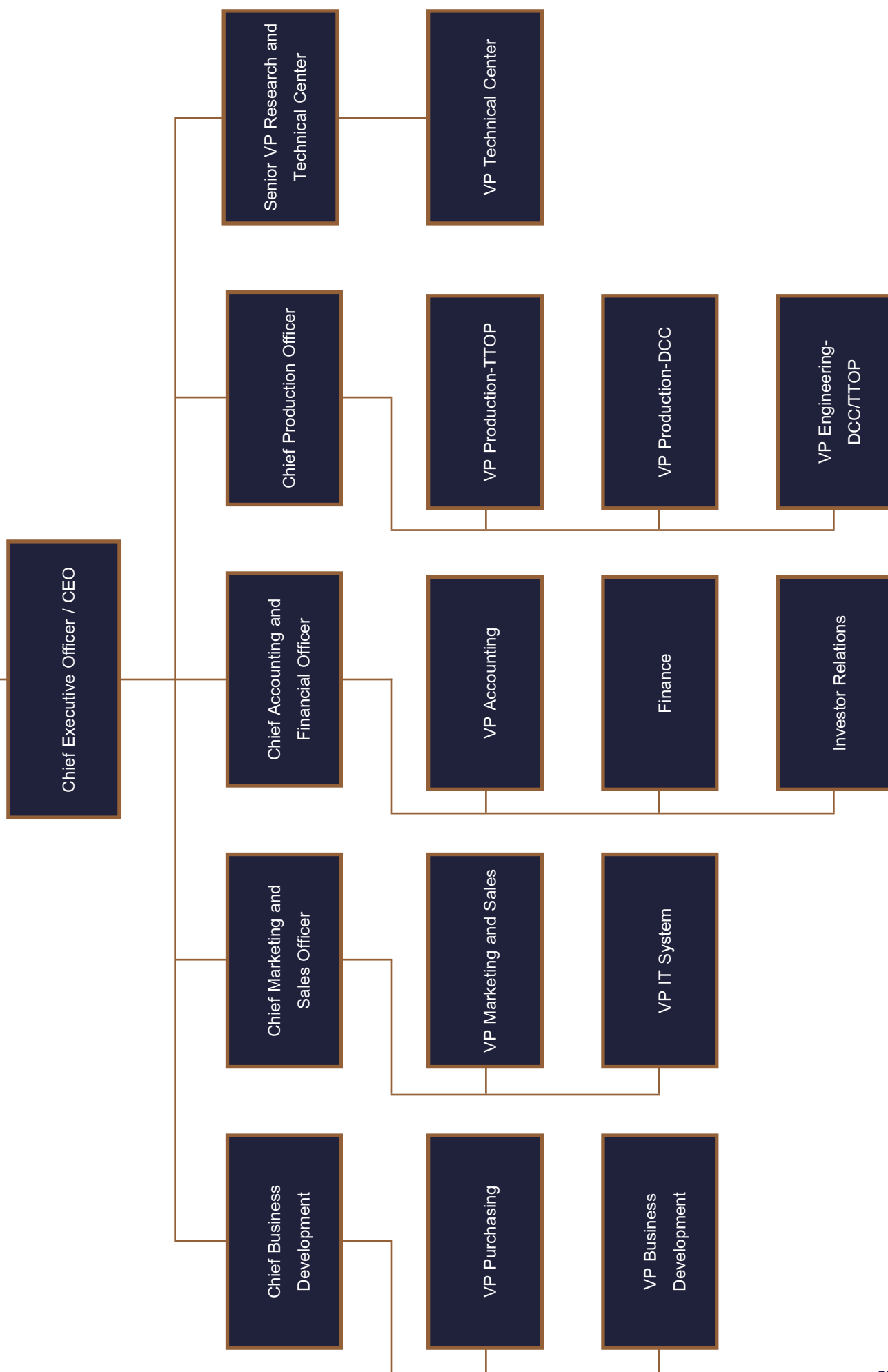
Details of attendance records of Tile Top Industry PLC. and The Royal Ceramic Industry PLC.(Subsidiary) in 2018 are shown in the following table

Name Of Directors	Tile Top Industry PCL.		The Royal Ceramic Industry PCL.	
	Board Of Director Total 6 times	AGM in 2018	Board Of Director Total 6 times	AGM in 2018
1. Mr.Roongroj Saengsastra	6/6	1/1	6/6	1/1
2. Miss Cattleya Saengsastra*	6/6	1/1	6/6	1/1
3. Mr.Monrak Saengsastra	6/6	1/1	6/6	1/1
4. Mr.Maruth Saengsastra	6/6	1/1	6/6	1/1
5. Mr.Jaruwat Traithavil	6/6	1/1	6/6	1/1

* Miss Cattleya Saengsastra as a secretary of The Royal Ceramic Industry PLC only

Organization Chart





Remuneration for the Directors, Executive Directors and Audit Fee

The Board of Directors regarded that remuneration of directors should reflect the duties and responsibilities in achieving the expectations of all stakeholders. The Board of Directors must also have experience and qualifications to undertake the tasks. Remuneration of the Board of Directors has been approved by shareholders at the Annual General Meeting of Shareholders every year.

To comply with the obligations and responsibilities of directors as imposed by law, directors have both civil and criminal liability as well as a commitment and undertake duties of directors. Board of Directors, therefore, agreed to give compensation to directors into two parts as follows:

1. Meeting allowance was the remuneration paid to directors according to the attendance of Board of Director meetings, and will only be paid to directors who attended the meeting.

1.1 Allowance for Chairman of the Board of Directors and Chairman of Sub-Committee:

Allowance for Chairman of the Board of Directors and Chairman of Sub-Committee should be at a higher rate than other directors or sub-committee members. Allowance should be clearly established and disclosed.

1.2 Allowance for Sub-committee member:

Sub-committee member is eligible for allowance for sub-committee meetings, which may set at a rate lower than or equal to the rate given to the Board of Director meetings as the role and responsibility of the sub-committee more limited than that of the Board of Directors.

1.3 Remuneration of directors.

The remuneration for directors should be set at an appropriate rate and sufficient for directors to limit their director position at a few companies and be able to devote time to attend and act effectively. The Company has set remuneration for the Board of Directors and Executives by comparing with other leading companies listed in the stock market and in the same industry, as well as performance of the Company.

2. Directors' remuneration was a compensation paid to directors on an annual basis by considering the value created for shareholders including book value and dividend payment. (chart is on next page).

(1) Miss Cattleya Saengsastra is the Company's Secretary at The Royal Ceramic Industry PLC (Subsidiary)

(2) Mr. Siripong Tinnarat is the Director, effective from April 24, 2017
and received the remuneration for the year 2017 according to the proportion.

(3) Mr. Totsaporn Banyongwate is the Director, effective from April 24, 2017
and received the remuneration for the year 2017 according to the proportion.

(4) Mr. Jaruwat Traithavil is the Director, effective from August 8, 2017
and received the remuneration for the year 2017 according to the proportion.

(5) Mr. Yothin Juangbhanich is completed the term and resigned from the Board of Directors on April 24, 2017 and received the remuneration for the year 2017 according to the proportion.

(6) Mr. Phachon Khachitsarn is completed the term and resigned from the Board of Directors on April 24, 2017 and received the remuneration for the year 2017 according to the proportion.

(7) Mr. Sanchai Janejarat is resigned from the Board of Directors on June 30, 2017
and received the remuneration for the year 2017 according to the proportion.

According to the year 2018 Annual General Meeting of Shareholders of the Company approval of the Remuneration Committee. Details are as follows.

Name of Board Members	Dynasty Ceramic PLC				Tile Top Industry PLC (Subsidiary)			The Royal Ceramic Industry PLC (Subsidiary)	Grand Total
	Board Meeting Allowance Fee	Audit Committee Meeting Allowance Fee	Directors' remuneration	Total	Board Meeting Allowance Fee	Directors' remuneration	Total	Board Meeting Allowance Fee	
1. Mr.Roongroj Saengsastra	420,000	-	600,000	1,020,000	360,000	300,000	660,000	240,000	1,920,000
2. Gen. Yuthasak Sasiprapha	350,000	240,000	300,000	890,000	-	-	-	-	890,000
3. Mr.Surasak Kosiyaajinda	350,000	200,000	300,000	850,000	-	-	-	-	850,000
4. Mr.Chaiyasith Viriyametakul	350,000	-	300,000	650,000	-	-	-	-	650,000
5. Mr.Suvit Smarnpanchai	350,000	-	300,000	650,000	-	-	-	-	650,000
6. Miss Cattleya Saengsastra (1)	350,000	-	600,000	950,000	300,000	300,000	600,000	240,000	1,790,000
7. Mr.Monrak Saengsastra	350,000	-	600,000	950,000	300,000	300,000	600,000	240,000	1,790,000
8.Mr.Maruth Saengsastra	350,000	-	600,000	950,000	300,000	300,000	600,000	240,000	1,790,000
9. Mr.Siripong Tinnarat (2)	350,000	200,000	200,000	750,000	-	-	-	-	750,000
10. Mr.Totsaporn Banyongwate (3)	350,000	200,000	200,000	750,000	-	-	-	-	750,000
11. Mr.Jaruwat Traithavil (4)	350,000	-	250,000	600,000	300,000	125,000	425,000	240,000	1,265,000
12. Mr.Yothin Juangphanich (5)	-	-	100,000	100,000	-	-	-	-	100,000
13. Mr.Phachon Khachitsarn (6)	-	-	100,000	100,000	-	-	-	-	100,000
14. Mr.Sanchai Janejarat (7)	-	-	300,000	300,000	-	150,000	150,000	-	450,000
Total	3,920,000	840,000	4,750,000	9,510,000	1,560,000	1,475,000	3,035,000	1,200,000	13,745,000

For the year 2019 the Board of Directors has considered that the directors' remuneration shall be given to the directors as follows:

Meeting Allowance	Baht / Meeting / person		%Increase (Decrease)
	Y2019	Y2018	
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 Committee and Risk management Committee (only the outside director)	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 2018 as follows:

Annual bonus	(Baht/person)		%Increase (Decrease)
	Y2018	Y2017	
1. Annual bonus payable to all directors (11 persons)	300,000	300,000	-
2. Annual bonus payable to all managing directors (5 persons)	300,000	300,000	-

The directors' remuneration shall only be paid to directors whose are present at the Board Meeting, and shall be effective as first meeting in 2019. The Annual bonus is paid in fix amount from the Company's operation account on 22 April 2019.

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)		
	2018	2017	2018	2017	%Increase (Decrease)
Dynasty Ceramic PCL.	7	7	19.73	20.81	(5.19)
Tile Top Industry PCL.	3	4	7.71	8.24	(6.43)
The Royal Ceramic Industry PCL.*	5	5	5.36	2.46	117.89
Royal Asia Brick and Tiles Co.,Ltd.	-				
Total			32.80	31.51	4.09

*According to the resolution of the Annual General Meeting of Shareholders for the year 2017 held on April 24, 2017 approved 5 Directors and Executives to be Directors and Executives of the Royal Ceramic Industry Public Company Limited without any compensation in the year 2017 and started receiving the meeting allowance from Royal Ceramic Industry Public Company Limited in accordance with the resolution of the Extraordinary General Meeting of Shareholders No. 1/2017 on November 27, 2017 effective from December 1, 2017 onwards.

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 2018, compared to 2017, is as follows:

Company	Total employee remuneration In 2018 (MB)			Total employee remuneration In 2017 (MB)			% Increase (Decrease)
	Plant/ Branch	HQ.	Total	Plant/ Branch	HQ.	Total	
Dynasty Ceramic PCL.	542.85	50.17	593.02	535.19	59.10	594.29	(0.21)
Tile Top Industry PCL.	243.67	5.89	249.56	266.63	8.95	275.58	(9.44)
The Royal Ceramic Industry PCL.	93.36	1.62	94.98	103.45	30.4	133.58	(29.04)
Royal Asia Brick and Tiles Co.,Ltd.	-						
Total	879.88	57.68	937.56	905.27	98.45	1,033.72	(6.59)

Number of employees for the Company and its subsidiaries as of 31 December, 2018, compared to 2017, is as follows:

Company	Number of Employees In 2018 (person)			Number of Employees In 2017 (person)			% Increase (Decrease)
	Plant/ Branch	HQ.	Total	Plant/ Branch	HQ.	Total	
Dynasty Ceramic PCL.	2,204	121	2,325	1,991	117	2,108	10.29
Tile Top Industry PCL.	662	7	669	672	7	679	(1.47)
The Royal Ceramic Industry PCL.	221	7	228	361	15	376	(39.36)
Royal Asia Brick and Tiles Co.,Ltd.	-						
Total	3,087	135	3,222	3,024	139	3,163	1.87

Audit Fee

(Quarterly Financial Statements and Annual Financial Statements)

Audit Fee (Baht / Year)	Proposed for Y2019*	Y2018	% Increase (Decrease)
Dynasty Ceramic PCL.	1,750,000	1,635,000	7.0 %
Tile Top Industry PCL.	530,000	510,000	3.9 %
The Royal Ceramic Industry PCL.	990,000	924,000	7.1 %
Royal Asia Brick and Tiles Co.,Ltd.	30,000	30,000	-
Non-audit fee	none	none	-
Total Audit Fee	3,300,000	3,099,000	6.5 %

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 2019, The Audit Committee proposed the formal Auditors (as the third year) from Karin Audit Co.,Ltd. to the Board of Director for approval from The Shareholders' Meeting for the year 2019

Audit Report Summary	Y2018	Y2017	Y2016
Auditor / Registration	Mr.Jadesada Hungsaruek /3759	Mr.Jadesada Hungsaruek /3759	Ms. Kanyanat Sriratchatchaval / 6549
Auditing Office	Karin Audit Co.,Ltd.	Karin Audit Co.,Ltd.	Grant Thornton Co.,Ltd.
Auditor's opinion	No Conditions	No Conditions	No Conditions

* For the year 2019, The Audit Committee of The Royal Ceramic Industry Public Company Limited proposed the formal Auditors (as the fifth year) from Karin Audit Co.,Ltd. to the Board of Director for approval from The Shareholders' Meeting for the year 2019

Audit Report Summary	Y2018	Y2017	Y2016
Auditor / Registration	Mr.Jadesada Hungsaruek /3759	Mr.Jadesada Hungsaruek /3759	Ms. Kanyanat Sriratchatchaval / 6549
Auditing Office	Karin Audit Co.,Ltd.	Karin Audit Co.,Ltd.	Grant Thornton Co.,Ltd.
Auditor's opinion	No Conditions	No Conditions	No Conditions

Subsidiaries

There are two subsidiaries

1. 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 of Business Development Ministry of Commerce on 30 September 2014.

In 2018, Pick and Pay Company Limited and Muang Thong Ceramic Company Limited has completed the liquidation process, whereas World Wide Ceramic Company Limited is in the process of liquidation.

2. The Royal Ceramic Industry Public Co. Ltd.

According to the resolution of the Annual General Meeting of Shareholders for the year 2017 held on April 24, 2017 approved the Directors and Executives of the Company for 5 directors as the management of the Royal Ceramic Industry Public Company Limited, which is operated the same business type with control over various policies. Therefore, the company has to prepare the consolidated Financial Statements by bringing the Royal Ceramic Industry Public Company Limited and its subsidiaries since April 1, 2017 onwards. The company has not yet invested in shares of the Royal Ceramic Industry Public Company Limited. At the end of October 2018, the company invested in common shares of the Royal Ceramic Industry Public Company Limited for totaling of 4.05 percent.

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

Name Of Board Members	DCC	TTOP	RCI	RABT
1. Mr.Roongroj Saengsastra	- Chairman -Chief Executive Officer -Chairman of Corporate Governance Committee -Chairman of Nomination and Remuneration Committee	-Chairman -Chief Executive Officer	-Chief Executive Officer	-Director
2. Gen. Yuthasak Sasiprapha	-Independent Director & Chairman of Audit Committee	-	-	-
3. Mr. Surasak Kosiyajinda	-Independent Director & Audit Committee	-	-	-
4. Mr. Siripong Tinnarat	-Independent Director & Audit Committee	-	-	-

Name Of Board Members	DCC	TTOP	RCI	RABT
5. Mr. Totsaporn Banyongwate	-Independent Director & Audit Committee	-	-	-
6. Mr. Chaiyasith Viriyamettakul	- Director	-	-	-
7. Mr. Suwit Smamphanchai	- Director	-	-	-
8. Miss Cattleya Saengsastra	- Executive Director - Company's Secretary	- Executive Director	- Company's Secretary	-
9. Mr. Monrak Saengsastra	- Executive Director - Chief Business Development	- Executive Director - Chief Business Development	- Executive Director - Chief Business Development	- Director
10. Mr. Maruth Saengsastra	- Executive Director - Chief Marketing Officer	- Executive Director - Chief Marketing Officer	- Executive Director - Chief Marketing Officer	- Director
11. Mr. Jaruwat Thraithavil	- Executive Director - Chairman of Risk Management Committee - Chief Production Officer	- Executive Director - Chief Production Officer	- Executive Director - Chief Production Officer	- Director

Dynasty Ceramic PLC = DCC

Tile Top Industry PLC = TTOP (DCC hold 96.83%)

The Royal Ceramic PLC = RCI (DCC hold 4.05% with control over various policies)

Royal Asia Brick and Tile Co., Ltd = RABT (RCI hold 100%)

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. 2555 (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 operated 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 2018, the 2018 Annual General Shareholders' Meeting was held on Tuesday 24 April 2018 at the Main Meeting Room, 4th floor DCC Head Office Building, 37/7 Suttisarnvinijchai 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 2019. Shareholders were allowed to exercise this right from October 1 -December 31, 2018 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 14 January 2019.

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 2018, the Company has sent invitation to the Annual General Shareholders' Meeting on 23 March 2018, which is 30 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 Karin Audit 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.

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 2018, there are various activities summarized as follows:

1. Analyst meeting to clarify the results of the operations, financial statement, management discussion and analyst and future overview for 2 times. There are about 25 participant per time.
2. The press conference for 3 times with 5 media participants.
3. Participation in Roadshow activities in Hong Kong during August 14, 2018 and in Singapore during September 21, 2018, organized by Maybank Kin Eng Securities for 2 times. There are approximately 30 analysts and investor attending each session in each meeting.
4. Company visit for 25 times.
5. Conference call with investors and analyst from both domestic and international.
6. Interview with the media / publication column for 5 times.

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

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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 dis-

closure 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 2017. 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.

Summary of the assessment results for the year 2018

Subject	% of the assessment results	
	group assessment	self-assessment
1. Board of Directors' structure and qualifications of the Board of Directors	97%	97%
2. The roles, duties and responsibilities of the Board of Directors	95%	95%
3. Board of Directors' meetings	97%	97%
4. The Board's performance	98%	98%
5. Relationships with management	98%	97%
6. Directors' self-development and executive development	95%	94%
Total	97%	96%

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.



SUSTAINABLE DEVELOPMENT REPORT for 2018

The company recognizes the responsible business operation in economic, social and environment, under the good governance principle for sustainable growth and is a mechanism to drive economic and social development. Throughout the past, Dynasty Ceramic Public Company Limited is a leader in the ceramic wall and floor tile product manufacture and distributor who focuses on researching in the production process and manufacturing with technology to develops quality, pattern and product that satisfies consumer needs alongside with effectively manage the environment and emphasize on energy consumption reduction, production waste reduction effective resources utilization as well as development of potential, knowledge and skill for employee to makes standard quality products with cost effectiveness and increases efficiency in competitiveness including satisfies customers needs and expectations both products and services. It also complies with the development of the surrounding communities and society and effectively returns to employees, business partners, social, shareholders and stakeholders as expect.

This sustainable development report for 2018 has been prepared with disclosure in accordance with information form number 56-1 of the Office of the Securities and Exchange Commission and Stock Exchange of Thailand and presented under the framework on social responsibility of the business which coverage all group of stakeholders as a data collection from January 1 to December 31,





Vision

to become a leading company in manufacturing and distributor of ceramic tiles business with standard of quality products, administrate with good governance and associate responsible for social and environment to balance along with business growth.

Mission

to become a leader in ceramic tiles with international standard quality of production system in response to variety requirement of customers based on skill, competency, creativity idea of employees to develop the organization together to deliver value through quality ceramic tiles production and impressive services to customers and meet expectation of stakeholders.



Strategies for sustainable business operations

Sales Strategy

The company focuses on development and increasing in value of goods and services to maintain the existing customers and continuously expand to new customers by using technology system to collect information of group of buyers and product categories to support business development in various aspects, enhance development of product and service, clearly present product information and prices including promotional activities to meet needs of all customers. To prepare for market trends changing at a glance including the use of technology to support wireless communication, strengthen customer intimacy and create opportunities to provide information to customers directly as a channel to increase sales opportunities.

Production Strategy

The Company remain focuses on the highest efficiency production, minimum loss with the right number of people. Integration of working skills with machine processes to developed as a simple automatic production line with flexibility to adjust production plans to balance with sales plan. Research has evolved for new products and the existing products improvement to a wide range of patterns, colors, sizes and appearance to meet demands of consumers according to the changing market trends under reasonable costs to market competitiveness. And also trying to create new production innovations that effectively use resources and reduce energy consumption in order to achieve sustainability in the manufacturing process.



Management Strategy

Timely, the company uses the management principles of good corporate governance, fair compliance with legal and regulatory standards, both occupational health, environmental and community management, and focuses on fast-changing management to adapt the work plan to effectively and promptly change in each situation to respond to stakeholders, including shareholders, employees, customers, partners, competitors, suppliers, communities, socials and environment synchronizes with strengthening and instilling ethics in work and development the work procedure that encourage transparency and accountability work according to anti-corruption policy.

Human Resources Strategy

For a competitive advantage, the company has operating by using the knowledge base as the basis for the creation of quality products and services include value added creation, We aim to enhance the readiness of employees in every unit and level, providing them knowledge exchange and learning to each other both in the same job-field and cross job-field to solve problems and improve jobs in the whole working system together in the appropriate way. The company also providing a training of basic ethical and skills to refresh the existing knowledge and accumulate the new knowledge to present employees an opportunity for career advancement and growth together with the organization.

Sustainable Development Framework

The company takes into account sustainable business through the operation of the company since the process of purchasing quality raw material from the partners who follows standard-criteria and regulations, focuses on effective production development, customer services through the company's branches which is located throughout the country, until responsible delivery goods to customers. The delivery of standard quality products, valuable assistance to the community, environment and stakeholders for the benefit of all group of stakeholders which will contribute to the sustainability of the organization in parallel with the integrity and ethics in operation as well as responsibility to the community and society. Therefore, the company has defined a sustainable development framework based on international guidelines and balance with economic, social community, environment to be the means of common practices for the boards, executives and employees as follows:

- 1. Products of quality :** The company attempts to produce quality products, starting from the selection of quality raw materials from potential manufacturers, constantly researches and develops products to make a standard product and also worthy resources usage and maximize utilization of products.
- 2. Customer response :** The company realizes for the customer products access; sales store, distribution and diversity of goods to increase alternative and build a confidence in products, as well as improve services to meet satisfaction of all customers as always.
- 3. Efficient production process :** The company focuses on producing products efficiently as well as essentially taking into account the safety work of employees and also consider for the efficient production process, reduce complicated procedure and reduce energy consumption to encourage sustainable energy consumption.
- 4. Use of advanced technology :** In order to continue sustainable product development and response to consumers demand, advanced technologies are used for the product development and support working systems to well-satisfied and meet the market demands.
- 5. Environmental concentration :** The company recognizes consequence from the business operation in production process, energy consumption and transportation logistic then committed in environmental management keeping with standards for the long-term caring and creating environment sustainability.
- 6. Community and Social Caring:** The company have an intention to improve quality of life of community and society surrounding plants as well as broad range of societies to create a good relationship to the company through local activity support and product support for a voluntary camp of various institutions, schools, and government agencies that lack to contribute the educational development and quality of life of community and social in common.



Sustainable performance

Economic aspect

Products and services

Since the use of computer systems for support and analyze data in retails, wholesale, and projects are beneficial to the decision of Management in the production planning and marketing plan alongside with the advanced production technology by increasing a production proportion from digital patterned printer. A realistic pattern with less production time also makes possibility to respond effectively to customers demand as well reason-

able costs makes competitive items in current economic conditions. As a result, the company meets the needs of the original customers, whether it is a retail group, wholesale group or contractor group, and also expands a large number of project customers. Gathering information of all customer groups to assess and analyze for a production planning that meets more needs.

In addition, whereas more than 200 branches nationwide of the company is a base that allow us a high potential of retail marketing channel. The company have a direction on lands and buildings management which target on an advantage from branch area as its location are located on the main route or bypass road and is the area that is urban expanding cause to draw more and more retail customers. As a result, the company promote the land and buildings management policy to be efficient by many other businesses are encourage to rent and invest which has received a good response from various stores and manufacturers, for example, Grand Home Mart, Vanachai Woodsmith, Kerry Express, Saeng Udom Lighting. Which the tenants have already opened in several branches, such as Kathinglai, Sattahip, Baan Khai etc.

In the past 2018, for the distribution, the company has focused on proactive marketing to cover a wide range of customers particularly in contractors, urban customers and construction sites by directly approach at such sites and gather information of each customer, such as the contractor's background, construction projects in the area, consumptive use together with continuous public relations, so proportion of sales volume from contractors and the project customer were growth up to 24%. This includes the quarterly promotional events to boots sales of each branch which has a very good response.

For the goods sold generally, has focused on larger items such as floor tiles size 60x60 cm, which is continually popular. The company has developed patterns to suitable for of various customers needs, especially for urban customers, which are interested in the floor tile sizes 60x60 cm, making this tile has increased sales to 45% includes the wall tiles size 25x40 cm with a higher sales amount as well.

In the past year, the affordable price tile was remain preferred especially the products of CHICKEN brand size 30x30 cm and size 40x40 cm, which was only available at retailers not available at Dynasty's branches. From the fieldwork of marketing department, the requirement information and customer's expectations of the dealers are obvious cause the factory has developed pattern, quality products at affordable prices that meet the market demands of this customer group, as a result

to continuous response. The main strategy of this product is always ready for shipment, fast delivery within 3 days throughout the country in order to meet the dealer's business operation that needless to order items to stock. The product can be ordered and received shortly accompany with the existing product of JAGUAR brand that already on the market made further higher of sales of the dealer groups.

Inventory storage, The company has developed a system that make an efficient storage of goods, meet demands of each market in each area, so less the retention period, enough more space for new arrivals products for customers alternative and match to customer needs in each duration, there are various items which ready-to-ship that responds to a retail which is a main group of the branch that cannot wait for items. The system development is one of the outstanding capability that customers and contractors have been accepted that remain continual keep original customers and expand new customers to acquainted from efficient services as mentioned.

So that, The company has made an analysis map and route system focuses on working monitoring that covers all areas, roads and villages in combine with the information collected from Dynasty members, which were more than 200,000 members. Result in the company has received the information that can be analyzed to meet requirement and then managed the marketing strategy to meet to demand of each area. And significant that, the public relations cost were greatly reduced.

Also in recent years, the company used the 4.0 retail strategy that aim to add value of goods through highlighting the publicity at the point of sale and other online medias to provide customers an opportunity for more quickly and conveniently access information and press releases as follows:



- **Raise public relations channel for customers** via Line application to receive directly and quickly promotional news, instantly view catalog shown pattern of tiles for making purchase decision faster.
- **In addition, the customer may provide preliminary information or inquiries**, the Dynasty team will track and response to such inquiries, whether it is a tile area usage calculation, a guideline of selection and tiling in each usability, as well as recommend a contractor services in nearby areas.
- **The company added payment channel** via the Promptpay of KasikornBank for more convenience to customers without fees by scan to pay through the application of the bank, which receives a good feedback from customers as well it also reduces the risk of cash keeping and can be easily traced back.



Environmental aspect

The company and its subsidiaries are producer that brings natural resources become main raw material and recognizes risks that may impact the environment, so the company commit to the sustainable business operations on the environmental responsibility basis through take into account the importance of minimizing the impact on the environment arising from business, goods and services. It has a policy that focuses on research to develop production processes and innovate that will help reduce potential impacts by means of targeting the value appreciation to use of natural resources in the manufacturing process, reducing natural energy consumption that is limited, and provides various plans and measures to contribute to the solution of climate change, promote efficient water management, as well as efficiently manage purchasing and goods delivery, reduce energy consumption for the transportation vehicle, include packaging development with the manufacturer to reduce the use of natural materials but remain efficiency.

Besides, the company also carried out the heat remaining from the manufacturing process circulate to reuse, cause an energy consumption reduction and waste reduction from manufacturing processes, as well as reuse treatment water from the production process to reduce water consumption partially and the closed-system make no water from the factory to surrounding communities.

Social and Community aspect

The company and its subsidiaries implemented under concept of supervision and prevention on the basis of justice and equality in order to develop society and communities in long-term both inside organization, from the supervision of all employees for a good working condition, safe for the entire factories, branches, and the headquarter, provide knowledge development to an opportunity for career advancement and better quality of life, and outside organization, partners, community, social including stakeholders for overall social sustainability.

The respect for human rights

The company complies with the labor standards that support and respect the human rights principles, the Thailand labor laws are importantly. It is defined in a human administration policy, emphasizes on sustainable business operations under the scope of the company and will not involve in any action that against human rights principle.

- The company treats stakeholders with respect to each other, respect in communication and try to understand all related stakeholders.
- The company operates in accordance with the labor law, no child labor, treat workers equivalent, not limited to sexual diversity or religious difference.
- The company has the fairness recruitment and selection process, non-discrimination, apply to the principles of characteristic, qualifications and competencies of the individual.
- The company oversees the benefits of compensation, provide occupational health and safety welfare according to the law, focuses on safe and hygienic work in the workplace, both the plant and the branches appropriately.
- Employees receive benefit of working according to their abilities and responsibilities, equal benefits to both male and female employees.
- The company supports the training for employees at all levels to enhance knowledge and improve quality of work to be more efficiency.
- Support disability employment in the organization, in the 2018 the company employs as a total of 8 disabled employees and has contributed as the proportion required by applicable law.

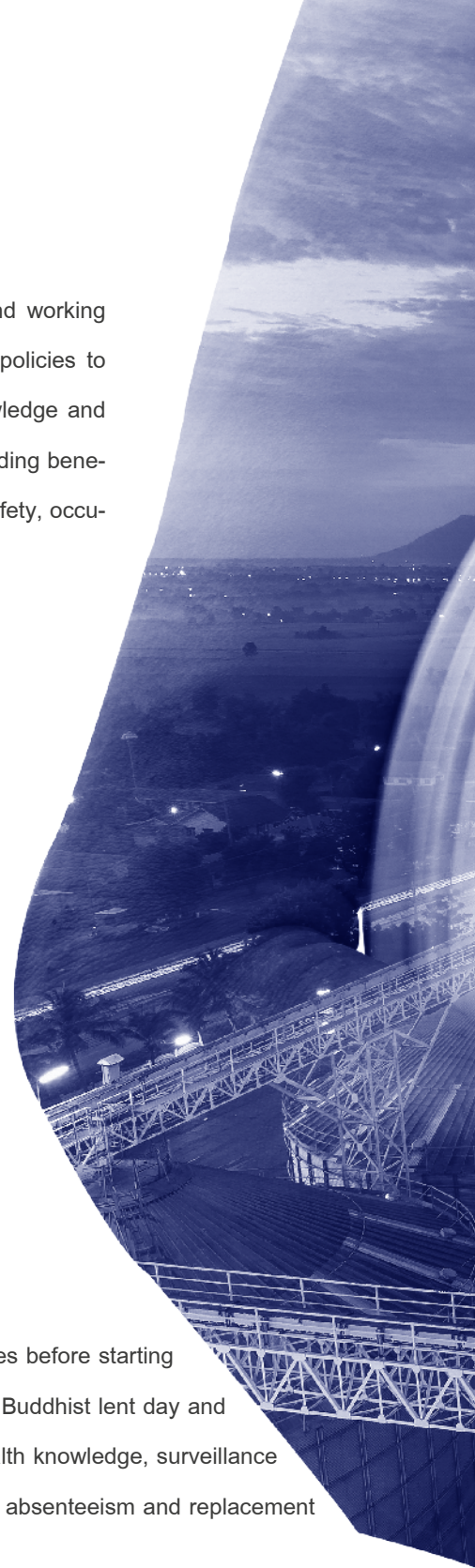
Employment information for people with disabilities as of October 2018 as follows:

	2014	2015	2016	2017	2018
Number of employee (person) is not a person with disabilities.					
DCC	1,945	1,912	2,005	2,056	2,258
TTOP	802	758	749	690	675
TOTAL	2,747	2,670	2,754	2,746	2,933
The number of person with disabilities who require employment ratio of 100:1 (person)					
DCC	19	19	20	21	23
TTOP	8	8	7	7	7
TOTAL	27	27	27	28	30
The number of handicapped persons employment pursuant to section 33 (person)					
DCC	10	8	5	5	5
TTOP	3	3	3	3	3
TOTAL	13	11	8	8	8
The number of person with disabilities that promotes the profession under section 35 (person)					
	0	0	0	0	0
Money contributions to the Fund in accordance with article 34 (Baht)					
DCC	985,500.00	1,204,500.00	1,642,500.00	1,752,000.00	2,023,560.00
TTOP	547,500.00	547,500.00	438,000.00	438,000.00	449,680.00
TOTAL	1,533,000.00	1,752,000.00	2,080,500.00	2,190,000.00	2,473,240.00

The security, health and fair working conditions for employees

The company recognizes the importance of safety, occupational health and working environment of employees and business operations therefore defined the security policies to comply with legal requirements, develop and encourage employees to possess knowledge and understanding of safety for their health and to be more productive. By means of providing benefits, tools, protection equipment, protection, reduce risk and facilitate work. And the safety, occupational health and working environment policies are as follows

- Working safety is a performance responsibility of every employee.
- Supports the improvement of the working environment to ensure safety and health care.
- Support and promote safety activities to stimulate consciousness of employees through training and public relations such as zero-accident in 365 days activity and dangerous protection equipment usage public relation board.
- Provides training of safety, occupational health, and work environment by law, for example, training for fire extinguished and fire evacuation in the factory and also has a safety management system by the principle of SHE (Safety, Healthy, Environment). Compiles the safety work regulations of both employees and contractors, regularly trained in safety and are also promoting activity for safety of work, such as a safety week of work, an on-site safety campaigns, safety supervisor seminars as well as the safety exhibitions in various zones to enhance knowledge of employees.
- Health activities, the company provides a health check-up for the employees before starting date, annual health check-up, health events such as refrain from alcohol on Buddhist lent day and exhibition about drugs and other recreational activities are organized for health knowledge, surveillance of employee illness, take care employees to be healthy to reduce the risk of absenteeism and replacement due to unhealthy employees.
- Working environment, in each year, the company provides an activity to improve the environment in the work area to be appropriate such as provides a places to relax, 5S activity, work environment monitoring for noise, light, heat, chemical and dust.
- For the branches, the company continually provides electric forklift with the methodically use training to the branches to reduce the risk of accidental lifting of goods by hand, reduce employee health problems in the long term and reduce costs of medical care. In addition, the company also supply fire extinguisher for all branches, calculated according to legal specified area to increase work safety and to provide emergency use guidance for branches.





- Provides annual monitoring for electrical system, transformer equipment, both at the factory and at the headquarter.
- Provides a quarter monitoring of emergency alarm system and portable pumps.



Human resources development

The company appreciates value of all employees that is the key success factor to help drive business operations according to the target, we encourage employee at all levels an opportunity of learning and development to be a good and talented person as well a readiness of continuous learning. And it is a skill-enhancing supporting business expansion, as well as new-knowledge learning to adapt to the changing trend of business. The company provides knowledge training to employees of all levels since the they joined the company, basic training will be an orientation to know the company, organization culture and preliminary work information, so new employees can adapt to working conditions which is a good impact on overall corporate performance. In addition, the company has also continuous and appropriate developed personnel at other levels that is a key factor in achieving sustainable success of organization. And it is the risk management of current and future labor shortage, focus on competency development for existing employee along with encouraging employees to be responsible with the correct ethical, work-in-segment learning to enhance knowledge and create binding and good relationship between related work units make a career progress in job field, career stability, create a family and grow together with the organization.

Factory

- Training, enhancing knowledge and working skills: 23 Courses, 132.5 participation hours and 1,032 attendees.

No.	Course	Hours	Attend-ant
1	One Point Problem (OPP)	6	434
2	The driving and maintenance of electric forklift properly and safely	6	5
3	Development of personnel to enhance capability and establish a network of energy person responsible	6	3
4	Guideline for activity development and suitable benefits for industrial group	6	1
5	Design valuable solution	6	2
6	Warning Sign: Thailand mega project with construction material issue	6	1
7	Index configuration guideline for power benchmark (SEC Benchmarking) in the ceramic Industry	6	1
8	The terms and conditions to apply the support of energy conservation measures promote program by monitoring and certification of the statutory energy management mechanism, fiscal Year 2018	4	1
9	Innovation for value-added materials	6	1
10	Participation in the observation activity for the integration of the environmental conservation network in Saraburi Province	6	1
10	Coaching and mentoring techniques for team	6	1
11	The implementation of the Promotion and Skill Development Act 2002 and additional amendments to maximize the potential labor power to support Thailand 4.0	6	1
12	CoP (Communities of Practice)	6	510
13	Design Valuable Solution	6	1
14	International Standard Application GS1-128 in the supply chain system	6	1
15	Development of personnel to enhance capability and establish a network of energy person responsible	6	2
16	Go for Energy 4.0 with ESCO	6	1
17	The Social Security knowledge ,annual 2018	6	1
18	Health check-up guidelines and risk-based inspections in the workplace	6	1
19	The terms and conditions to apply the support of energy conservation measures promote program by monitoring and certification of the statutory energy management mechanism, fiscal Year 2018	4	1
20	The driving and maintenance of electricity forklift properly and safely	6	10
21	The implementation of the Promotion and Skill Development Act 2002 and additional amendments to maximize the potential labor power to support Thailand 4.0	6	1
22	Students visit from the Faculty of Arts and Architecture, Rajamangala Lanna University of Technology, Chiang Mai	2	20
23	Students visit from the Faculty of Science, Prince of Songkla University, Songkhla	2.5	31
Total		132.5	1,032

Branches

- Training for interned-manager, assistant manager, clerk for the use of shop-front selling program and coordination with various departments: 12 Hours with 309 total participants.
- Training for driving and maintenance of electrical forklift methodical and safety: 6 hours with 385 total participants.
- Training for the ultimate Dynasty sales person: 6 Hours with 10 total participants

No.	Course	Hour	Attend- ant
1	DCC Easy Learning	12	309
2	Driving and maintenance electric forklift for the year 2018	6	385
3	The ultimate Dynasty sales person	6	10
Total		24	704



Headquarter

- Fire extinguish training for employee at headquarter for 2018: total 6 hours with 60 total participants
- External training for employee at headquarter for 2018: total 264hours with 62 total participants.

No.	Course	Training Institute	Hours	Attend- ant
	Basic Fire Extinguisher and Fire evacuation training for the year 2018	BP Fire Guard	6	60
1	Techniques of using Excel Advanced application for efficient operation of various work	Dharmniti Seminar and Training co., Ltd	6	2
2	Shortcut Technique for Excel Advanced	Dharmniti Seminar and Training co., Ltd	6	1

3	Leases & Account recording practices and preparing for TFRS16-Lease draft to be effective	Dharmniti Seminar and Training co., Ltd	6	2
4	Perfect English e-mail Writing (Case Studies)	Dharmniti Seminar and Training co., Ltd	6	1
5	89 Key point accounting for the financial budget and tax	Dharmniti Seminar and Training co., Ltd	6	1
6	Leases & Account recording practices and preparing for TFRS16-Lease draft to be effective	Dharmniti Seminar and Training co., Ltd	6	2
7	Cash flow statement with Excel	Dharmniti Seminar and Training co., Ltd	6	1
8	Guidelines for the issue and use of electronic tax invoices (e-tax Invoice), electronic receipt (e-Receipt), Tax Invoice and Debit Note	Dharmniti Seminar and Training co., Ltd	6	2
9	Update the financial reporting standard and accounting issues relating the revenue recognition on IFRS 15	Dharmniti Seminar and Training co., Ltd	6	2
10	To make, to deliver and to keep e-tax Invoice & e-Receipt	Dharmniti Seminar and Training co., Ltd	6	2
11	Negotiation techniques in purchasing	Dharmniti Seminar and Training co., Ltd	6	1
12	To make, to deliver and to keep e-tax Invoice & e-Receipt	Dharmniti Seminar and Training co., Ltd	6	1
13	Negotiation techniques in purchasing	Dharmniti Seminar and Training co., Ltd	6	1
14	Assorted issues on Account Recording practices	Dharmniti Seminar and Training co., Ltd	6	1
15	Leases & Account recording practices and preparing for TFRS16-Lease draft to be effective	Dharmniti Seminar and Training co., Ltd	6	2
16	Professional procurement strategies	Dharmniti Seminar and Training co., Ltd	6	1
17	To make, to deliver and to keep e-tax Invoice & e-Receipt	Dharmniti Seminar and Training co., Ltd	6	2
18	Prepare to the whole system inspection of tax invoice and impact to entrepreneur	Dharmniti Seminar and Training co., Ltd	6	1
19	Using Cyber Training Program	Tiger Soft Company (1998) Limited	6	1
20	Professional procurement strategies	Dharmniti Seminar and Training co., Ltd	6	3
21	Audit Program Workshop	Dharmniti Seminar and Training co., Ltd	6	1
22	CAC ROAD TO CERTIFY	Dharmniti Seminar and Training co., Ltd	6	1
23	Guidelines and solution for problems of linking e-Form D" through the ASEAN Single Window system: ASW	Dharmniti Seminar and Training co., Ltd	6	1
24	The impact of new financial reporting standards on revenue from the contract made with customers (TFRS15) and leases (TFRS16) to the financial reporting of listed companies.	Dharmniti Seminar and Training co., Ltd	12	1

25	Techniques of using Excel Advanced application for efficient operation of various work	Dharmniti Seminar and Training co., Ltd	6	2
26	Guidelines for the issue and use of electronic tax invoices (e-tax Invoice), electronic receipt (e-Receipt), Tax Invoice and Debit Note	Dharmniti Seminar and Training co., Ltd	6	2
27	Account closing techniques and information provision for account closing	Dharmniti Seminar and Training co., Ltd	6	1
28	Nutanix.NEXT on tour BKK	Nutanix Company (Thailand)	6	2
29	Revenue recognition and expense issues, guidelines to amendments on accounting principles	Dharmniti Seminar and Training co., Ltd	6	2
30	Creating Accounting reports using Pivot Table Excel	Dharmniti Seminar and Training co., Ltd	6	2
31	The New Compensation Act (the 1st lot)	Dharmniti Seminar and Training co., Ltd	6	1
32	Stakeholder engagement for sustainability	National Productivity Institute	6	1
33	Leases & Account recording practices and preparing for TFRS16-Lease draft to be effective	Dharmniti Seminar and Training co., Ltd	6	4
34	105 tax issues for the correct account closing	Dharmniti Seminar and Training co., Ltd	6	2
35	Essential ASP.NET Core MVC	Great friends Business Development co., Ltd.	30	2
36	OKRs and performance evaluation for supervisor	Strategic Business Development Center	6	3
37	Manpower and job planning techniques for supervisor to achieve target and works	Strategic Business Development Center	6	3
38	Recruitment & selection strategy and job interviewing technique	HR Center	12	1
Total			270	122





Social and environmental activities

• The Dynasty volunteer for rural development project

The company has been continual provided the support of floor and wall tiles to volunteer student camp from various campuses since 2013 under the name of “the Dynasty volunteer for rural development project” to implant new generations cultivate spirits of helping others, loving morality and own a voluntary spirit. This project is in a form of volunteer camp to develop and build a study building, a multipurpose building or a school cafeteria and etc. in shortage local schools, so that students have learned the benefits of helping others in society. Throughout the past 6 years, the company supported tiles at 48 volunteer camps in total:

- in 2013 (1st year) supported 9 camps with 995 square meters of tiles
- in 2014 (2nd year) supported 10 camps with 1,343 square meters of tiles
- in 2015 (3rd year) supported 11 camps with 1,566 square meters of tiles
- in 2016 (4th year) supported 13 camps with 1,717 square meters of tiles
- in 2017 (5th year) supported 2 camps with 237 square meters of tiles
- in 2018 (6th year) supported 3 camps with 380 square meters of tiles

No.	Educational institutions	Participating schools	The address	Area	Number of Tiles (Sq. m.)	Participating branches
46	Chulalongkorn University	Ban Pa Sor Saen Phong	T.Sri-toy, A.Mae ,Suay Chiang Rai	Kitchen	30	Outer Ring Road
47	Youth Network Potential Development	Ban Khok Kai	T.Watabag, A. Dhepsathit, Chaipayume	Children Center	50	Chaiyaphume
48	Thammasart University	Mae Ramoeng Kro	A. Mae song, A. Ta Song Yang, Tak	Study Building	300	Mae Sot

As a result of consecutive support of ceramic wall and floor tiles to the schools and the government agencies that lack of capital and other factors since 2009, the educational group, government agencies group, and including shortage temples still need support for wall and floor tiles for the overall community usable area will be considered as appropriate. The main consideration is based on purpose of public usable space for society, the company directly supported to various 6 places that as follows:

Name	Address	Area	Number of Tiles (Sq. m.)	Participating branches
Wat Sema Wittaya School	Moo 13, T. Sema, A. Soong-nern, Nakhon Ratchasima	Kindergarten Learning Hall	165	Srikew
Phanatnikhom Police Station	The old road, T.Phanatnikhom,A.Phanatnikhom, Chonburi	Public service Point	50	Phanatnikhom-Chonburi Road
Kranuan Police Station	Mittraphap Road T. Nong Go A. Kranuam, Khon Kaen	Public service Point	40	Kranuan
Ban Huai Krung School	Ban Huai Krung, T. Nagian, A. Om Koi, Chiang Mai	School Building	75	Chom Thong
Baan Sam Yod School	T. Chongdan, A. Bo Phloi, Kanchanaburi	School building repair	126	Kaeng Sean
Nok Kra Jab Temple	T.Wat Yom A. Bangbal, Phra Nakhon Si Ayut-thaya	Dharma Yard	164	Front factory





Ethics promotion activities

During the Songkran festival, the company held the project “Songkran: the Dynasty come together drive safely” by setting services station to give the driver out drinking water at the branches of the company at more than 200 nationwide. It is also complement drinking water to the service center of the government’s public services, to campaign the drivers enjoy drinking water, loosen the sleepy before continue drive for safety of the road users during Songkran festival.



The company has provided employees have joined to give rice and dried food to the five Buddhist monks in the new year tradition at the front of the headquarters building annually. To be propitious and continue of the good Thai tradition as well promotes and preserves Buddhism. A great number of employees are engaged in making merit.





Fair business operations

The company is one of the floor and wall ceramic tile manufacturer who strive to operate business with the intention to be the leading organization of the country with a good management system, efficiency, transparency, fairness and accountability. The Board of Directors is therefore emphasizing on a good corporate governance and fair business conduct to all stakeholders. The company foresees that fair business is a tool that helps to prevent potential conflicts, it also makes the company more confident and respected by all stakeholders.

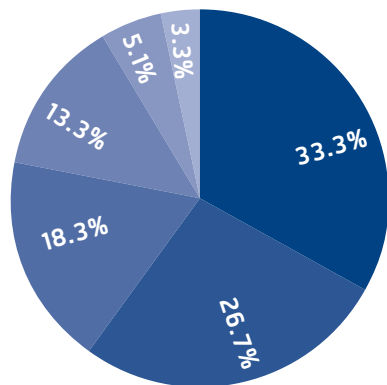
The company manages business equitable and fair, various aspect of operation are to comply with law, rules and regulation and procedures of each department to provide executives and employees consist of clear guidelines for all stakeholders. Also strengthen and cultivate employees at all levels to perform responsibilities in fairness through setting co-target on the basis of the fair returns on both sides, avoid situations that cause conflicts of interest, as well as comply with the real information, the correct reports and share the solution on a regular business relation basis whether it is a customer or partner. For employee, community and society, the company adhered to the principle of law and human rights in accordance with local customs culture.

For business competitors, the company's trade is an open market under fairness of agreement boundary and market mechanism, no monopoly power, no information seeking, no information disclosure or improper action that might occur potential losses reputation for competitors. The company takes into account the interests of the customers essentially for quality products buying, impressive service receiving and the most needs satisfying to all customers.

For partner, The company operates on the basis of business relationship in accordance with international principles of equality and fairness to every partner from the group of raw material and equipment in production process, carriers, contractors, or various financial institutes to ensuring compliance with contracts and trade conditions, adhering to equality and integrity in business and co-benefits of every partner.

In recent years, the company invent a project of partner engagement (Supplier Engagement) that intended to survey an expectation and satisfaction of partners and also asses an understanding of partner for operation of the company according to responsibility to society, community and environment policy and its employees in various aspects for the 2018. The such information is a part of the company performance assessment well and is also the information that the company can be developed to a guideline of partner treatment as well explicitly adapt corporate responsibility guidelines for society, community and environment. The information is summarized as follows:

Survey results from 60 respondents, mainly are partners of raw material, clay and color is 26.7%, partners of electrical equipment distributor is 18.3%, 13.3% partners of general equipment, 5.1% contractors 3.3% partners of network system/computer and 33.3% partners of others. With a total of 73.3% partners have been transacted more than 7 years.

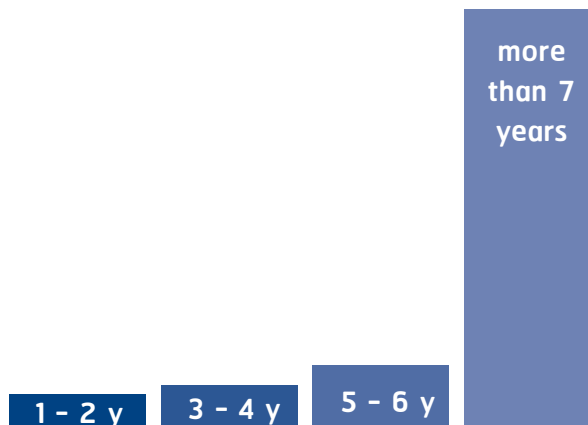


Partner

- partners of raw material, clay and color 26.7%
- partners of electrical equipment distributor 18.3%
- partners of general equipment 13.3%
- contractors 5.1%
- partners of network system/computer 3.3%
- partners of others. 33.3%

The period of being partner.

- 1 - 2 years 6.7 %
- 3 - 4 years 8.3 %
- 5 - 6 years 11.7 %
- more than 7 years 73.3 %



*Transparency survey of product specifications, work and conditions of procurement, product examination and other work according to conditions, accurate and fast disbursements, and open and fairness competition to offer products and services. Overall results in each topic are in the most common criteria in each topic are 60%, 68.3%, 75%, and 58.3% respectively in which demonstrate a fairly, transparent, and traceable operation of the company procurement process. In addition, there are partner enquires for understanding to the policy of responsibility to society, community and environment such as human rights principals policy, environmental management policy that comply with the law and required regulation, impact mitigation policy for environmental and society, including Anti-corruption policy in order that the partners try to understand the company's guidelines and operate in the same direction appropriately and sustainably.

Anti-corruption

The company and its affiliates declared the anti-corruption policy in writing since 2013 to be a practical guide that the company does not accept any form of fraud. They are distributed to employees, business partners and stakeholders through a communications channel of document for employee and electric system via company website for business partners and stakeholders acknowledgement, including the new employee is informed of the policy in employee orientation at the plant, branches and headquarter.

In addition, the company also has a policy to protect and provide fairness to employees who provide clues about fraud and or non-compliance with the law, rules, regulations and code of conduct of the Company(Whistle Blower Policy). The company has provided the following channels for the complaint and the whistle-blower:

- 1.Submit a document at the complaints boxes, 3 spots, at 2 plants in Saraburi Province and at Headquarter.
- 2.Send a postal mail to the internal audit office at the headquarter.
3. Send an electronic mail via the e-mail of company at wecare@dynastyceramic.com.
- 4.Call through the HOTLINE of the company at 084-7514747 (opening hours is Monday to Friday from 8.30 am to 4.30 pm) and at 081-8250526 (closing hours)

From the afore-mentioned shows that the principle in operation of the company and its affiliates, from the past to the present, are truly responsible affairs for the economic, society and environment in core business process (CSR in Process), and there is a strategy to conduct business with sustainable development goal which covers the important issue of the business success coordination with the importance of stakeholders to create a business opportunity to meet expectations of all stakeholders. We commit to cultivate good awareness in the organization and support new creative ideas to continually create value for our products and services for sustainable development for all of our employee, customers, business partners, society, and community social partners "Together, We go".

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. 2/2019 on 18 February 2019, 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 assessment, 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 are 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, and 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. 2551, 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:

1. Tile Top Industry PLC (Subsidiary)

- 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 PLC and contracted Tile Top Industry PLC 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.

2. The Royal Ceramic Industry PLC (Subsidiary)

- Purchase the finished goods from Royal Ceramic Industry PLC, a manufacturer of floor and wall ceramic tiles.
- Contracting for the Royal Ceramic Industry Public Company Limited for warehouse management and product distribution for 1 year (1 April, 2017 to 31 March, 2018) with 0.15 million baht per month, the total value of the contract is 1.8 million baht and not renewed on the contract.
- Renewed the contract for the Royal Ceramic Industry Public Company Limited to lease the office building space for 3 years (1 April 2018 to 31 March 2021), monthly rental fee of 0.06 million baht, total contract value of 2.16 million baht.

- Renewed the contract for the Royal Asia Brick and Tile Company Limited to lease the office building space for 3 years (1 May 2018 to 30 April 2021), monthly rental fee of 0.012 million baht, total contract value of 0.432 million baht.
- Arrange the contract for the rental of machinery for using in production for 3 years (1 April 2018 to 31 March 2021). The monthly rent is 0.20 million baht. The total value of the contract is 7.2 million baht.

Dynasty Ceramic Public Company Limited has connected transactions with the connected persons as follows:

1. Mr.Monrak Saengsastra : Executive Director

- Land lease agreement to build LomSak branch , Petchabun province, the contract period is 16 years (1 February 2018 to 31 January 2034). The total value of the contract is 18.44 million baht, with an average of 1.15 million baht per year.
- Land lease agreement to build Nakornpathom branch , Nakornpathom province, the contract period is 12 years (1 November 2018 to 31 October 2030). The total value of the contract is 14.70 million baht, with an average of 1.23 million baht per year.
- Land lease agreement to build Nakornsirathamrat branch, Nakornsirathamrat province, the contract period is 12 year. (1 September2018 to 31 August 2030). The total value of the contract is 23.60 million baht, with an average of 1.97 million baht per year.
- Renewal of the land lease contract, Katinglai branch, Chonburi province, with a 12 year contract (1 January,2019 to 31 December 2030), total contract value of 10.40 million baht, an average of 0.86 million baht per year.

2. Mr.Maruth Saengsastra : Executive Director

- Land lease agreement to build Nakornpathom branch , Nakornpathom province, the contract period is 12 years (1 November 2018 to 31 October 2030). The total value of the contract is 14.70 million baht, with an average of 1.23 million baht per year.
- Renewal of the land lease contract, Katinglai branch, Chonburi province, with a 12 year contract (1 January,2019 to 31 December 2030), total contract value of 10.40 million baht, an average of 0.86 million baht per year.

Reason and necessity Due to the land procurement policy for the construction of the branch location must be located on the main road, convenient transportation, wide open land width for easily loading products. The business development team has surveyed, mostly is the large land plot for sale the whole land which requires high investment, where as compared to rent, it is considered more worthy. For investment policy to purchase land, the company consider in working capital as well. Next year the company has issued warrants to increase the capital according to the investment plan that has been planned. The investment in the purchase of land to build a branch is one of those objectives.

Every contract that is a connected transaction has been carefully reviewed by the Audit Committee prior proposing to the Board of Directors for approval. By considering the benefits of the company as a whole in which the persons involved are not participating and voting in that agenda and disclose information in accordance with relevant regulations every transaction.

Transaction

1. The Company has transactions with Tile Top Industry PLC (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.
2. Royal Ceramic Industry PLC (Subsidiary), the company is not a shareholder but there are common directors. It was consolded in the financial statement since April 1, 2017 and the company has invested in the purchase of ordinary shares of the Royal Ceramic Industry Public Company Limited at 4.05 percent during October- November 2018.

Procedures for approving related transactions.

The company will adhere to the same practice as other general transactions. With the authority of the person entitled to approve according to the specified limit. In addition. The Audit committee is responsible for reviewing the related transactions between the company and its subsidiaries and connected persons on quarterly basis. To carefully eliminate conflicts of interest by adhering to the benefits of the company as a major concern.

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 2018 and 2017, 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)	
			2018	2017
Tile Top Industry PCL.	Subsidiaries Company	Revenue from Raw Material / Supplies	2.4	1.7
		Rental income from office	0.7	0.7
		Management Fee income	12.0	12.0
		Purchases -Finished goods	2,267.4	2,068.4
		Purchases - Raw Materials / Supplies	3.4	4.5
		Warehouse Management Fee	3.6	3.6

The Royal Ceramic Industry PCL.	Subsidiaries Company	Revenue from Raw Material / Supplies	14.9	2.5
		Sales – finished goods	-	3.9
		Rental income from office	0.7	0.5
		Management Fee income	-	5.0
		Rental machine income	1.8	-
		Freight Income	50.7	22.9
		Purchases -Finished goods	974.3	390.0
		Purchases - Raw Materials / Supplies	1.2	0.3
		Warehouse Management Fee	0.5	1.4
The Royal Asia Brick and Tile Company Limited	RCI's subsidiary	Rental income from office	0.1	0.1
Mr. Monrak Saengsastra and Mr. Maruth Saengsastra	Director of the Company	Rental Land Expenses	7.3	3.1

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

Account name / Company's name	Relationship	Type of Transaction	Amount (Million Baht)	
			2018	2017
TileTop Industry PCL.	Subsidiaries Company	Trade Account Payable	896.1	818.3
The Royal Ceramic Industry PCL.	Subsidiaries Company	Trade Account Payable	98.1	43.6

FINANCIAL HIGHLIGHTS (Million Baht)

CONSOLIDATED THE STATEMENTS OF COMPREHENSIVE INCOME	Y2018	Y2017	Y2016
Total Revenues	8,053	7,393	7,184
Net Sales	8,027	7,363	7,165
Gross Profit	3,102	2,848	3,104
% Gross Profit	38.6	38.7	43.3
Selling & Admin. Expenses	(1,749)	(1,549)	(1,332)
Net Profit Before Interest & Depreciation	1,659	1,785	2,127
Net Profit	979	1,117	1,422
CONSOLIDATED THE STATEMENTS OF FINANCIAL POSITION	Y2018	Y2017	Y2016
Total Assets	8,003	7,097	5,750
Total Liabilities	3,681	3,316	2,373
Total Shareholders' Equity	4,322	3,781	3,377
Total Shareholders' equity of the Company	3,694	3,525	3,329
FINANCIAL RATIO	Y2018	Y2017	Y2016
Earning Per Share - Baht	0.150	0.171	0.218
Net Profit / Total Revenues - %	12.16	15.11	19.79
Debt Equity Ratio	0.85	0.88	0.70
Return on Total Assets - %	12.23	15.74	24.73
Return on Equity -%	22.65	29.54	42.11
Booked Value - Baht	0.662	0.579	0.518
Dividend Per Share - Baht	0.116	0.128	0.16325
Dividend Yield - %	77	75	75
Authorized Share Capital - Baht	913,919,154.10	652,799,395.80	652,799,395.80
Total number of shares –Shares	6,527,993,958	6,527,993,958	6,527,993,958
Issued and Paid-up share-Shares	6,527,993,958	6,527,993,958	6,527,993,958

Summary of Operating Results and Financial Analysis

CONSOLIDATED

The Statement of Financial Position

(Unit: Million Baht)

	December 31, 2018	%	December 31,2017	%
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents	126	1 %	95	2 %
Trade account and other current receivables - net	291	4 %	271	4 %
Inventories - net	1,964	25 %	1,797	25 %
Other investments	1	0 %	18	0 %
Total Current Assets	2,382	30 %	2,181	31 %
NON - CURRENT ASSETS				
Other long - term investments	29	0 %	33	1 %
Property, plant and equipment - net	5,480	69 %	4,807	68 %
Computer Program - net	27	0 %	26	0 %
Deferred income tax asset	68	1 %	29	0 %
Other non - current assets	17	0 %	21	0 %
Total Non - Current Assets	5,621	70 %	4,916	69 %
TOTAL ASSETS	8,003	100 %	7,097	100 %

CONSOLIDATED

The Statement of Financial Position

(CONT.)

(Uni : Million Baht)

	December 31, 2018	%	December 31,2017	%
LIABILITIES AND SHAREHOLDERS' EQUITY				
CURRENT LIABILITIES				
Short - term loans from financial institutions	2,406	30 %	2,111	30 %
Trade account and other current payables	919	12 %	874	12 %
Accrued income tax	111	1 %	96	1 %
Total Current Liabilities	3,436	43 %	3,078	43 %
NON - CURRENT LIABILITIES				
Unfunded provident fund - non contributory	51	1 %	50	1 %
Employee benefits obligation	160	2 %	154	2 %
Deferred income tax liability	32	0 %	34	1 %
Other non-current liabilities	2	0 %	26	0 %
Total Non - Current Liabilities	245	3 %	238	4 %
TOTAL LIABILITIES	3,681	46 %	3,316	47 %
SHAREHOLDERS' EQUITY				
Share capital - common share at Baht 0.1 par value				
- Registered - 9,139,191,541 ordinary shares as at December 31,2018 and 6,527,993,958 ordinary shares as at 31 December 2017	914	11 %	653	9 %
- Issued and paid - up - 6,527,993,958 shares	653	8 %	653	9 %
Premium on share capital	506	6 %	506	7 %
Retained earnings				
- Appropriated for legal reserve	65	1 %	65	1 %
- Unappropriated	2,549	32 %	2,301	32 %
Other components of equity	(79)	(1) %		
Shareholders' equity of the Company	3,694	46 %	3,525	49 %
Non-controlling interests	628	8 %	256	4 %
TOTAL SHAREHOLDERS' EQUITY	4,322	54 %	3,781	53 %
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	8,003	100 %	7,097	100 %

CONSOLIDATED

Statement of comprehensive income for the years ended December 31,

(Uni : Million Baht)

	2018	%	2017	%
REVENUE				
Revenue from sales	8,027	100 %	7,363	100 %
COSTS OF SALES				
Costs of goods sold	(4,924)	(61 %)	(4,515)	(61%)
Gross profit	3,103	39 %	2,848	39 %
Other income	26	0 %	29	0 %
Distribution costs	(869)	(11 %)	(761)	(10 %)
Administrative expenses	(880)	(11 %)	(788)	(11 %)
Finance costs	(41)	0 %	(31)	0 %
Profit (loss) before income tax	1,339	17 %	1,297	18 %
Income tax	(202)	(3 %)	(255)	(5 %)
Profit (loss) for the years	1,137	14 %	1,042	13 %
Other comprehensive income				
Items that will not be reclassified subsequently to profit or loss				
Defined employee benefit plan actuarial gains - net of tax	-	0 %	-	0 %
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	1,137	14 %	1,042	13 %
Profit (loss) attributable to:				
Owner of the Company	979	12 %	1,117	14 %
Non-controlling interests	158	2 %	(75)	(1 %)
	1,137	14 %	1,042	13 %
Total profit (loss) and comprehensive income attributable to:				
Owner of the Company	979	12 %	1,117	14 %
Non-controlling interests	158	2 %	(75)	(1 %)
	1,137	14 %	1,042	13 %
Earnings per Share				
Profit (loss) for the period from continuing operations	0.150		0.171	
The number of ordinary shares weighted average (Unit : shares)	6,527,993,958		6,527,993,958	

The Company has included the Royal Ceramic Industry Public Company Limited (“RCI”) financial statements to prepare the consolidated financial statements of the Company since April 1, 2017, according to the resolution of the Annual General Meeting of Shareholders for the year 2017, held on April 24, 2017. In 2017, the Company did not hold shares in RCI but the Company has power of control through key directors and executives and control over the operating policies in the management. Subsequently, around end of October until November 2018, the Company entered into share purchase transaction and acquired 25 million shares, or 4.05% of RCI’s issued and paid up shares.

Operating results of the consolidated financial statements

For the operating result for the year ended December 31, 2018, the Company reported revenue from sales 8,027 million Baht. An increase of 664 million Baht or 9% YoY was from a contribution of sales volume growth by 6% and average selling price that rose about 2% YoY, following higher sales of the larger size product. Gross profit margin was maintain at 39% in 2018, similar to that of 2017, despite cost of natural gas that surged 16% YoY. Production volume grew by 10% YoY. Cost of distribution rose 108 million Baht, or 14% due to higher diesel fuel cost by 11% and higher sales volume. Administrative expenses increased by 92 million Baht or 12% YoY. Financial cost was higher by 10million Baht, increased 32% YoY from an increase in bank loan of 14% YoY. Income tax expense dropped 53 million Baht or 21% YoY. As a result, net profit attribute to the owner of the Company was 979 million Baht, or earnings per share (EPS) 0.150 Baht per share, lower by 138 million Baht or 12% YoY.

Financial Position

Statement of Financial Position	As of 31 December 2018		As of 31 December 2017		% Increase (Decrease)
	Million Baht	%	Million Baht	%	
Total Assets	8,003	100%	7,097	100%	13%
Total Liabilities	3,681	46%	3,316	47%	11%
Total Shareholders’ Equity	4,322	54%	3,781	53%	14%

Total assets of the Company and its subsidiaries as of 31 December 2018 amounted 8,003 million Baht, an increase of 906 million Baht or 13% YoY.

- Current assets increased 201 million Baht or 9% YoY with change of transaction from:
- Cash and cash equivalents increased 33 million Baht or 9%
- Trade accounts receivable and other current receivables increased 20 million Baht or 7% YoY
- Inventories increased 167 million Baht or 9% YoY
- Other investment decreased 17 million Baht or 94% YoY as the Company’s subsidiaries registered the liquidation during 2018.
- Non-current assets increased 705 million Baht or 14% YoY due to:
- Other long-term investments decreased 4 million Baht or 11% YoY from loss on impairment of RCI’s investment in T.T. Ceramic Co., Ltd.
- Land, building and equipment (net) increased 673 million Baht or 14% YoY mainly from renovations of the Company’s outlets and increase production capacity of RCI
- Deferred income tax asset rose 38 million Baht or 132% YoY from deferred tax of RCI on tax loss carry forward and on provision for employee benefits, which the Company forecasted future profit before tax to be able to utilize such tax benefit in the future.

Financial Ratio	As of 31 December 2018	As of 31 December 2017
Current ratio (Time)	0.69	0.71
Debt Equity Ratio (Time)	0.85	0.88
Return on Equity (%)	26.31%	27.56%
Return on Total Assets (%)	14.21%	14.68%
Booked Value (Baht)	0.66	0.58

Total liabilities of the Company and its subsidiaries as of 31 December 2018 amounted 3,681 million Baht, decreased by 365 million Baht or 6% YoY.

- Current liabilities increased 358 million Baht or 12% YoY. Debt to equity decreased from 0.71 times as of December 31, 2017 to 0.69 times as of December 31, 2018 with change of transaction from:
- Bank overdrafts and short - term loans increased 295 million Baht or 14% YoY - Account payable and others account payable increased 45 million Baht or 5% YoY mainly from purchase of raw materials and spare parts used for production and construction in progress for outlets' renovation
- Accrued income tax increased 18 million Baht or 19% YoY.
- Non-current liabilities increased 7 million Baht or 3% YoY due to
- Increase in of non-current provisions for employee benefits 7 million Baht or 4% YoY
- Lower deferred income tax liabilities by 3 million Baht or 8% YoY

Total shareholders' equity of the Company and its subsidiaries as of 31 December 2018 amounted to 4,322 million Baht increased 541 million Baht or 14% YoY from

- Unappropriated retained earnings increased 248 million Baht or 11% YoY from net profit attributed to owner of the Company amount 979 million Baht and interim dividend payment during 1st, 2nd, and 3rd quarter of 2018 amount 731 million Baht.
- Other components of equity was lower by 79 million Baht as the Company entered into share purchase transaction and acquired 4.05% in RCI end of October 2018.
- Non-controlling interests increased 372 million Baht or 146%

Independent Auditor's Report

To the shareholders of Dynasty Ceramic Public Company Limited

I have audited the financial statements of Dynasty Ceramic Public Company Limited and its subsidiaries, which comprise the consolidated and separate statements of financial position as at December 31, 2018 and the related consolidated and separate statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In my opinion, the consolidated and separate financial statements referred to above present fairly, in all material respects, the financial position of Dynasty Ceramic Public Company Limited and its subsidiaries as at December 31, 2018 their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Basis for Opinion

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

Key Audit Matters

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

Revenue

Risk description

Revenue is the significant transactions to the financial statements which the Company has income both from sales directly to the customers and sales through branches which spread over Thailand. I have focused on the completeness and the occurrence of the revenue transactions especially the sales through branches that the Company has to rely on the Information Technology system, together with reconciliation of daily cash sales including the existence of the outstanding inventory in each branch.

Key audit procedures

Our audit work on the risk are as follows;

- Understood revenue process and revenue recognition.
- Evaluated and tested of internal control for revenue cycle.
- Substantive tested of revenue from branches by reconciliation daily sales reports with cash received and tested the existence of the quantities of outstanding inventories as at period ended.
- Analysed and compared actual sales transactions with budgeted revenue prepared by the management and business trend in the same industry.

Inventory

Risk description

According to, there has stock locations spread by branches around the country and proportion amount are moreover than inventory at factory. I have focused on inventory existence at branches.

Key audit procedure

My audit procedures are understanding and test for the overall of information technology system, Inventory's internal control system evaluation, sampling to test the completeness and existence both of at factory and branches. Moreover, I have reviewed the work of external inventory checking auditor which the Company outsource for inventory counting by every month, to ensure that internal control of inventory is efficient.

Allowance for declining in value of inventory

Risk description

As at December 31, 2018, as describe in note to financial statement no.8, the Group Companies have inventory valuation by the lower of cost or net realizable value. The management have to make subjective judgment in consideration of allowance for slow moving and declining value of inventory in accordance to physical damage of each items and the net realizable value consideration from market price at ended date.

Key audit procedure

I got a confidence of appropriate management's assumption of allowance for inventory calculation. I observed the inventory counting at the factory and branches, sampling invoice to check cost of material recording, and also cost allocation related to such inventory. I compared cost of inventory with net realizable value (subsequent sales invoice to check sales price), analyst quantity and movement to find out a slow turn-over and damage.

Deferred tax assets for unused tax losses

Risk description

As at December 31, 2018, the subsidiary had deferred tax assets for unused tax losses amounting to Baht 40 million. The recoverability of the deferred tax asset is dependent on future taxable profits and the ability to utilise those losses in the future prior to the expiry of tax losses. Because the consideration of the forecast of future taxable profits and assessing the ability to utilise those tax losses involved a significant level of judgment in determining the key assumptions of management. Therefore, there is a risk with respect to the amount of deferred tax assets.

Key audit procedure

I evaluated the management's assessment of the recoverability of deferred tax assets and obtained the subsidiary's current forecasts for future taxable profits approved by management and tested the accuracy of the model used by management as well as checking that the inputs used in the model were appropriate. In addition, I challenged management on the key assumption for the possibility of sales growth, reasonable future business plans and its industry. Including of tested the detailed corporate income tax computation for the year 2018 produced for the subsidiary to check the accuracy of unused tax losses amount.

Other Information

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

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

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

When I read the annual report, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and revised a material misstatement.

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

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

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

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

Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements

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

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

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

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

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

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

The engagement partner on the audit resulting in this independent auditor's report is Mr.Jadesada Hungsapruek.

Ms. Jadesada Hungsapruek

Certified Public Accountant Registration No. 3759



Karin Audit Company Limited

Bangkok

February 18, 2019

**DYNASTY CERAMIC PUBLIC COMPANY LIMITED
AND IT'S SUBSIDIARIES
FINANCIAL STATEMENTS FOR THE YEAR
ENDED DECEMBER 31, 2018
AND
AUDITOR'S REPORT**

DYNASTY CERAMIC PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF FINANCIAL POSITION
AS AT DECEMBER 31, 2018

(Unit : Baht)

		Consolidated		Separate	
		December 31, 2018	December 31, 2017	December 31, 2018	December 31, 2017
		“AUDITED”	“AUDITED”	“AUDITED”	“AUDITED”
Notes					
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	5	125,850,292	94,566,173	115,072,564	83,727,927
Trade account and other current					
receivables - net	7	290,973,221	271,295,072	272,928,757	241,067,807
Other current receivables - subsidiary					
company	6	-	-	-	-
Inventories - net	8	1,964,104,158	1,797,000,240	1,787,263,036	1,626,976,003
Other investments	9	1,063,937	18,374,257	1,063,937	18,374,257
TOTAL CURRENT ASSETS		2,381,991,608	2,181,235,742	2,176,328,294	1,970,145,994
NON - CURRENT ASSETS					
Investment in subsidiary	10	-	-	209,533,711	109,479,530
Other long - term investments		29,314,300	32,814,300	-	-
Property, plant and equipment - net	11	5,479,423,192	4,806,714,531	3,975,112,373	3,519,599,642
Intangible asset - net	12	27,230,639	25,844,165	20,412,659	17,091,535
Deferred income tax asset	21	67,547,453	29,069,847	-	-
Other non - current assets	13	17,339,125	21,567,702	16,184,270	18,188,975
TOTAL NON- CURRENT ASSETS		5,620,854,709	4,916,010,545	4,221,243,013	3,664,359,682
TOTAL ASSETS		8,002,846,317	7,097,246,287	6,397,571,307	5,634,505,676

DYNASTY CERAMIC PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF FINANCIAL POSITION
AS AT DECEMBER 31, 2018

(Unit : Baht)

Notes	Consolidated		Separate	
	December 31, 2018 "AUDITED"	December 31, 2017 "AUDITED"	December 31, 2018 "AUDITED"	December 31, 2017 "AUDITED"
LIABILITIES AND SHAREHOLDERS' EQUITY				
CURRENT LIABILITIES				
Short - term loans from financial institutions 14	2,405,871,576	2,110,652,201	2,290,000,000	1,890,000,000
Trade account and other current payables	918,924,697	873,818,269	528,025,828	557,835,579
Trade account payables - subsidiary company 6	-	-	994,220,014	861,874,651
Current portion of long-term loans 15	-	-	-	-
Accrued income tax	110,946,590	93,135,342	108,752,449	88,704,892
TOTAL CURRENT LIABILITIES	3,435,742,863	3,077,605,812	3,920,998,291	3,398,415,122
NON - CURRENT LIABILITIES				
Unfunded provident fund - non contributory 16	50,980,356	49,962,336	-	-
Long-term loans 15	-	-	-	-
Employee benefits obligation 18	160,243,824	153,890,503	78,113,931	71,262,735
Deferred income tax liability 21	32,283,153	34,945,582	32,283,153	34,945,582
Other non-current liabilities	1,812,980	-	1,812,980	-
TOTAL NON-CURRENT LIABILITIES	245,320,313	238,798,421	112,210,064	106,208,317
TOTAL LIABILITIES	3,681,063,176	3,316,404,233	4,033,208,355	3,504,623,439
SHAREHOLDERS' EQUITY				
Share capital - common share at Baht 0.1 par value				
9,139,191,541 ordinary shares as at December 31,2018 and 6,527,993,958 ordinary shares as at December 31,2017 19	913,919,154	652,799,396	913,919,154	652,799,396
Issued and paid - up - 6,527,993,958 shares	652,799,396	652,799,396	652,799,396	652,799,396
Premium on share capital	506,000,000	506,000,000	506,000,000	506,000,000
Retained earnings				
Appropriated for legal reserve 20	65,280,000	65,280,000	65,280,000	65,280,000
Unappropriated	2,548,833,458	2,301,214,241	1,140,283,556	905,802,841
Other components of equity	(79,131,865)	-	-	-
Total Shareholders' equity of the Company	3,693,780,989	3,525,293,637	2,364,362,952	2,129,882,237
Non-controlling interests	628,002,152	255,548,417	-	-
TOTAL SHAREHOLDERS' EQUITY	4,321,783,141	3,780,842,054	2,364,362,952	2,129,882,237
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	8,002,846,317	7,097,246,287	6,397,571,307	5,634,505,676

DYNASTY CERAMIC PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2018

(Unit : Baht)

	Notes	Consolidated		Separate	
		2018	2017	2018	2017
Revenues from sales and services					
Revenue from sales	25	8,026,552,658	7,363,203,771	8,019,930,023	7,360,206,532
Costs of sales	25,27	(4,924,268,286)	(4,515,402,050)	(5,217,887,147)	(4,551,627,772)
Gross profit		3,102,284,372	2,847,801,721	2,802,042,876	2,808,578,760
Other income	26	25,605,881	29,458,308	38,240,083	39,732,589
Distribution costs	27	(869,423,205)	(760,670,413)	(774,665,697)	(732,595,174)
Administrative expenses	27	(879,511,424)	(788,360,391)	(836,032,319)	(747,780,782)
Finance costs		(40,731,593)	(30,717,349)	(33,142,530)	(27,273,913)
Profit (loss) before income tax		1,338,224,031	1,297,511,876	1,196,442,413	1,340,661,480
Income tax	22	(201,674,829)	(255,197,831)	(230,826,375)	(252,118,141)
Profit (loss) for the years		1,136,549,202	1,042,314,045	965,616,038	1,088,543,339
Other comprehensive income					
Items that will not be reclassified subsequently to profit or loss					
Defined employee benefit plan actuarial gains					
- net of tax		-	-	-	-
Total profit (loss) and comprehensive income for the year		1,136,549,202	1,042,314,045	965,616,038	1,088,543,339
Profit (loss) attributable to:					
Owner of the Company		978,754,540	1,116,867,117	965,616,038	1,088,543,339
Non-controlling interests		157,794,662	(74,553,072)	-	-
		1,136,549,202	1,042,314,045	965,616,038	1,088,543,339
Total profit (loss) and comprehensive income attributable to:					
Owner of the Company		978,754,540	1,116,867,117	965,616,038	1,088,543,339
Non-controlling interests		157,794,662	(74,553,072)	-	-
		1,136,549,202	1,042,314,045	965,616,038	1,088,543,339
Earnings per Share	24				
Profit (loss) for the period from continuing operations		0.150	0.171	0.148	0.167
The number of ordinary shares weighted average (Unit : shares)		6,527,993,958	6,527,993,958	6,527,993,958	6,527,993,958

DYNASTY CERAMIC PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2018

(Unit : Baht)

Consolidated						
Shareholders' equity of the Company						
	Notes	Share capital issued and paid-up	Premium on Share capital	Retained earnings		Other components of equity
				Legal Reserve	Unappropriated	
						Change in parent's ownership interests in subsidiaries
						Total shareholders' equity of the Company
						Non-controlling interests
						Total
Balance as at January 1, 2017						
Non-controlling interests as at date of control		652,799,396	506,000,000	65,280,000	2,104,794,272	-
Total profit (loss) and comprehensive income for the year	-	-	-	-	-	-
Dividend payment	23	-	-	1,116,867,117	-	1,116,867,117
				-	(920,447,148)	-
Balance as at December 31, 2017		652,799,396	506,000,000	65,280,000	2,301,214,241	-
Balance as at January 1, 2018						
Gain remeasurements of employment benefit obligations	-	652,799,396	506,000,000	65,280,000	2,301,214,241	-
Change in parent's ownership interests in subsidiaries		-	-	-	-	-
Increase in share capital		-	-	-	-	(79,131,865)
Total profit (loss) and comprehensive income for the year	-	-	-	978,754,540	-	978,754,540
Dividend payment	23	-	-	-	(731,135,323)	-
Balance as at December 31, 2018		652,799,396	506,000,000	65,280,000	2,548,833,458	(79,131,865)
						3,693,780,989
						628,002,152
						4,321,783,141

DYNASTY CERAMIC PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2018

(Unit : Baht)

Separate					
	Notes	Share capital issued and paid-up	Premium on Share capital	Retained earnings	
				Legal Reserve	Unappropriated
					Total
Balance as at January 1, 2017					
Total profit (loss) and comprehensive income for the year		652,799,396	506,000,000	65,280,000	1,961,786,046
Dividend payment	23	-	-	-	1,088,543,339
		-	-	-	(920,447,148)
Balance as at December 31, 2017		652,799,396	506,000,000	65,280,000	2,129,882,237
Balance as at January 1, 2018					
Total profit (loss) and comprehensive income for the year		652,799,396	506,000,000	65,280,000	2,129,882,237
Dividend payment	23	-	-	-	965,616,038
		-	-	-	(731,135,323)
Balance as at December 31, 2018		652,799,396	506,000,000	65,280,000	2,364,362,952

DYNASTY CERAMIC PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2018

(Unit : Baht)

	Consolidated		Separate	
	2018	2017	2018	2017
Cash Flows From Operating Activities				
Profit (loss) before income tax	1,338,224,031	1,297,511,876	1,196,442,413	1,340,661,480
Adjustments to reconcile profit before income tax to net cash provided from (used in) operating activities:				
Decrease (increase) in trade account and other current receivables	(20,097,664)	(7,054,093)	(32,260,950)	(59,013,330)
Decrease (increase) in inventories	(165,808,903)	(22,234,593)	(160,287,033)	(164,754,919)
Decrease (increase) in other non - current assets	557,446	(197,243)	557,446	(427,898)
Increase (decrease) in trade account and other current payables	46,232,733	55,297,585	(29,753,959)	86,059,231
Increase (decrease) in trade account payables - subsidiary company	-	-	132,345,362	129,490,746
Increase (decrease) in unfunded provident fund - non contributory	(1,415,821)	(8,066,061)	-	-
Increase (decrease) in other non-current liabilities	1,812,980	-	1,812,980	-
Depreciation and amortization	521,880,898	452,129,392	387,271,576	344,082,159
Allowance for doubtful accounts	419,515	-	400,000	-
Reversal of allowance for decline value	(1,295,015)	(436,683)	-	-
Allowance for impairment of investments from other	3,500,000	-	-	-
Loss (gain) from disposal of fixed assets	4,277,497	(2,327,459)	4,029,324	(1,601,127)
Unrealized loss (gain) on exchange rate	(1,111,120)	(203,832)	(32,936)	27,623
Gain on sales other investments	(6,637,255)	-	(6,637,255)	-
Dividends income	(31,430)	-	-	-
Interest income	(478,947)	(368,483)	(361,902)	(285,450)
Interest expense	40,731,593	32,077,813	33,142,529	27,273,913
Provision for unfunded provident fund	2,433,841	2,592,718	-	-
Provision for employee benefits obligation	7,596,751	17,384,626	4,775,588	6,555,634
Adjusted written off withholding tax	2,248,018	-	-	-
Total adjustments to reconcile profit(loss) before income tax	434,815,117	518,593,687	335,000,770	367,406,582
Net Cash Flows Provided from Operations	1,773,039,148	1,816,105,563	1,531,443,183	1,708,068,062
Income tax paid	(225,027,761)	(310,851,984)	(213,441,247)	(299,854,254)
Cash paid for employee benefits	(977,520)	(39,649,674)	-	(836,254)
Net Cash Flows Provided from Operating Activities	1,547,033,867	1,465,603,905	1,318,001,936	1,407,377,554

DYNASTY CERAMIC PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF CASH FLOWS (CONTINUED)
FOR THE YEARS ENDED DECEMBER 31, 2018

(Unit : Baht)

	Consolidated		Separate	
	2018	2017	2018	2017
Cash Flows from Investing Activities				
Acquisitions of assets	(1,190,391,227)	(1,241,657,516)	(839,888,158)	(1,004,841,669)
Acquisitions of intangible assets	(9,802,097)	(8,586,260)	(9,802,097)	(7,722,260)
Payment for leasehold right	-	-	-	-
Proceed from disposal of fixed assets	1,387,052	4,663,867	1,002,759	2,662,041
Cash received from interest income	478,947	368,483	361,903	285,450
Dividends income	31,430	-	-	-
Cash received from decreasing in other investments	23,947,575	-	23,947,575	-
Payments of investments in subsidiaries	(100,054,181)	-	(100,054,181)	-
Net Cash Flows Used in Investing Activities	(1,274,402,501)	(1,245,211,426)	(924,432,199)	(1,009,616,438)
Cash Flows from Financing Activities				
Increase in short - term loans from financial institutions	8,955,840,608	5,200,652,201	7,540,000,000	4,640,000,000
Repayment for short - term loans from financial institutions	(8,660,621,232)	(4,460,062,161)	(7,140,000,000)	(4,080,000,000)
Increase in long - term loans from financial institutions	79,823,019	-	-	-
Repayment for long - term loans from financial institutions	(79,823,019)	-	-	-
Interest payment	(36,746,061)	(27,492,148)	(31,089,777)	(25,079,192)
Dividend paid	(731,135,323)	(920,447,198)	(731,135,323)	(920,447,148)
Cash received from increase in share capital of subsidiaries	231,314,761	-	-	-
Net Cash Flows Used in Financing Activities	(241,347,247)	(207,349,306)	(362,225,100)	(385,526,340)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	31,284,119	13,043,173	31,344,637	12,234,776
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	94,566,173	81,523,000	83,727,927	71,493,151
CASH AND CASH EQUIVALENTS AT END OF YEAR	125,850,292	94,566,173	115,072,564	83,727,927

**DYNASTY CERAMIC PUBLIC COMPANY LIMITED
AND SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018**

1. NATURE OF OPERATIONS

Dynasty Ceramic Public Company Limited (“the Company”) was registered as a public company in the year 1992. 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.

The Company's factory is located at 54/8 Moo. 3 Suwannasorn Rd., Khokyaee, Nong Khae, Saraburi and the subsidiaries's factory is located at 3/2 Moo. 8 Paholythin Rd., Nong Khai Nam, Nong Khae, Saraburi and 54/7 Moo. 3 Suwannasorn Rd., Khokyaee, Nong Khae, Saraburi.

2. BASIS FOR FINANCIAL STATEMENTS PREPARATION AND PRINCIPLES OF CONSOLIDATION

2.1 Basis of preparation

The financial statements have been prepared in accordance with Thai generally accepted accounting principles under the Accounting Act B.E. 2543, being those Thai Financial Reporting Standards issued under the Accounting Profession Act B.E. 2547, and the financial reporting requirements of the Securities and Exchange Commission under the Securities and Exchange Act.

The financial statements have been prepared under the historical cost convention except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with Thai generally accepted accounting principles requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 4.

An English version of the financial statements have been prepared from the statutory financial statements that are in the Thai language. In the event of a conflict or a difference in interpretation between the two languages, the Thai language statutory financial statements shall prevail.

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:

Company Name	Nature of business	Percentage of holding (%)	
		2018	2017
Tile Top Industry Public Co., Ltd.	Manufacturing and distribution of ceramic wall and floor tiles	96.83	96.83
The Royal Ceramic Industry Public Co., Ltd. (“RCI”)	Manufacturing and distribution of ceramic wall and floor tiles	4.05	-
The Royal Asia Brick and Tile Co., Ltd. (“RABT”)	Not operate	-	-

The Company does not hold shares in The Royal Ceramic Industry Public Co., Ltd. and The Royal Asia Brick and Tile Co., Ltd. but it is included in the consolidated financial statements because the Company has the power of control through the key directors and executives and it's have the power to given the operating policies in the management of the group company. The relationship began on April 1, 2017.

Subsequently, On October 25, 2018 to November 13, 2018, the Company entered into share purchase trans action at a price not exceeding Baht 4 per share, 25 million shares, totalling Baht 99.97 million.

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 December 31, 2018 and 2017 and total revenues for the years ended December 31, 2018 and 2017 as included in the consolidated financial statements presented in term of percentages as follow :

	Percentage of subsidiary's total assets to consolidated total assets		Percentage of subsidiary's total revenues to consolidated total revenues	
	2018	2017	2018	2017
Subsidiary company				
Tile Top Industry Public Co., Ltd.	24	27	28	27
Group The Royal Ceramic Industry Public Co., Ltd.	12	8	12	5

3. SIGNIFICANT ACCOUNTING POLICIE

3.1 Financial reporting standards that became effective in the current year

During the year, the Company and its subsidiaries have adopted the revised financial reporting standards and interpretations (revised 2017) and new accounting treatment guidance which are effective for fiscal years beginning on or after 1 January 2018. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes and clarifications directed towards disclosures in the notes to financial statements. The adoption of these financial reporting standards does not have any significant impact on the Company and its subsidiaries' financial statements.

3.2 Financial reporting standards that will become effective for fiscal years beginning on or after 1 January 2019

During the current year, the Federation of Accounting Professions issued a number of revised and new financial reporting standards and interpretations (revised 2018) including new accounting treatment guidance, which are effective for fiscal years beginning on or after 1 January 2019. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards.

The management of the Company and its subsidiaries believe that most of the revised financial reporting standards will not have any significant impact on the financial statements when they are initially applied. However, the new standard involves changes to key principles, as summarised below.

TFRS 15 Revenue from Contracts with Customers

TFRS 15 supersedes the following accounting standards together with related Interpretations.

TAS 11 (revised 2017)	Construction contracts
TAS 18 (revised 2017)	Revenue
TSIC 31 (revised 2017)	Revenue - Barter Transactions Involving Advertising Services
TFRIC 13 (revised 2017)	Customer Loyalty Programmes
TFRIC 15 (revised 2017)	Agreements for the Construction of Real Estate
TFRIC 18 (revised 2017)	Transfers of Assets from Customers

Entities are to apply this standard to all contracts with customers unless those contracts fall within the scope of other standards. The standard establishes a five-step model to account for revenue arising from contracts with customers, with revenue being recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The standard requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model.

The management of the Company and its subsidiaries believe that this standard will not have any significant impact on the financial statements when it is initially applied.

3.3 Financial reporting standards that will become effective for fiscal years beginning on or after 1 January 2020

During the current year, the Federation of Accounting Professions issued the set of TFRSs related to financial instruments consists of five accounting standards and interpretations, as follows:

Financial reporting standards:

TFRS 7	Financial Instruments: Disclosures
TFRS 9	Financial Instruments

Accounting standard:

TAS 32	Financial Instruments: Presentation
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Financial Reporting Standard Interpretations:

TFRIC 16	Hedges of a Net Investment in a Foreign Operation
TFRIC 19	Extinguishing Financial Liabilities with Equity Instruments

These TFRSs related to financial instruments make stipulations relating to the classification of financial instruments and their measurement at fair value or amortised cost (taking into account the type of instrument, the characteristics of the contractual cash flows and the Company's business model), calculation of impairment using the expected credit loss method, and hedge accounting. These include stipulations regarding the presentation and disclosure of financial instruments. When the TFRSs related to financial instruments are effective, some accounting standards, interpretations and guidance which are currently effective will be cancelled.

The management of the Company and its subsidiaries is currently evaluating the impact of these standards to the financial statements in the year when they are adopted.

3.4 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.

3.5 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.

3.6 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.

3.7 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.

3.8 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 payment of its 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).

3.9 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:

Buildings and structures	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.

3.10 Intangible assets

Intangible assets (computer program) 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.

3.11 Leasehold rights cost

Cost of obtaining the leasehold rights is presented at cost less accumulated amortization and allowance for impairment (if any). Amortization 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 leases between 3 to 16 years.

3.12 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.

3.13 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.

3.14 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, denominated in foreign currencies, at the reporting date are translated into Thai Baht at the foreign exchange rates ruling at that date. Gain or loss arising from translation is recognized in the statement of profit or loss and other comprehensive income.

3.15 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 the rate of 5.5% of basic salary 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 trustee 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 subsidiary have obligations in respect of the severance payments they must make to employees upon retirement under the labor law. The Company and its subsidiary set up provision for the obligation under the defined benefit plan based on the amounts determined by a professionally qualified independent actuary based on actuarial techniques, using the projected unit credit method.

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.

3.16 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 are reversed, 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.

3.17 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.

3.18 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.

3.19 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between buyer and seller (market participants) at the measurement date. The Company and its subsidiaries apply a quoted market price in an active market to measure their assets and liabilities that are required to be measured at fair value by relevant financial reporting standards. Except in case of no active market of an identical asset or liability or when a quoted market price is not available, the Company and its subsidiaries measure fair value using valuation technique that are appropriate in the circumstances and maximises the use of relevant observable inputs related to assets and liabilities that are required to be measured at fair value.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy into three levels based on categorise of input to be used in fair value measurement as follows:

- Level 1 - Use of quoted market prices in an observable active market for such assets or liabilities
- Level 2 - Use of other observable inputs for such assets or liabilities, whether directly or indirectly
- Level 3 - Use of unobservable inputs such as estimates of future cash flows

At the end of each reporting period, the Company and its subsidiaries determine whether transfers have occurred between levels within the fair value hierarchy for assets and liabilities held at the end of the reporting period that are measured at fair value on a recurring basis.

3.20 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.

3.21 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.

3.22 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.

3.23 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.

3.24 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.

3.25 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 cannot 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 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.

4.1.6 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.

4.1.7 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.

4.1.8 Deferred tax assets

The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the Company’s future taxable income against which the deductible temporary differences can be utilized. 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		Separate	
	2018	2017	2018	2017
Cash on hand	6,633,627	8,513,060	6,478,627	8,353,060
Cash at banks				
Current accounts	27,597,215	24,216,615	22,028,419	20,678,804
Saving accounts	91,619,450	61,836,498	86,565,518	54,696,063
Total	125,850,292	94,566,173	115,072,564	83,727,927

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
Muangthong Ceramic Co., Ltd.**	Distribution of ceramic wall and floor tiles	Subsidiary Company
World Wide Ceramic Co., Ltd.*	Distribution of ceramic wall and floor tiles	Subsidiary Company
The Royal Ceramic Industry Public Co., Ltd. ("RCI") ***	Manufacturing and distribution of ceramic wall and floor tiles	Subsidiary Company
The Royal Asia Brick and Tile Co., Ltd. ("RABT")	Not operate	Subsidiary Company Held by RCI
Mr. Monrak Saengsastra	Owner of the property leased to the Company	Director of the Company and Subsidiaries
Mr. Maruth Saengsastra	Owner of the property leased to the Company	Director of the Company and Subsidiaries

The Company does not hold share in RCI and RABT but it has the power of control in these two companies since April 1, 2017 and has included in the consolidated financial statement since that date.

Subsequently, On October 25, 2018 to November 13, 2018, the Company entered into share purchase transaction at a price not exceeding Baht 4 per share, 25 million shares, totalling Baht 99.97 million.

* Subsidiary has registered for the liquidation with the Department of Business Development on September 30, 2014 and are still in the process of dissolution and the settlement of share capital to the Company. The Company, therefore, classified the investment in Subsidiary as other investments under current assets.

** The two subsidiaries have registered for the liquidation with the Department of Business Development on September 30, 2014 and registered the liquidation ,as at May 9,2018 and August 23,2018.

*** On April 28, 2017 the Company has entered into management agreement with The Royal Ceramic Industry Public Company Limited by annually term starting from the date of May 2, 2017 to May 1, 2018 at the management fee per month Bath of 1 million, subject to the disclosure of connected transaction of the Company held on April 10, 2017 and as approved by the shareholders' meeting on April 24, 2017, approval for the appointment of 4 directors of the Company as directors of the such company. Then, such agreement was cancelled effective by October 1, 2017

On April 1, 2017 the Company has sales contract with The Royal Ceramic Industry Public Company Limited, as follows;

- a.) The Company agreed to purchase the finished goods in the warehouse of The Royal Ceramic Industry Public Company Limited as at March 31, 2017. The sales price is Baht of 141.48 million.
(Pricing policy: Set prices below cost. Because it is a sell in bulk subsidiary during to ratify the contract with the Company. This is a connected transaction. The Extraordinary General Meeting of Shareholders No. 1/2017 of a subsidiary will be held on November 27, 2017 and the Independent Financial Advisor's opinion and the opinion of the Board of Directors of a subsidiary)
- b.) The Company agrees to purchase the whole amount of manufactured goods on every production day of The Royal Ceramic Industry Public Company Limited. Since production on April 1, 2017 onwards to such company. The Company have to take risk from stock from production.

At the Board of Directors Meeting No. 5/2017 held on August 8, 2017 the board of directors passed a resolution to cancel the purchase of finished goods on every production day of The Royal Ceramic Industry Public Company Limited. From August 1, 2017 onwards, the company purchases finished goods as ordered by the customer or to refill finished goods of outlets for reduce storage of finished goods.

According to the resolution of the Board of Directors' meeting of the subsidiary held on July 31, 2017 it was passed to hold the General Meeting of Shareholders to request ratification of entering into contracts with the company. The date of the meeting of Shareholders No. 1/2017 is scheduled to be on September 25, 2017. Subsequently, the Board of Directors' Meeting have reconsideration to postpone the General Meeting of Shareholders. The date of No. 1/2017 is scheduled for November 27, 2017.

In this regard, the Subsidiary has appointed Independent Financial Advisor. To give opinion to the shareholders in the consideration of the purchase of goods. This is a connected transaction. The Opinion of the Independent Financial Advisor (Refer to the Independent Financial Advisor's report dated November 3, 2017) as follows:

"The Product Sale and Purchase Agreement, particularly the warehouse sale Lot 1, is a necessary transaction at the time of the transaction since, during that period, the subsidiary had management, operational and liquidity issues and had limited options. Had the subsidiary failed to enter into the transaction at the time, there would be significant impact to the subsidiary's ability to operate the business and its survival. After the transaction, the subsidiary's liquidity has improved which enable the subsidiary to continue its operation and repay the loan as required. Moreover, since DCC has stepped in to help manage the subsidiary's operation, the subsidiary was able to reduce the production cost and unnecessary expenses, and plan the improvement and expansion of the production capacity for future business expansion.

However, the IFA views that it was not necessary for the subsidiary to solely sell all of its products to DCC, particularly for the new daily produced products Lot 2 between May – July 2017, since the warehouse sale Lot 1 of THB 157.08 million was likely sufficient for the subsidiary's urgent need of working capital in the short term. Thus, the subsidiary should consider to expand its customers base or diversify the risks related to customer concentration and low negotiation power by selling the new daily produced products to DCC as one of the customers and at an appropriate amount.

In addition, the value of consideration to the subsidiary for the Transaction is lower than the fair value determined by the IFA. Moreover, since the subsidiary did not organize an auction or price review, it cannot be confirmed that the subsidiary has obtained the maximum benefit from the transaction. Further, since the transaction does not clearly specify the price condition, this may result in an amendment of prices or adjustment of discount as deemed appropriate. The fact that the subsidiary and DCC are the connected persons, the conflict of interest may arise.

With the above reasons, the IFA is of the opinion that shareholders of the subsidiary should not ratify the transaction. Nonetheless, the decision to vote for rectification is mainly at the discretion of the shareholders.

In case that the shareholders' meeting did not ratify the entering into the Product Sale and Purchase Agreement, the subsidiary would have to arrange for a reversal of the transaction. Also, it shall negotiate with DCC to compensate for the difference in price of the RCI's products that RCI was at the disadvantage. The price shall be considered based on the fair values, and upon the agreement and consent of both parties.

Nevertheless, the IFA views that if an agreement cannot be reached, the subsidiary's directors who signed the Agreement shall be accountable for the impacts from the Transaction."

The Board of Directors' Meeting of the subsidiary held on November 7, 2017 passed a resolution to announce the information on the disposition of assets and related party transactions for the purchase of goods and the meeting acknowledged the opinion of the Independent Financial Advisor (IFA) for the ratification of the Extraordinary General Meeting of Shareholders No. 1/2017 on November 27, 2017. The Royal Ceramic Public Company Limited by the Board of Directors and the Audit Committee has commented clarification of necessity and reason through the system of the SET.

At the Extraordinary General Meeting of Shareholders No. 1/2017 of the subsidiary held on November 27, 2017 passed a resolution to ratify approval of signed a contract to sell all inventories to the company and a contract to sell all of its products to the company each day.

The significant transactions with related parties for the years ended December 31, 2018 and 2017 are as follows:

(Unit : Baht)

		Consolidated		Separate	
		For the years ended December 31,			
		Pricing Policy	2018	2017	2018
Sales – raw materials and supplies					
Tile Top Industry Public Co., Ltd.	At cost	-	-	2,437,407	1,656,595
The Royal Ceramic Industry Public Co., Ltd.	At cost	-	-	14,886,997	2,497,662
Total		-	-	17,324,404	4,154,257
Sales – finished goods					
The Royal Ceramic Industry Public Co., Ltd.	Contract price	-	-	-	3,856,000
Office and branches rental income					
Tile Top Industry Public Co., Ltd.	Contract price	-	-	720,000	720,000
The Royal Ceramic Industry Public Co., Ltd.	Contract price	-	-	720,000	540,000
The Royal Asia Brick and Tile Co., Ltd.	Contract price	-	-	144,000	96,000
Total		-	-	1,584,000	1,356,000
Management income					
Tile Top Industry Public Co., Ltd.	Baht 1,000,000 per month	-	-	12,000,00	12,000,000
The Royal Ceramic Industry Public Co., Ltd.	Baht 1,000,000 per month	-	-	-	5,000,000
Total		-	-	12,000,00	17,000,000
Rental machine income					
The Royal Ceramic Industry Public Co., Ltd.	Contract price	-	-	1,800,000	-

(Unit : Baht)

		Consolidated		Separate	
		For the years ended December 31,			
	Pricing Policy	2018	2017	2018	2017
Freight Income					
The Royal Ceramic Industry Public Co., Ltd.	At cost	50,653,968	22,923,260	50,653,968	22,923,260
Purchases – finished goods					
Tile Top Industry Public Co., Ltd.	At competitive market price but more than cost	-	-	2,267,439,649	2,068,357,671
The Royal Ceramic Industry Public Co., Ltd.	1. On April 1, 2017, and the products are manufactured each day on April, 2017, be the price of sale in bulk that lower than cost price. 2. The products are manufactured each day on May – July, 2017, agreed price, lower than cost 3. From August, 2017 onwards, be resale price.	-	-	974,261,191	389,958,995
Total		-	-	3,241,700,840	2,458,316,666
Purchases – raw materials and supplies					
Tile Top Industry Public Co., Ltd.	At cost	-	-	3,068,692	4,503,621
The Royal Ceramic Industry Public Co., Ltd.	At cost	-	-	1,155,418	293,461
Total		-	-	4,224,110	4,797,082

(Unit : Baht)

		Consolidated		Separate	
		For the years ended December 31,			
	Pricing Policy	2018	2017	2018	2017
Management fee					
Tile Top Industry Public Co., Ltd.	Baht 300,000 per month	-	-	3,600,000	3,600,000
The Royal Ceramic Industry Public Co., Ltd.	Baht 150,000 per month	-	-	450,000	1,350,000
Total		-	-	4,050,000	4,950,000
Land rental expenses					
Mr. Monrak Saengsastra and	Baht 600,000 per year	600,000	600,000	600,000	600,000
Mr. Marut Saengsastra	Baht 1,200,000 per year	1,200,000	400,000	1,200,000	400,000
	Baht 1,100,000 per year	1,100,000	1,100,000	1,100,000	1,100,000
	Baht 1,000,000 per year	1,333,334	1,000,000	1,333,334	1,000,000
	Baht 960,000 per year	880,000	-	880,000	-
	Baht 1,700,000 per year	566,666	-	566,666	-
	Baht 3,030,000 per year	757,500	-	757,500	-
	Baht 3,500,000 per year	875,000	-	875,000	-
Total		7,312,500	3,100,000	7,312,500	3,100,000
Management expense					
Current employment benefits		48,132,891	45,315,711	29,274,312	28,900,117
Post-employment benefits		152,750	145,281	123,668	117,563
Total		48,285,641	45,460,992	29,397,980	29,017,680

The significant balances with related company as at December 31, 2018 and 2017 are as follows:

(Unit : Baht)

	Consolidated		Separate	
	2018	2017	2018	2017
Trade accounts payables – subsidiary company				
Tile Top Industry Public Co., Ltd.	-	-	896,076,500	818,320,660
The Royal Ceramic Industry Public Co., Ltd.	-	-	98,143,514	43,553,991
Total	-	-	994,220,014	994,220,013
Employee benefits obligation				
Executive				
Post – employment benefits	1,482,456	1,329,706	1,236,843	1,113,175

During the year 2017, the Company and its subsidiaries had resigned and retirement of several executives. The Company has paid retirement and compensation for resigned employees. The Company also provided new employee benefit plans and revised employee benefits obligation in the financial statements for the year 2017.

7. TRADE ACCOUNTS AND OTHER CURRENT RECEIVABLE – NET

Consist of:

(Unit : Baht)

	Consolidated		Separate	
	2018	2017	2018	2017
Trade accounts receivable				
Trade accounts receivable	213,175,739	209,136,955	213,084,074	197,843,820
<u>Less</u> Allowance doubtful accounts	(1,683,613)	(1,198,698)	(1,598,698)	(1,198,698)
Trade accounts receivable - net	211,492,126	207,938,257	211,485,376	196,645,122
Other accounts receivable				
Other current receivable	79,873,294	63,814,414	61,443,381	44,422,685
<u>Less</u> Allowance doubtful accounts	(392,199)	(457,599)	-	-
Other accounts receivable - net	79,481,095	63,356,815	61,443,381	44,422,685
Trade accounts and other current receivable - net	290,973,221	271,295,072	272,928,757	241,067,807

Outstanding balances of receivable as at December 31, 2018 and 2017 classified by ages are as follows:

(Unit : Baht)

	Consolidated		Separate	
	2018	2017	2018	2017
Trade accounts receivable				
Not over 90 days	205,151,906	193,002,536	205,145,156	191,346,430
Over 90 days to 120 days	940,776	3,520,023	940,776	3,481,255
Over 120 days to 180 days	894,755	1,214,790	894,755	963,232
Over 180 days to 365 days	2,939,947	9,972,405	2,855,032	625,702
Over 365 days	3,248,355	1,427,201	3,248,355	1,427,201
Total	213,175,739	209,136,955	213,084,074	197,843,820
<u>Less</u> Allowance doubtful accounts	(1,683,613)	(1,198,698)	(1,598,698)	(1,198,698)
Net	211,492,126	207,938,257	211,485,376	196,645,122

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

The subsidiary grants credit terms to its general customers for 7 – 60 days.

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

(Unit : Baht)

	Consolidated		Separate	
	2018	2017	2018	2017
Beginning balance	(1,656,297)	(1,714,797)	(1,198,698)	(1,198,698)
Increase	(2,982,881)	-	(400,000)	-
Decrease	2,563,366	58,500	-	-
Ending balance	(2,075,812)	(1,656,297)	(1,598,698)	(1,198,698)

8. INVENTORIES – NET

(Unit : Baht)

	Consolidated		Separate	
	2018	2017	2018	2017
Finished goods	1,691,809,348	1,518,730,440	1,690,869,971	1,524,856,879
Work in process	38,318,091	43,494,748	15,626,228	17,170,540
Raw materials	113,945,608	122,583,757	35,171,963	36,921,000
Supplies	119,417,226	116,867,909	42,573,766	45,305,878
Goods in transit	13,397,124	9,401,640	3,021,108	2,721,706
Total	1,976,887,397	1,811,078,494	1,787,263,036	1,626,976,003
Less Allowance for decline values	(12,783,239)	(14,078,254)	-	-
Net	1,964,104,158	1,797,000,240	1,787,263,036	1,626,976,003

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

(Unit : Baht)

	Consolidated		Separate	
	2018	2017	2018	2017
Beginning balance	14,078,254	2,165,475	-	-
Increase	3,609,698	12,349,462	-	-
Decrease	(4,904,713)	(436,683)	-	-
Ending balance	12,783,239	14,078,254	-	-

During the year 2018, the subsidiary reversed allowances for decline value of Baht 4.90 million because the management considered that the inventory has not deteriorated and the Company was used for production Those were reversed in the statement of profit or loss and other comprehensive income. (2017: Baht 0.44 million)

Costs of inventories which were recognized as expenses for the years ended December 31, 2018 and 2017 are as follows:

(Unit : Baht)

	Consolidated		Separate	
	2018	2017	2018	2017
Cost of goods sold	4,929,172,999	4,515,838,733	5,217,887,147	4,551,627,772
Reversal of allowance for decline value	(4,904,713)	(436,683)	-	-
Cost of sales	4,924,268,286	4,515,402,050	5,217,887,147	4,551,627,772

9. OTHER INVESTMENTS

As described in Note 6 to the financial statements, other investments in the consolidated and separate financial statements as at December 31, 2018 and 2017 are as follow:

(Unit : Thousand Baht)

	Consolidated and Separate					
	Paid-up capital		Percentage of shareholding		Amount	
	2018	2017	2018	2017	2018	2017
Pick and Pay Co., Ltd.	12,000	12,000	97.99	97.99	-	12,520
Muangthong Ceramic Co., Ltd.	4,500	4,500	99.98	99.98	-	4,790
World Wide Ceramic Co., Ltd.	1,000	1,000	99.93	99.93	1,064	1,064
Total					1,064	18,374

Muangthong Ceramic Co., Ltd. and Pick and Pay Co., Ltd. registered the liquidation later as at May 9, 2018 and August 23, 2018 , respectively.

10. INVESTMENT IN SUBSIDIARY

10.1 Investment in subsidiary in the separate financial statement as at December 31, 2018 and 2017 which are stated at cost are as follow:

(Unit : Thousand Baht)

	Paid-up capital		Percentage of shareholding		Amount		Dividend Income	
	2018	2017	2018	2017	2018	2017	2018	2017
Tile Top Industry Public Co., Ltd.	222,000	222,000	96.83	96.83	109,480	109,480	-	-
The Royal Ceramic Industry Public Co., Ltd. (The Company has control over this company's operations)	616,839	616,839	4.05	-	100,054	-	-	-
Total					209,534	109,480	-	-

10.2 Details of non-wholly owned subsidiaries which have material non-controlling interests as at December 31, 2018 and 2017, are as follows

(Unit : Million Baht)

Company	Proportion of equity interest held by on-controlling interests		Accumulated balance of non-controlling interests		Profit/loss allocated to non-controlling interests during the year		Dividend paid to non-controlling interests during the year	
	2018 (%)	2017 (%)	2018	2017	2018	2017	2018	2017
Tile Top Industry Public Co., Ltd.	3.17	3.17	52.18	49.23	2.95	0.89	-	-
The Royal Ceramic Industry Public Co., Ltd. and subsidiary (The Company has control over this company's operations)	95.95	100.00	575.82	206.32	154.85	(75.45)	-	-

10.3 The summarized financial information before intragroup eliminations of each non-wholly owned subsidiary which has material non-controlling interests for the years ended December 31, 2018 and 2017, are as follows;

(Unit : Thousand Baht)

	Tile Top Industry Public Co., Ltd.		The Royal Ceramic Industry Public Co., Ltd. and subsidiary	
	2018	2017	2018	2017
Condensed statement of financial position				
As at December 31,				
Current assets	1,001,467	936,847	284,683	193,244
Non-current assets	948,800	960,091	637,651	368,235
Current liabilities	(227,960)	(231,321)	(283,808)	(313,068)
Non-current liabilities	(97,714)	(90,496)	(38,397)	(42,095)
Equity attributable to owners of the Company	(1,575,998)	(1,525,190)	(24,305)	-
Non-controlling interests	(51,595)	(49,931)	(575,824)	(206,316)
Condensed statement of profit or loss and other comprehensive income				
For the years ended December 31,				
Revenues	2,272,716	2,074,114	983,082	515,576
Expenses(2,220,245)	(2,010,097)	(824,850)	(768,142)	
Profit (loss) for the year	52,471	64,017	158,232	(252,566)
Profit attributable to:				
Owner of the Parent	50,808	61,988	3,383	-
Non-controlling interests	1,663	2,029	154,849	(252,566)

(Unit : Thousand Baht)

	Tile Top Industry Public Co., Ltd.		The Royal Ceramic Industry Public Co., Ltd. and subsidiary	
	2018	2017	2018	2017
Total comprehensive income for the year				
Owner of the Parent	-	-	-	-
Non-controlling interests	-	-	4,267	-
Total comprehensive income attributable to:				
Owner of the Parent	50,808	61,988	3,383	-
Non-controlling interests	1,663	2,029	159,116	(252,566)
Condensed statement of cash flows				
Net cash inflow (outflow) from operating activities	90,295	70,674	138,737	18,982
Net cash inflow (outflow) from investing activities	(91,195)	(73,073)	(258,820)	(170,702)
Net cash inflow (outflow) from financing activities	21	(12)	120,902	111,648
Net cash inflow (outflow)	(879)	(2,411)	819	(40,072)

10.4 Change in investments in subsidiaries held by the Company

At the Board of Directors Meeting No.6/2018 held on October 24, 2018, the board of directors pass a resolution to approved the Company purchase of ordinary shares of the Royal Ceramic Industry Public Company Limited ("RCI") through the Stock Exchange of Thailand, representing not more than 4% of RCI's total issued shares at a price not exceeding Baht 4 per share. The total purchase value is not more than Baht 100 million.

The purchase of shares transaction, the Company will purchase RCI's shares form general investors, who is not be the connected persons of the Company, through the trading system of the Stock Exchange of Thailand.

During October 25, 2018 to November 13, 2018, the Company entered into share purchase transaction at a price not exceeding Baht 4 per share, 25 million shares, totalling Baht 99.97 million.

11. PROPERTY, PLANT AND EQUIPMENT – NET

During the current year, there are significant changes in property, plant and equipment as follows:

(Unit : Baht)

Consolidated						
	Land	Buildings and structures	Machinery and equipment	Furniture, fixtures and office equipment	Vehicles	Construction in progress and machinery during installation
Cost						Total
As at December 31, 2017	1,118,382,829	2,902,385,242	5,898,550,892	1,067,928,275	29,553,102	11,387,109,864
Purchase	184,542,636	23,170,067	13,194,192	23,968,827	-	1,190,391,226
Disposals / Amortized	-	(33,626,085)	(20,539,499)	(42,385,810)	(6,642,902)	(103,194,296)
Transfer in (out)	4,246,570	381,909,756	211,289,650	82,595,741	-	854,000
As at December 31, 2018	1,307,172,035	3,273,838,980	6,102,495,235	1,132,107,033	22,910,200	12,475,160,794
Accumulated Depreciation						
As at December 31, 2017	-	(1,303,197,370)	(4,590,172,065)	(668,039,041)	(18,986,857)	(6,580,395,333)
Depreciation for the year	-	(174,329,979)	(207,087,994)	(128,716,822)	(2,509,469)	(512,644,264)
Disposal / Amortized	-	29,469,898	20,365,629	41,051,334	6,642,898	97,529,759
Transfer in (out)	-	-	(550,889)	323,125	-	(227,764)
As at December 31, 2018	-	(1,448,057,451)	(4,777,445,319)	(755,381,404)	(14,853,428)	(6,995,737,602)
Net Book Value						
As at December 31, 2017	1,118,382,829	1,599,187,872	1,308,378,827	399,889,234	10,566,245	4,806,714,531
As at December 31, 2018	1,307,172,035	1,825,781,529	1,325,049,916	376,725,629	8,056,772	5,479,423,192
Depreciation in the statement of comprehensive income						
December 31, 2017	-	147,209,635	187,947,339	105,807,034	1,090,533	442,054,541
December 31, 2018	-	174,329,979	207,087,994	128,716,822	2,509,469	512,644,264

(Unit : Baht)

Separate						
	Land	Buildings and structures	Machinery and equipment	Furniture, fixtures and office equipment	Vehicles	Construction in progress and machinery during installation
Cost						Total
As at December 31, 2017	906,920,165	2,087,266,908	2,231,751,173	889,275,862	19,474,749	6,331,560,704
Purchase	184,542,636	23,170,068	4,117,446	17,183,604	-	839,888,159
Disposals / Amortized	-	(33,137,610)	(4,782,142)	(28,090,962)	(6,614,542)	(72,625,256)
Transfer in (out)	4,246,570	355,285,255	6,777,479	78,181,294	-	-
As at December 31, 2018	1,095,709,371	2,432,584,621	2,237,863,956	956,549,798	12,860,207	7,098,823,607
Accumulated Depreciation						
As at December 31, 2017	-	(710,524,579)	(1,567,523,737)	(521,664,204)	(12,248,542)	(2,811,961,062)
Depreciation for the year	-	(161,844,374)	(94,972,582)	(120,726,531)	(1,799,858)	(379,343,345)
Disposal / Amortized	-	29,325,499	4,728,128	26,925,007	6,614,539	67,593,173
Transfer in (out)	-	-	(515,890)	515,890	-	-
As at December 31, 2018	-	(843,043,454)	(1,658,284,081)	(614,949,838)	(7,433,861)	(3,123,711,234)
Net Book Value						
As at December 31, 2017	906,920,165	1,376,742,329	664,227,436	367,611,658	7,226,207	3,519,599,642
As at December 31, 2018	1,095,709,371	1,589,541,167	579,579,875	341,599,960	5,426,346	3,975,112,373

(Unit : Baht)

Separate							
	Land	Buildings and structures	Machinery and equipment	Furniture, fixtures and office equipment	Vehicles	Construction in progress and machinery during installation	Total
Depreciation in the statement of comprehensive income							
December 31, 2017	-	139,787,373	96,312,911	98,369,140	879,001	-	335,348,425
December 31, 2018	-	161,844,374	94,972,582	120,726,531	1,799,858	-	379,343,345

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.

The subsidiary Company have mortgaged property, plant and equipment with a net book value as at December 31, 2018 totally approximate Baht 333 million, as collateral to secure loans and credit facilities granted by a financial institution.

As at December 31, 2018 and 2017 a portion of the Company's and its subsidiary's 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 3,984 million and Baht 3,765 million, respectively. (The Company's portions: Baht 1,443 million and Baht 1,283 million, respectively).

12. INTANGIBLE ASSETS – NET

(Unit : Baht)

	Consolidated		Separate	
	2018	2017	2018	2017
At cost				
Computer software	85,565,942	88,100,713	74,687,556	64,885,460
<u>Less</u> Accumulated amortization	(58,335,303)	(62,256,548)	(54,274,897)	(47,793,925)
Net	27,230,639	25,844,165	20,412,659	17,091,535

13. OTHER NON - CURRENT ASSETS – NET

(Unit : Baht)

	Consolidated		Separate	
	2018	2017	2018	2017
Property foreclosed - net of accumulated depreciation	3,548,719	5,121,865	2,548,719	4,121,865
<u>Less</u> Allowance for impairment	(2,292,119)	(2,292,119)	(1,307,119)	(1,307,119)
Property foreclosed - net	1,256,600	2,829,746	1,241,600	2,814,746
Deposits and guarantee	9,277,994	8,262,294	8,162,284	7,146,584
Lease right - land - net	6,780,386	8,227,645	6,780,386	8,227,645
Other 24,145	2,248,017	-	-	-
Total	17,339,125	21,567,702	16,184,270	18,188,975

The Company has amortization for land lease right in the statements of profit or loss and other comprehensive income for the year ended December 31, 2018 of Baht 1.45 million. (2017: Baht 1.75 million)

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

14. SHORT – TERM LOANS FROM FINANCIAL INSTITUTIONS

(Unit : Baht)

	Interest rate per annum	Consolidated		Separate	
		2018	2017	2018	2017
Bank overdraft	2018 : MOR	-	2,378,365	-	-
Promissory notes	2018 : 1.70 – 3.87 per annum				
	2017 : 1.77 – 3.87 per annum	2,390,000,000	2,060,000,000	2,290,000,000	1,890,000,000
Trust receipts	2018 : 1.50 – 4.49 per annum				
	2017 : 3.80 – 3.97 per annum	15,871,576	48,273,836	-	-
Total		2,405,871,576	2,110,652,201	2,290,000,000	1,890,000,000

Group Company has 10 promissory notes will be matured at call and 30 after promissory note issuance date.

As at December 31, 2018 and 2017 the Company and its subsidiary have credit facilities with the financial institutions as follow :

	Credit line (Million Baht)		Interest rate	Maturity Date
	2018	2017		
Bank overdraft				
The Company	40	40	At the floating rate at MOR per annum	Within one year
The subsidiary	40	40	At the floating rate at MOR per annum to MOR - 0.5% per annum	Within one year
Short - term loans				
The Company	2,667	2,667	At the floating rate at MLR - 1.5% or MRR per annum, whichever is the lower Average floating rate In 2018 : 1.91 per annum In 2017 : 2.78% per annum	Due at call
The subsidiary	620 240	620 180	At the floating rate at MRR per annum According to the reference commercial bank	Due at call Maturity on agreement

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
	2018	2017		
Liabilities under trust receipts				
The Company	45	45	At the floating rate at MLR - 1.5% per annum	Maturity on agreement
The subsidiary	20	20	At the floating rate at MOR per annum	Maturity on agreement
	235	235	At the floating rate at MLR – 2.0% 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.

15. LONG-TERM LOANS

(Unit : Baht)

	Consolidated	
	2018	2017
Beginning balance	-	-
Addition	79,823,019	-
Repayment	(79,823,019)	-
Ending balance	-	-

As at May 16, 2017 a subsidiary have loan agreement with bank. The monthly repayment are Baht 3.15 million. These loan bear interest at rate of MLR – 2% per annum for year. These loan are guaranteed by director, mortgage of land and construction of subsidiary.

16. UNFUNDED PROVIDENT FUND – NON CONTRIBUTORY

(Unit : Baht)

	Consolidated	
	2018	2017
Beginning balance	49,962,336	55,435,679
Increase during the year – interest	2,433,841	2,592,718
Payment during the year	(1,415,821)	(8,066,061)
Ending balance	50,980,356	49,962,336

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 employee salary 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.

17. PROVIDENT FUND

The Company and subsidiary 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's and its subsidiary's contribution for the years ended December 31, 2018 and 2017 amounted to Baht 45.01 million and Baht 36.76 million, respectively. (Separate F/S: Baht 24.17 million and Baht 21.60 million, respectively)

18. EMPLOYEE BENEFITS OBLIGATION

- Movements in employee benefits obligation for the years ended December 31, 2018 and 2017 are as follows:

(Unit : Baht)

	Consolidated		Separate	
	2018	2017	2018	2017
Defined benefit obligation at January 1,	153,890,503	102,500,094	71,262,735	63,670,138
Current service cost	7,596,751	17,384,626	4,775,588	6,555,634
Interest expense	4,000,715	4,264,109	2,075,608	1,873,217
Liabilities provided from the control of subsidiary	-	69,391,348	-	-
Re-measurement – actuarial (gains) loss	(4,266,625)	-	-	-
Benefits paid	(977,520)	(39,649,674)	-	(836,254)
Defined benefit obligation at December 31,	160,243,824	153,890,503	78,113,931	71,262,735
Wholly unfunded	160,243,824	153,890,503	78,113,931	71,262,735

Actuarial gains or losses occurred from the changes 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 December 31, 2018 and 2017 are as follows:

(Unit : Percent)

	Consolidated		Separate	
	2018	2017	2018	2017
Discount rates	2.40 - 2.71	2.71 - 3.81	2.71	2.94
Salary growth rate	5.00	5.00 - 5.07	5.00	5.00
Staff Turnover rate**	1.91 - 34.38	1.18 - 22.92	2.87 - 34.38	1.91 - 22.92

**Upon the length service

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		Separate	
	2018	2017	2018	2017
Current service cost	7,596,751	17,384,626	4,775,588	6,555,634
Net interest expense	4,000,715	4,264,109	2,075,608	1,873,217
Total expenses recognized in profit or loss	11,597,466	21,648,735	6,851,196	8,428,851

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

- 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		Separate	
	2018		2018	
	Increase 1.0%	Decrease 1.0%	Increase 1.0%	Decrease 1.0%
Discount rate				
Increase (decrease) in the defined benefit liability	(10,841,198)	12,302,165	(4,653,024)	5,289,334

(Unit : Baht)

	Consolidated		Separate	
	2018		2018	
	Increase 1.0%	Decrease 1.0%	Increase 1.0%	Decrease 1.0%
Salary growth rate				
Increase (decrease) in the defined benefit liability	13,372,616	(11,977,735)	5,747,765	(5,139,539)

(Unit : Baht)

	Consolidated		Separate	
	2018		2018	
	Increase 20%	Decrease 20%	Increase 20%	Decrease 20%
Staff Turnover rate				
Increase (decrease) in the defined benefit liability	(11,023,612)	13,058,034	(5,870,391)	7,216,610

As at December 31, 2018 expected maturity of employee benefits obligation before discount are as follow :

(Unit : Baht)

	Consolidated	Separate
Within one year	7,739,967	2,724,614
Between 2 – 5 years	43,220,870	18,528,900
Between 6 – 10 years	54,695,833	22,803,868
Total	105,656,670	44,057,382

On December 13, 2018, the National Legislative Assembly passed a resolution approving the draft of a new Labor Protection Act, which is in the process being announced in the Royal Gazette. The new Labor Protection Act stipulates additional legal severance pay rates for employees who have worked for an uninterrupted period of twenty years or more. Such employees are entitled to receive compensation of not less than that of the last 400 days, based on the final wage rate. This change is considered a post-employment benefits plan amendment. The Company and its subsidiaries will reflect the effect of the change by recognizing past service cost as an expense in the consolidated and separate statements of profit or loss, of the period in which the law is effective of Baht 43.55 million and Baht 17.52 million, respectively.

19. SHARE CAPITAL AND WARRANT

19.1 Share capital

At the Annual General Meeting of Shareholders held on April 24, 2018 approved date of the issuing 2,611.20 new ordinary million shares with a per value of Baht 0.10 each, totaling Baht 261.12 million. The Company registered the capital increase with Department of Business Development, Ministry of Commerce on April 25, 2018

19.2 Warrant

At the Annual General Meeting of Shareholders held on April 24, 2018 approved date of issuance of the warrants to purchase the ordinary shares of the Company No.1 ("the Warrants DCC-W1") would like to announce that the Company has issued 2,611,197,583 units of warrants to the existing shareholders in a ratio of 1 warrant for every 2.5 existing ordinary shares, without specifying the offer price. Details are as follows.

Type of certificate	:	Warrants to purchase ordinary share of Dynasty Ceramic Public Company Limited (DCC-W1)
Type of right showing certificate	:	Which are in the name certificate and transferable.
Amount of right certificate proposed to sell	:	2,611,197,583 units
Proposing price per unit	:	Baht 0.00
Term of warrants	:	3 years from the date of issue of Warrants (after issuing the Warrants (DCC-W1), the Company will not extend the term of the Warrants).
Allocation method of right certificate	:	The Company will allot the Warrants to its existing shareholders, who are entitled to be allotted the Warrants and whose names appear on the Company's share register book on May 3, 2018, which is the record date to determine the names of the shareholders entitled to be allotted the Warrants (DCC-W1), by way of rights offering at the ratio of 2.5 existing shares to 1 unit of Warrant. In this regard, after the calculation of allotment ratio above, any fractions shall be rounded down. The Company will cancel all unallotted Warrants.

20. 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.

21. DEFERRED INCOME TAX

Deferred income tax asset and liability are as follows:

(Unit : Baht)

	Consolidated		Separate	
	2018	2017	2018	2017
Deferred income tax asset	83,170,239	43,322,394	15,662,786	14,252,547
Deferred income tax liability	(47,905,939)	(49,198,129)	(47,905,939)	(49,198,129)
Deferred income tax - net	35,264,300	(5,875,735)	(32,243,153)	(34,945,582)

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

(Unit : Baht)

	Consolidated			
	Recognized as income (expense)			
	January 1, 2018	Statement of income	Shareholders' equity	December 31, 2018
Deferred income tax asset :				
Inventories				
From profit in inventories	10,970,765	(10,110,090)	-	860,675
Loss carry forward	-	40,064,728	-	40,064,728
Employee benefits obligation				
From employee benefits obligation	22,359,162	9,689,603	-	32,048,765
From unfunded provident fund	9,992,467	203,604	-	10,196,071
	43,322,394	39,847,845	-	83,170,239
Deferred income tax liability :				
From difference of depreciation between accounting and tax bases	(49,198,129)	1,292,190	-	(47,905,939)

(Unit : Baht)

	Consolidated			
	Recognized as income (expense)			
	January 1, 2017	Statement of income	Shareholders' equity	December 31, 2017
Deferred income tax asset :				
Inventories				
From profit in inventories	2,007,734	8,963,031	-	10,970,765
Employee benefits obligation				
From employee benefits obligation				
From unfunded provident fund	20,488,463	1,870,699	-	22,359,162
	11,087,136	(1,094,669)	-	9,992,467
	33,583,333	9,739,061	-	43,322,394
Deferred income tax liability :				
From difference of depreciation between accounting and tax bases	(50,287,241)	1,089,112	-	(49,198,129)

(Unit : Baht)

	Separate			
	Recognized as income (expense)			
	January 1, 2018	Statement of income	Shareholders' equity	December 31, 2018
Deferred income tax asset :				
From employee benefits obligation	14,252,547	1,370,239	-	15,622,786
Deferred income tax liability :				
From difference of depreciation between accounting and tax	(49,198,129)	1,292,190	-	(47,905,939)

(Unit : Baht)

	Separate			
	Recognized as income (expense)			
	January 1, 2017	Statement of income	Shareholders' equity	December 31, 2017
Deferred income tax asset :				
From employee benefits obligation	12,722,472	1,530,075	-	14,252,547
Deferred income tax liability :				
From difference of depreciation between accounting and tax	(50,287,241)	1,089,112	-	(49,198,129)

Deferred tax asset and deferred tax liability presented by considering net position of each taxable unit as at December 31, 2018 and 2017 comprises the following:

(Unit : Baht)

	Consolidated		Separate	
	2018	2017	2018	2017
Deferred income tax asset	67,547,453	29,069,847	-	-
Deferred income tax liability	(32,283,153)	(34,945,582)	(32,283,153)	(34,945,582)
Deferred income tax - net	35,264,300	(5,875,735)	(32,283,153)	(34,945,582)

22. INCOME TAX

Income tax expenses for the years ended December 31, 2018 and 2017 are as follows:

(Unit : Baht)

	Consolidated		Separate	
	2018	2017	2018	2017
Current income tax expense	242,814,864	266,026,004	233,488,803	254,737,328
The amount of deferred income tax expense relating to the initial and reversal of temporary differences	(41,140,035)	(10,828,173)	(2,662,429)	(2,619,187)
Income tax expense	201,674,829	255,197,831	230,826,374	252,118,141

Income tax recognized directly equity

(Unit : Baht)

	Consolidated		Separate	
	2018	2017	2018	2017
Accounting profit before tax	1,338,224,031	1,297,511,876	1,196,442,413	1,340,661,480
Tax at the applicable tax rate of 20%	267,644,806	259,502,375	239,288,483	268,132,296
Tax effect :				
Exemption of income and additional expenses	(15,412,478)	(19,429,395)	(11,284,846)	(15,846,114)
Non – deductible expenses	12,987,279	245,936	2,822,737	(168,041)
Loss carry forward, from five years	(64,245,787)	-	-	-
Tax losses for which no deferred income tax assets was recognised	701,009	14,878,915	-	-
Income tax expense	201,674,829	255,197,831	230,826,374	252,118,141
Effective tax rate (Percentage)	15.07	19.67	19.29	18.81

23. DIVIDEND PAYMENTS

Description	Date of Board Approval	Date Payment of dividend	Declaration of dividend		Dividend paid
			Per share (Baht)	Amount (Million Baht)	Amount paid (Million Baht)
The board of directors meeting passed the resolution to approve :					
- payment of final dividend for year 2018*	On February 18, 2019	On May 3, 2019	0.027	176.30	-
- payment of interim dividend 3/2018	On November 13, 2018	On December 7, 2018	0.027	176.30	176.30
- payment of interim dividend 2/2018	On August 14, 2018	On September 7, 2018	0.029	189.30	189.30
- payment of interim dividend 1/2018	On May 15, 2018	On June 8, 2018	0.033	215.40	215.40
- payment of final dividend for year 2017**	On February 20, 2018	On May 9, 2018	0.023	150.14	150.14
Total					731.14
- payment of interim dividend 3/2017	On November 14, 2017	On December 8, 2017	0.028	182.70	182.70
- payment of interim dividend 2/2017	On August 8, 2017	On September 6, 2017	0.037	242.10	242.10
- payment of interim dividend 1/2017	On April 24, 2017	On May 24, 2017	0.040	261.10	261.10
- payment of final dividend for year 2016***	On January 23, 2017	On May 12, 2017	0.036	235.01	235.01
Total					920.91

* The shareholders approved such dividend payments at the Annual Shareholders' Meeting for 2019.

** The shareholders approved such dividend payments at the Annual Shareholders' Meeting for 2018, held on April 24, 2018.

*** The shareholders approved such dividend payments at the Annual Shareholders' Meeting for 2017, held on April 24, 2017.

24. EARNINGS PER SHARE

Effects on basic earnings per share

	Consolidated		Separate	
	For the years ended December 31,			
	2018	2017	2018	2017
Income for the year – portion of the Company’s shareholders (Thousand Baht)	978,755	1,116,867	965,616	1,088,543
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)	0.150	0.171	0.148	0.167

25. SEGMENT REPORTING

The segment reporting of the Company and its subsidiary for the years ended December 31, 2018 and 2017 are as follows:

(Unit : Thousand Baht)

	Consolidated					
	Domestic		Overseas		Total	
	2018	2017	2018	2017	2018	2017
Revenue from sale to external customers - net	7,753,400	7,074,733	273,153	288,471	8,026,553	7,363,204
Cost of sales	(4,729,472)	(4,316,278)	(194,796)	(199,124)	(4,924,268)	(4,515,402)
Gross income	3,023,928	2,758,455	78,357	89,347	3,102,285	2,847,802
Other income					25,606	29,458
Interest expense					(40,732)	(30,717)
Depreciation and amortization					(521,881)	(452,129)
Income before income tax					1,338,224	1,297,512
Property, plant and equipment - net					5,479,423	4,806,715
Other assets					2,523,423	2,290,531
Total assets					8,002,846	7,097,246

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.

26. OTHER INCOME

(Unit : Baht)

	Consolidated		Separate	
	2018	2017	2018	2017
Rental machine and office and branches	-	-	3,384,000	1,356,000
Management income	-	-	12,000,000	17,000,000
Interest Income	478,947	368,483	361,902	285,450
Gain on sales other investments	6,637,255	126,882	6,637,255	-
Gain on exchange rate	1,790,228	695,229	422,691	355,458
Gain from disposal of fixed assets	251,472	2,982,683	-	1,644,537
Rental income	4,160,478	218,316	4,124,478	218,316
Income service system IT	1,470,234	-	1,470,234	-
Other	10,817,267	25,066,715	9,839,523	18,872,828
Total	25,605,881	29,458,308	38,240,083	39,732,589

27. EXPENSES BY NATURE

(Unit : Baht)

	Consolidated		Separate	
	2018	2017	2018	2017
Changes in finished goods and work in process	164,902,251	184,591,702	164,468,780	172,985,293
Raw materials and supplies used	2,362,152,123	2,184,512,064	929,084,000	1,083,984,236
Salaries, wages and other employee compensation	1,010,520,182	979,599,099	602,751,276	573,993,661
Depreciation and amortization	521,880,898	452,129,392	387,271,576	344,082,159
Transportation expense	616,506,782	555,132,673	572,784,216	548,292,828
Electricity and fuel expenses	1,643,887,426	1,314,467,884	667,623,315	639,581,296

28. COMMITMENTS AND CONTINGENT LIABILITIES

As at December 31, 2018 the Company and its subsidiary have:

28.1 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.

28.2 Commitment to pay under the agreement for construction of building of the Company amounting to Baht 175.38 million and commitment to pay under the agreement for purchase of machinery from aboard of the subsidiary amounting to EURO 0.42 million

28.3 Commitments under operating lease agreements

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

(Unit :Million Baht)

	Consolidated	Separate
Vehicle lease agreements		
Within		
1 year	64.50	55.82
2 - 5 years	58.61	43.42
Land lease agreements		
Within		
1 year	91.59	90.57
2 - 5 years	273.50	269.46
after 5 years	300.32	291.22

28.4 Unused credit facilities from bank in consolidated and separate financial statements amounted to Baht 1,605.93 million and Baht 484.15 million, respectively.

29. CAPITAL MANAGEMENT

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

As at December 31, 2018 and 2017, debt to equity ratio in the consolidated financial statement is 0.85:1.00 and is 0.88 : 1.00, respectively (the separate financial statements as at December 31, 2018 and 2017, debt to equity ratio is 1.71:1.00 and 1.65:1.00, respectively).

30. FINANCIAL INSTRUMENTS

A) Accounting policies

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

B) 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.

C) Credit risk

The Company has exposures to credit risk primarily with respect to trade accounts receivable. The Company has 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.

D) 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.

E) 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		Separate	
	2018	2017	2018	2017
Assets - USD	-	83,687	-	83,687
Liabilities – USD	12,800	89,200	12,800	26,830
Liabilities – EURO	1,067,528	207,341	131,555	50,217

F) Determination of fair values

A number of the Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. The fair value is the price at which an orderly transaction to sell an asset or to transfer a liability would take place between market participants at the measurement date. Fair values have been determined for measurement and/or disclosure purposes based on the following methods (when applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability).

The fair value of cash and cash equivalents, trade and other accounts receivable, short-term loans, other current assets, bank overdrafts, short-term borrowings, trade and other accounts payable and other current liabilities is taken to approximate the carrying value.

The fair value of investments in equity securities - available-for-sales, are determined by reference to their quoted bid prices at the reporting date.

The fair value of long-term borrowings is taken to approximate the carrying value because most of these financial instruments bear interest at market rates.

31. EVENT AFTER THE REPORTING PERIOD

At the Board of Directors Meeting No.1/2019 held on January 15, 2019, the board of directors pass a resolution to approved as follows;

- (a) The Company purchase the land of the subsidiary (" The Royal Asia Brick and Tile Co., Ltd"). The land has a total area of about 43 rai 2 ngan 97 square wah. The totalling price Baht 20 million. After approval by the resolution of the Annual General Meeting of Shareholders for 2019 of the subsidiary (The Royal Ceramic Industry Public Co., Ltd.).
- (b) The Company and the subsidiary ("Tile Top Industry Public Co.,Ltd.") sell 2 sets of machinery to the subsidiary ("The Royal Ceramic Industry Public Co., Ltd.") totalling price Baht 32 million. After approval by the resolution of the Annual General Meeting of Shareholders for 2019 of the subsidiary (The Royal Ceramic Industry Public Co., Ltd.).
- (c) The Company purchase of ordinary shares of the Royal Ceramic Industry Public Company Limited ("RCI") through the Stock Exchange of Thailand, representing not more than 20% of RCI's total issued shares at a price not exceeding Baht 4 per share. The total purchase value is not more than Baht 493.5 million. the Company complete such transactions within June 2019.

During January 1, 2019 to February 18, 2019, the Company entered into share purchase transaction at a price not exceeding Baht 4 per share, 2.36 million shares, totalling Baht 9.30 million.

32. APPROVAL OF FINANCIAL STATEMENTS

These financial statements were authorized by the Company's authorized directors on February 18, 2019.



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