
CONTENTS

Message from Directors	2
Board of Directors	3
Risk Management Committee	4
Executive Committee	4
Company's General Information	5
Report of Independent Auditor	6
Financial Statements	7
Notes of Financial Statement	13
Performance Analysis	29
Key Figures	30
Shareholding Structure	32
Summary of Significant Information	33
Remuneration for the Directors	34
Related Company's Information	35
Others Company's Information	35

Message from the Board

To all shareholders,

In 2015, the world's economic conditions had been slowed down and was led to a fluctuation in economic growth. Although the economy tended to be recovered, it is just only a gradual recovery. Especially for the financial situation in the European Union countries, the incident had negatively affected business expansion and product demands in the oversea markets. However, the company has been engrossed in developing and adjusting the organization to these changing economic conditions. Moreover, the transformation of the organizational structure in the recent year was able to reduce production cost to a competitive level. This reduction also increased the company's revenue from the previous year, both in domestic and overseas markets.

For the overall operation in 2015, the company achieved the target performance goal, with the total revenue of 1,714 million baht, , decreased from last year in the amount of 39 million Baht or 2%, and net profit before extraordinary items of 22 million. The increasing profit was a consequence of organizational structure transformations in the past few years. The transformations were resulting in reducing production cost to a competitive level and in line with the industrial market conditions in order for the company to be capable of competing in domestic and overseas markets. However, in 2015, the company revealed a list of incidents expected to take place in the future. One of the incidents was the provision reserves for loss on this litigation claims from the breach of employee agreements of 120 million baht, which was due to the recent organizational transformation. When including the provision reserves, the company ran at a net loss of 99 million baht in 2015.

Lastly, under the name of the company committee, we would like to thank you, the shareholders, for your continued support. We also would like to thank you the executives and staff members, who were part of the company success. We would like you all to be confident that the committee, the executives, and the staff members will be continually engrossed in developing, growing, strengthening business potential to achieve the target goal. The company's products will be accepted by all consumers in both domestic and overseas markets. In addition, the company will everlastingly maintain the status of a market leader in the ceramic industry.

The Board

Board of Directors

Mr. Chokchai	Lertiendumrong	Managing Director and Chief of Executive Officer
Mr. Teerapong	Ninvoraskul	Director
Mr. Kamolaphat	Teepsuwan	Director
Mr. Ruangchai	Lertiendumrong	Director
Miss Sunee	Lertiendumrong	Director

Risk Management

Mr. Chokchai	Lertiendumrong	Chairman
Miss Soontaree	Suttawassunthon	Member
Mr. Chatchai	Kramolngam	Member
Mr. Surachai	Kallayanamitra	Member
Mr. Narong	Apichatanakul	Member and Secretary

Executive Committee

Mr. Chokchai	Lertiendumrong	Managing Director and Chief Executive Officer
Miss Soontaree	Suttawassunthon	Chief Financial Officer
Mr. Surachai	Kallayanamitra	Vice President for Manufacturing
Mr. Chatchai	Kramolngam	Vice President for Human Resources and Administration
Mr. Narong	Apichatanakul	Vice President for Information Technology

Company's General Information

Royal Porcelain Public Company Limited

Registration No.	: 0107543000074
Head Office	: 9 th Floor Mahatun Plaza Building 888/90-92 Ploenchit Road, Lumpini, Pathumwan, Bangkok 10330
Telephone	: (662) 253-6823-38, (662) 254-4088-92
Telefax	: (662) 253-6763, (662) 254-4093-4
E-mail	: info@royalporcelain.co.th
Factory	: 36 and 39 Moo 1 Sudbantad Road, Tumbon Tandiew, Kaengkoï District, Saraburi 18110
Telephone	: (6636) 251-680-5, (6636) 244-930-3
Telefax	: (6636)251-686, (6636)251-942
Type of Business	: Manufacturer and distributor of ceramic tableware in Bone China, Porcelain, Ultra Strong, Maxadura and Unleaded Bone China.
Registered Capital	: Total Share capital is 600,000,000 Baht divided into 120,000,000 shares at 5 Baht per value.
Paid-up shares	: Total paid-up shares are 93,586,000 shares at 5 Baht per value, the company received cash contribution of 467,930,000 Baht.
Auditor	: Baker Tilly Audit and Advisory Services (Thailand) Ltd. Level 21/1 Sathorn City Tower, 175 South Sathorn Road Sathorn, Bangkok, Thailand 10120

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Royal Porcelain Public Company Limited

I have audited the accompanying financial statements of Royal Porcelain Public Company Limited, which comprise the statement of financial position as at December 31, 2015, and the statements of comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

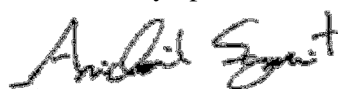
I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

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

Emphases of Matter

I draw attention to Note 12 to the financial statements, as at December 31, 2015, the Company could not maintain certain financial ratios in accordance with the loan agreement, which resulted in the loan becoming payable on demand. The loan had therefore been classified as current liability in 2015. However, in 2016, the Company received the waiver letter for such non-compliance from the lender. However, my opinion is not modified in respect of the matter emphasized.



(Mr. Apichart Sayasit)

Certified Public Accountant, Registration No. 4229

Baker Tilly Audit and Advisory Services (Thailand) Ltd.

Bangkok

March 18, 2016

Financial Statements

ROYAL PORCELAIN PUBLIC COMPANY LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2015

ASSETS

	Notes	In Baht	
		2015	2014
CURRENT ASSETS			
Cash and cash equivalents	3	42,142,448	71,925,928
Trade and other account receivables - net	4	161,358,051	163,137,014
Inventories – net	5, 10	501,713,318	509,650,506
Other current assets	6	23,763,724	23,255,627
Total Current Assets		728,977,541	767,969,075
NON-CURRENT ASSETS			
Property, plant and equipment - net	7, 10, 12, 13	360,350,326	318,081,350
Intangible assets – net	8	5,600,001	4,267,824
Leasehold rights – net	9	-	-
Other non-current assets		5,475,424	5,114,244
Total Non-Current Assets		371,425,751	327,463,418
TOTAL ASSETS		1,100,403,292	1,095,432,493

Financial Statements

ROYAL PORCELAIN PUBLIC COMPANY LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2015

LIABILITIES AND EQUITY

	Notes	In Baht	
		2015	2014
CURRENT LIABILITIES			
Short-term loans from financial institutions	5, 7, 10	100,225,293	50,000,000
Trade and other account payables	11	163,336,630	203,075,851
Current portion of long-term loans from financial institution	7, 12	258,003,289	90,371,111
Current portion of liabilities under finance lease agreements	7, 13	1,151,332	2,065,615
Advances received from customers		12,231,117	40,386,606
Other current liabilities		4,379,370	2,961,614
Total Current Liabilities		539,327,031	388,860,797
NON-CURRENT LIABILITIES			
Long-term loans from financial institution - net	7, 12	-	181,086,954
Liabilities under finance lease agreements - net	7, 13	1,241,485	769,583
Provision for employee retirement benefit	14	92,593,012	79,422,306
Provision for loss on litigation claims	23	121,283,363	344,578
Total Non-Current Liabilities		215,117,860	261,623,421
Total Liabilities		754,444,891	650,484,218
EQUITY			
Share capital			
- Authorized share capital, common share 120,000,000 shares at Baht 5 par value		600,000,000	600,000,000
- Issued and paid-up share capital, common share 93,586,000 shares at Baht 5 per share		467,930,000	467,930,000
Premium on share capital	15	89,674,620	89,674,620
Retained earnings (deficit)			
- Legal reserve	16	60,000,000	60,000,000
- General reserve	16	31,500,000	31,500,000
- Deficit		(303,146,219)	(204,156,345)
Equity – Net		345,958,401	444,948,275
TOTAL LIABILITIES AND EQUITY		1,100,403,292	1,095,432,493

Financial Statements

ROYAL PORCELAIN PUBLIC COMPANY LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED DECEMBER 31, 2015

	Notes	In Baht	
		2015	2014
REVENUES			
Net sales		1,699,310,428	1,692,613,224
Gain on foreign exchange - net		-	8,106,846
Other income		14,432,747	52,577,192
Total Revenues		1,713,743,175	1,753,297,262
EXPENSES			
Cost of sales		1,458,973,287	1,523,187,702
Selling expenses		107,098,755	116,889,842
Administrative expenses	18	100,017,212	111,974,115
Provision for loss on litigation claims	23	121,173,085	-
Loss on foreign exchange - net		16,352,528	-
Total Expenses	17	1,803,614,867	1,752,051,659
Profit (Loss) before Finance Costs		(89,871,692)	1,245,603
Finance Costs		(9,118,182)	(10,538,860)
LOSS FOR THE YEAR		(98,989,874)	(9,293,257)
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		(98,989,874)	(9,293,257)
Basic Loss per Share		(1.06)	(0.10)
Weighted Average Number of Shares (In Shares)		93,586,000	93,586,000

Financial Statements

ROYAL PORCELAIN PUBLIC COMPANY LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED DECEMBER 31, 2015

	In Baht					
	Issued and paid-up share capital	Premium on share capital	Retained earnings (deficit)			Net
			Appropriated for		Deficit	
			Legal reserve	General reserve		
Balance as at January 1, 2014	467,930,000	89,674,620	60,000,000	31,500,000	(194,863,088)	454,241,532
Total comprehensive loss for the year	-	-	-	-	(9,293,257)	(9,293,257)
Balance as at December 31, 2014	467,930,000	89,674,620	60,000,000	31,500,000	(204,156,345)	444,948,275
Total comprehensive loss for the year	-	-	-	-	(98,989,874)	(98,989,874)
Balance as at December 31, 2015	<u>467,930,000</u>	<u>89,674,620</u>	<u>60,000,000</u>	<u>31,500,000</u>	<u>(303,146,219)</u>	<u>345,958,401</u>

Financial Statements

ROYAL PORCELAIN PUBLIC COMPANY LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2015

	In Baht	
	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES:		
Loss for the year	(98,989,874)	(9,293,257)
Adjustments to reconcile loss for the year to net cash provided by (used in) operating activities:		
Allowance for (reversal of) doubtful accounts	(3,461,669)	2,814,346
Allowance for (reversal of) obsolete stocks	(2,002,117)	2,073,127
Write-off inventories	20,700	-
Depreciation	65,389,915	80,323,730
Amortization	2,570,414	2,820,833
Loss (gain) on sales of fixed assets	(429,999)	17,490
Write-off fixed assets	145,646	16,444
Unrealized loss on foreign exchange - net	18,840,759	1,466,224
Provision for employee retirement benefit	23,328,297	43,664,580
(Reversal of) provision for loss on litigation claims	121,173,085	(118,933)
Interest income	(386,354)	(476,903)
Interest expense	9,118,182	10,538,860
Decrease (Increase) in Operating Assets:		
Trade and other account receivables	4,874,988	20,954,522
Inventories	9,918,605	(33,751,952)
Other current assets	(381,479)	(13,471,048)
Other non-current assets	(361,180)	(1,665,820)
Increase (Decrease) in Operating Liabilities:		
Trade and other account payables	(40,083,837)	68,612,238
Other current liabilities	(27,984,212)	23,866,703
Payment for provision for loss on litigation claims	(234,300)	(360,000)
Payment for employee retirement benefit	(10,157,591)	(43,619,951)
Income tax paid	(126,618)	(131,564)
Net Cash Provided by Operating Activities	70,781,361	154,279,669

Financial Statements

ROYAL PORCELAIN PUBLIC COMPANY LIMITED

STATEMENT OF CASH FLOWS (Continued)

FOR THE YEAR ENDED DECEMBER 31, 2015

	In Baht	
	2015	2014
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of fixed assets	(105,951,538)	(47,428,090)
Purchases of intangible assets	(3,902,591)	(2,848,497)
Proceeds from sales of fixed assets	430,000	24,271
Interest received	386,354	476,903
Net Cash Used in Investing Activities	(109,037,775)	(49,775,413)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Increase in short-term loans from financial institutions	133,208,993	50,000,000
Repayment of short-term loans from financial institutions	(82,983,700)	(150,000,000)
Increase in long-term loans from financial institution	60,000,000	105,430,000
Repayment of long-term loans from financial institution	(90,629,852)	(80,097,479)
Repayment of liabilities under finance lease agreements	(2,295,381)	(2,703,976)
Interest paid	(8,827,126)	(10,673,099)
Net Cash Provided by (Used in) Financing Activities	8,472,934	(88,044,554)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(29,783,480)	16,459,702
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	71,925,928	55,466,226
CASH AND CASH EQUIVALENTS AT END OF YEAR	42,142,448	71,925,928
Non-Cash Transaction		
- Purchase of fixed assets under financial lease agreements	1,853,000	985,000

ROYAL PORCELAIN PUBLIC COMPANY LIMITED

Notes to Financial Statements

December 31, 2015

1. GENERAL

Royal Porcelain Public Company Limited (“The Company”) was incorporated as a limited company in Thailand on March 19, 1984 and was transformed to be the Public Company on October 25, 2000. The Company is engaged in the manufacture of ceramic tableware.

As at December 31, 2015 and 2014, the Company’s shareholders are summarized as follows:

Shareholders	Percentage of shareholding	
	2015	2014
Lertiendumrong Group	45.09	35.09
Government Pension Fund	15.00	15.00
Teepsuwan Group	10.66	10.66
Thailand Prosperity Fund	-	20.00
Others	29.25	19.25

The registered office address of the Company is located at 888/90-92, 9th floor Mahatun Plaza Building, Ploenchit Road, Bangkok, Thailand and its factory is located at 36 and 39 Moo 1, Sudbantad Road, Tumbol Tandieo, Amphur Kaengkoi, Saraburi Province, Thailand.

Basis of Financial Statement Preparation

The statutory financial statements are prepared in Thai Baht and in the Thai language in conformity with Thai Financial Reporting Standards. Accordingly, the accompanying financial statements are intended solely to present the financial position, financial performance and cash flows in accordance with Thai Financial Reporting Standards.

The accompanying financial statements are prepared under the historical cost convention except where otherwise disclosed in the accounting policies.

For convenience of the readers, an English translation of the financial statements has been prepared from the Thai language statutory financial statements, which are issued solely for domestic financial reporting purposes.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Cash and Cash Equivalents

Cash on hand is kept for general use purpose within the Company. Cash equivalents are savings deposits and current accounts, highly liquid investments that are readily convertible to known amount of cash that are subject to an insignificant risk of change in value.

Accounts Receivable and Allowance for Doubtful Accounts

Accounts receivable are stated at invoice amount net of allowance for doubtful accounts.

The Company provides an allowance for doubtful accounts equal to the estimated collection losses that may be incurred in the collection of all receivables. The estimated losses are based on historical collection experience and analysis of debt aging.

Inventory Valuation

The Company values its inventories at the lower of cost and net realizable value, by using the following methods:

- Finished goods, work-in-process, raw materials and store supplies - at average cost method
- Saggars - at cost method and the Company amortizes its saggars upon issuance on a straight-line basis over a period 10 months.

Cost comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. In the case of manufactured inventories and work-in-process, cost includes an appropriate share of overheads based on normal operating capacity.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

Property, Plant and Equipment

Land is stated at cost. Plant and equipment are stated at cost less accumulated depreciation and impairment losses. When assets are sold or retired, their cost and accumulated depreciations are eliminated from the accounts and any gain or loss resulting from their disposal is included in the statement of comprehensive income.

Depreciation

Depreciation of plant and equipment is calculated by reference to their costs on a straight-line basis over the following estimated useful lives:

	Years
Buildings and structures	20
Machinery and equipment	10
Furniture, fixtures and office equipment	3, 5
Vehicles	5

Intangible Assets

Intangible assets that are acquired by the Company are stated at cost less accumulated amortization and impairment losses.

Amortization is charged to the statement of comprehensive income on a straight-line basis from the date that intangible assets are available for use over the estimated useful lives of the assets, unless such lives are indefinite. Intangible assets with an indefinite useful life are not amortized but are systematically tested for impairment at each statement of financial position date. The estimated useful lives are as follows:

	Years
Software licenses	3, 5

Leasehold Rights

Leasehold rights are amortized on the straight-line basis over the lease period of 10 years.

Impairment of Assets

The Company reviews the impairment of assets whenever events or changes in circumstances indicate that the recoverable amount (the higher of asset's selling price or value in use) of assets is below the carrying amount. The review is made for individual assets or for the cash-generating unit.

If the carrying value of an asset exceeds its recoverable amount, the Company recognizes the impairment losses by reducing the carrying value of the asset to its recoverable amount and recording the devaluation in statements of comprehensive income or reducing revaluation increment in assets in case that those assets were previously revalued. The reversal of impairment losses recognized in prior years is recorded as part of other income or as a revaluation increment in assets when there is an indication that the impairment losses recognized for the assets no longer exist or are decreased. Such a reversal should not exceed the carrying amount that would have been determined (net of the associated depreciation or amortization).

Provision

A provision is recognized when the Company has a present legal or constructive obligation as a result of a past event and it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made. A provision is reviewed at the statement of financial position date and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the amount of a provision is the present value of the expenditures expected to be required to settle the obligation.

Provision for Employee Retirement Benefit

As a result of TAS 19 (revised 2014), the Company has changed its accounting policy with respect to the basis for determining the income or expense related to defined benefit and actuarial gains or losses recognition, which requires to be recognized immediately in other comprehensive income, and no longer permits to be recognized in profit or loss the Company had applied in previous years. However, such change did not affect to statements of comprehensive income for the year ended December 31, 2014.

The Company's employee retirement benefit obligation is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods by the projected unit credit method determined by a professionally qualified independent actuary. The projected unit credit method considers each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation. Past service costs and gains or losses on the curtailment are recognized immediately in profit or loss. The Company recognizes gains or losses on the settlement of pension benefits when the curtailment or settlement occurs. Actuarial gains or losses are recognized immediately to other comprehensive income. The defined benefit obligations are measured at the present value of estimated future cash flows using a discount rate that is similar to the government bonds.

For the first-time adoption of TAS 19 "Employee Benefits", the Company elected to recognize the transitional liability, which exceeds the liability that would have been recognized at the same date under the previous accounting policy, as an expense on a straight-line basis over 5 years from the date of adoption (January 1, 2011).

Use of Judgements and Estimates

In order to prepare financial statements in conformity with Thai Financial Reporting Standards in Thailand, the management needs to make estimates and set assumptions that affect income, expenditure, assets and liabilities in order to disclose information on the valuation of assets, liabilities and contingent liabilities. Actual outcomes may, therefore, differ from the estimates used.

The estimates and underlying assumptions used in the preparation of these financial statements are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognized in the financial statements consists of the following:

- Lease classification

Assumptions and estimation uncertainties

Information about significant areas of estimation uncertainties that have a significant risk of resulting in material adjustments to the amounts recognized in the financial statements consists of the following:

- Current and deferred taxation
- Utilization of tax losses
- Key assumptions used in discounted cash flow projections
- Measurement of provision for employee retirement benefit
- Provisions and contingencies
- Valuation of financial instruments

Revenue Recognition

Revenue from the sale of goods is recognized in the statement of comprehensive income when the significant risks and rewards of ownership have been transferred to the buyer. No revenue is recognized if there are significant uncertainties regarding recovery of the condition due, associated costs, the probable return of goods or the continuing management involvement with the goods.

Interest income is recognized on a time proportion basis that reflects the effective yield on the asset.

Other income is recognized as income on an accrual basis.

Repair and Maintenance

Expenditures on repair and maintenance are charged to expense at the expenditures are incurred. Expenditures of a capital nature are added to the related plant and equipment.

Finance Lease

Leases in terms of which the Company substantially assumes all the risk and rewards of ownership are classified as finance leases. Equipment and vehicles acquired by way of finance leases are capitalized at the lower of its fair value and the present value of the minimum lease payments at the inception of the lease, less accumulated depreciation and impairment losses. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to the statement of comprehensive income.

Operating Lease

Leases of assets under which all the risks and rewards of ownership are effectively retained by the lessor are classified as operating leases. Lease payments under an operating lease are recognized as an expense in the statement of comprehensive income on a straight-line basis over the lease term.

Finance Costs

Interest expenses and similar costs are charged to the statement of comprehensive income for the period in which they are incurred, except to the extent that they are capitalized as being directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to be prepared for its intended use or sale. The interest component of finance lease payments is recognized in the statement of comprehensive income using the effective interest rate method.

Foreign Currency Transactions

Foreign currency transactions throughout the year are recorded in the accounts at the rates prevailing at the dates of transactions. Monetary assets and liabilities denominated in foreign currencies (except certain assets and liabilities in foreign currencies covered by forward exchange contracts) at the end of the years are translated into Baht at the prevailing rates at that date. Gains or losses from translations are credited or charged to the statements of comprehensive income. Assets and liabilities covered by forward exchange contracts are recorded at the forward contract rates. The difference between the current exchange rate (at the contract date) and the forward rate is deferred and amortized to the statement of comprehensive income by the straight-line method over the terms of the forward exchange contracts.

Receivables and payables arising from forward exchange contracts are translated into Baht at the rates of exchange ruling at the end of reporting period. Unrealized gains and losses from the translation are included in profit or loss for the year. Premiums or discounts on forward exchange contracts are amortized on a straight-line basis over the contract periods.

Income Taxes

The income tax charge is based on profit for the period and considers deferred taxation. Deferred income taxes reflect the net tax effects of temporary differences between the tax basis of an asset or liability and its carrying amount in the statement of financial position. Deferred tax assets and liabilities are measured using the tax rates expected to apply to taxable income in the periods in which those temporary differences are expected to be recovered or settled. The measurement of deferred tax assets and deferred tax liabilities reflects the tax consequences that would follow from the manner in which the Company expects, at the statement of financial position date, to recover or settle the carrying amount of their assets and liabilities.

Deferred tax assets are recognized when it is probable that sufficient taxable profits will be available against which the deferred tax assets can be utilized. At each statement of financial position date, the Company re-assesses unrecognized deferred tax assets. The Company recognizes a previously unrecognized deferred tax asset to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered. The Company conversely reduces the carrying amount of a deferred tax asset to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or all of these deferred tax assets to be utilized.

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

Unrecognized Deferred Tax Assets

Deferred tax assets have not been recognized in respect of the following items:

	In Thousand Baht	
	2015	2014
Loss carry forward	24,485	37,736
Provision for employee retirement benefit	18,519	15,884
Provision for loss on litigation claims	24,257	69
Allowance for doubtful accounts	1,126	1,818
Write-off fixed assets	499	571
Allowance for obsolete stocks	5,898	6,299
Total	74,784	62,377

The loss carry forward will expire in 2016 to 2019.

Deferred tax assets have not been recognized in respect of these items because it is not probable that future taxable profit will be available against which the Company can utilize the benefits therefrom.

Basic Loss per Share

Basic loss per share is determined by dividing the loss for the year by the weighted average number of shares outstanding during the year.

3. CASH AND CASH EQUIVALENTS

	In Thousand Baht	
	2015	2014
Cash	195	203
Cash at banks - current accounts	259	331
Cash at banks - savings accounts	41,688	71,392
Total	42,142	71,926

As at December 31, 2015 and 2014, savings deposits bear interest at the rates ranging from 0.10% to 0.375% per annum and 0.30% to 0.375% per annum, respectively.

4. TRADE AND OTHER ACCOUNT RECEIVABLES - Net

	In Thousand Baht	
	2015	2014
Trade account receivables - other companies	159,567	162,538
Less: Allowance for doubtful accounts	(2,919)	(6,380)
Trade account receivables - net	156,648	156,158
Other account receivables - other companies	4,710	6,979
Trade and other account receivables - net	161,358	163,137
Doubtful debts expenses during the year (reversal of)	(3,461)	2,814

As at December 31, 2015 and 2014, the aging analysis of trade account receivables were detailed as follows:

	In Thousand Baht	
	2015	2014
• Within credit-term	111,606	101,137
• Periods over credit-term		
- Overdue 1 day to 30 days	34,446	28,727
- Overdue over 30 days to 90 days	13,515	17,531
- Overdue over 90 days to 180 days	-	15,143
Total	159,567	162,538
Less: Allowance for doubtful accounts	(2,919)	(6,380)
Net	156,648	156,158

5. INVENTORIES - Net

	In Thousand Baht	
	2015	2014
Finished goods	93,381	100,606
Work-in-process	320,413	292,297
Raw materials	63,844	71,458
Store supplies	23,481	24,020
Saggars	13,088	27,737
Raw materials in transit	16,997	25,026
Total	531,204	541,144
Less: Allowance for obsolete stocks	(29,491)	(31,493)
Net	501,713	509,651
Write-down of inventories recognized as an expense during the year (reversal of)	(2,002)	2,073

6. OTHER CURRENT ASSETS

	In Thousand Baht	
	2015	2014
Value added tax receivable	17,463	16,776
Prepaid expenses	3,063	2,624
Others	3,238	3,856
Total	23,764	23,256

7. PROPERTY, PLANT AND EQUIPMENT – Net

	In Thousand Baht						
	Land	Building and structures	Machinery and equipment	Furniture, fixtures and office equipment	Vehicles	Assets under construction and installations	Total
Cost							
As at January 1, 2014	96,300	277,377	1,434,459	296,661	9,081	16,283	2,130,161
Additions	-	2,277	15,947	18,370	7	11,812	48,413
Disposals and write-off	-	-	-	(1,845)	-	-	(1,845)
Transfers in (out)	-	2,298	14,081	1,432	-	(17,811)	-
As at December 31, 2014	96,300	281,952	1,464,487	314,618	9,088	10,284	2,176,729
Additions	-	2,647	8,992	19,964	-	76,202	107,805
Disposals and write-off	-	(267)	(97,541)	(57,947)	(4)	-	(155,759)
Transfers in (out)	-	776	6,420	30	-	(7,226)	-
As at December 31, 2015	96,300	285,108	1,382,358	276,665	9,084	79,260	2,128,775
Accumulated Depreciation							
As at January 1, 2014	-	214,858	1,286,818	267,623	8,324	-	1,777,623
Depreciation charge for the year	-	6,738	59,945	13,335	306	-	80,324
Disposals and write-off	-	-	-	(1,787)	-	-	(1,787)
As at December 31, 2014	-	221,596	1,346,763	279,171	8,630	-	1,856,160
Depreciation charge for the year	-	7,006	42,495	15,584	305	-	65,390
Disposals and write-off	-	(261)	(96,780)	(57,623)	(4)	-	(154,668)
As at December 31, 2015	-	228,341	1,292,478	237,132	8,931	-	1,766,882
Allowance for impairment loss							
As at December 31, 2014	-	-	2,302	186	-	-	2,488
Write-off	-	-	(759)	(186)	-	-	(945)
As at December 31, 2015	-	-	1,543	-	-	-	1,543
Net Book Value							
Owned assets	96,300	60,356	115,422	32,776	5	10,284	315,143
Assets under finance lease	-	-	-	2,485	453	-	2,938
As at December 31, 2014	96,300	60,356	115,422	35,261	458	10,284	318,081
Owned assets	96,300	56,767	88,337	37,072	4	79,260	357,740
Assets under finance lease	-	-	-	2,461	149	-	2,610
As at December 31, 2015	96,300	56,767	88,337	39,533	153	79,260	360,350

The gross carrying amounts of the Company's certain plant and equipment totaling approximately Baht 1,425.7 million and Baht 1,384.8 million were fully depreciated as at December 31, 2015 and 2014, respectively, but these items are still in active use.

Certain of the Company's land, which have cost as at December 31, 2015 and 2014 of Baht 25,356, are jointly owned by the Company and another company and the original land title deeds are kept by such company. In addition, certain the Company's land are subject to easement.

Certain of the Company's land, buildings and structures, machinery and equipment, which have net book value as at December 31, 2015 and 2014 of Baht 109.5 million and Baht 117.9 million, respectively, are mortgaged/pledged as collateral for credit facilities and long-term loans from the local financial institutions as discussed in Notes 10, 12 and 23.

Certain equipment and vehicles of the Company are under finance lease agreements as discussed in Note 13.

8. INTANGIBLE ASSETS - Net

	In Thousand Baht
Cost	
As at January 1, 2014	58,972
Additions	2,849
As at December 31, 2014	61,821
Additions	3,903
As at December 31, 2015	65,724
Accumulated Amortization	
As at January 1, 2014	55,581
Amortization charge for the year	1,972
As at December 31, 2014	57,553
Amortization charge for the year	2,571
As at December 31, 2015	60,124
Net Book Value	
As at December 31, 2014	4,268
As at December 31, 2015	5,600

The gross carrying amounts of the Company's certain intangible assets totaling approximately Baht 55.2 million were fully amortized as at December 31, 2015 and 2014, but these items are still in active use.

9. LEASEHOLD RIGHT - Net

	In Thousand Baht	
	2015	2014
Cost	-	11,903
Less: Accumulated amortization	-	(11,903)
Net	-	-
Amortization charge for the year	-	849

10. SHORT-TERM LOANS FROM FINANCIAL INSTITUTIONS

	Interest Rate (% p.a.)		In Thousand Baht	
	2015	2014	2015	2014
Liabilities under trust receipts	3.02	-	20,225	-
Notes payable to banks	3.28 - 5.25	3.43 - 3.90	80,000	50,000
Total			100,225	50,000

As at December 31, 2015 and 2014, the Company has overdraft line amounting to Baht 41 million, short-term loan line and credit facilities totaling Baht 335 million and forward exchange contract line totaling Baht 130 million and U.S. Dollars 10.5 million with local financial institutions. Such credit facilities are collateralized by mortgaging/pledging of the Company's land and structures, machinery and equipment as discussed in Note 7.

Under the terms of the trust receipt agreements, certain imported raw materials have been released to the Company in trust for the financial institution. The Company is accountable to the financial institution for the trusted raw materials or their sales proceeds.

11. TRADE AND OTHER ACCOUNT PAYABLES

	In Thousand Baht	
	2015	2014
Trade account payables	113,784	156,832
Other account payables	49,553	46,244
Total	163,337	203,076

12. LONG-TERM LOANS FROM FINANCIAL INSTITUTION

	Interest Rate (% per annum)		In Thousand Baht	
	2015	2014	2015	2014
Loans from a local financial				
- The first loan	LIBOR 3M+2.15	LIBOR 3M+2.15	149,168	190,745
- The second loan	LIBOR 3M+2.50	LIBOR 3M+2.50	49,094	80,713
- The third loan	THBFIX+2.15	-	60,000	-
Total			258,262	271,458
Less : Deferred loan arrangement fee			(259)	-
			258,003	271,458
Less: Portion due within one year			(258,003)	(90,371)
Net			-	181,087

The first loan: On June 29, 2011, the Company obtained long-term loan line of U.S. Dollars 11.5 million (or equivalent to Baht 350.8 million). The Company drew down in whole amount to settle the long-term loan with another financial institution. The long-term loan is repayable in every 3 months for 28 equal installments, commencing from September 2011.

The second loan: On April 1, 2014, the Company obtained long-term loan line of U.S. Dollars 3.25 million. The Company drew down in whole amount. Such loan was used to restructure short-term debt for labor costs during October 2013 to January 2014 to be a long-term debt. The long-term loan is repayable in every 3 months for 12 equal installments, commencing from June 30, 2014 and maturing within 36 months from drawn down date.

The third loan: On November 10, 2015, the Company obtained long-term loan line of Baht 60.0 million. The Company drew down in whole amount. Such loan was used to purchase machinery. The long-term loan is repayable in every 3 months for 9 equal installments, commencing from October 2017 and maturing within 48 months from drawn down date.

These loans are secured by the mortgage of the Company's land and structures, machinery and equipment as discussed in Note 7. In addition, the Company has to maintain the significant conditions of loan agreements such as the proportion of shareholders and maintain the certain financial ratios, such as debt to equity ratio and debt service coverage ratio, etc.

As at December 31, 2015, the Company could not maintain certain financial ratios in accordance with the loan agreement, which resulted in the loan becoming payable on demand. Such loans were therefore classified as current liability in 2015. However, in 2016, the Company received the waiver letter for such non-compliance from the lender.

As at December 31, 2015, the outstanding balance on such long-term loan of U.S. Dollars 5.5 million (or equivalent to Baht 198.3 million) and Baht 60 million and as at December 31, 2014, the outstanding balance on such long-term loan of U.S. Dollars 8.2 million (or equivalent to Baht 271.4 million).

13. LIABILITIES UNDER FINANCE LEASE CONTRACTS

The Company has entered into various finance lease agreements with several leasing companies covering certain equipment and vehicles as discussed in Note 7. The agreements have the term for certain periods expiring in 2018. The ownership of the assets under finance lease agreements will be transferred to the Company when all payments are made to the leasing companies, which are summarized as follows:

Year Ending December 31,	In Thousand Baht	
	2015	2014
2015	-	2,207
2016	1,278	596
2017	893	211
2018	416	-
Total minimum lease payments	2,587	3,014
Less: deferred interest	(194)	(179)
Present value of net minimum lease payments	2,393	2,835
Less: portion due within one year - net deferred interest	(1,151)	(2,066)
Net	1,242	769

14. PROVISION FOR EMPLOYEE RETIREMENT BENEFIT

	In Thousand Baht	
	2015	2014
Provision for employee retirement benefit as at January 1,	93,522	107,578
Current service costs	5,285	5,057
Interest costs	3,944	3,596
Benefits paid during the year	(10,158)	(43,620)
Settlement loss	-	20,911
Employee retirement benefit obligation at end of year	92,593	93,522
Unrecognized transitional liability	-	(14,100)
Provision for employee retirement benefit as at December 31,	92,593	79,422

Expenses recognized in the statements of comprehensive income for each of the years ended December 31, 2015 and 2014

	In Thousand Baht	
	2015	2014
Current service costs	5,285	5,057
Interest costs	3,944	3,596
Settlement loss	-	20,911
Transitional liability recognized during the year	14,100	14,100
Total	23,329	43,664

Actuarial assumptions

	2015	2014
Discount rate	4.1 % p.a.	4.1 % p.a.
Future salary increase rate (depending on employee type)	4.0 % p.a.	4.0 % p.a.
Employee turnover rate	0 % - 25 % p.a.	0 % - 25 % p.a.

15. PREMIUM ON SHARE CAPITAL

Premium on share capital represents share subscription monies received in excess of the par value of the shares issued. Premium on share capital is not available for dividend distribution.

16. LEGAL RESERVE AND GENERAL RESERVE

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside to a statutory reserve at least 5% of its net income after deducting accumulated deficit brought forward (if any), until the reserve reaches 10% of registered capital. The statutory reserve is not available for dividend distribution.

As at December 31, 2015 and 2014, the Company had fully set aside for the legal reserve.

General reserve represents the amount the Company's shareholders approved to appropriate from retained earnings for future projects.

17. EXPENSES BY NATURE

Significant expenses by nature for each of the years ended December 31, 2015 and 2014 are as follows:

	In Thousand Baht	
	2015	2014
Raw materials and consumable used	587,190	667,986
Change in finished goods and work-in-process	(20,891)	11,448
Other production expenses	231,918	221,346
Employee benefit expenses	677,611	628,485
Depreciation and amortization	67,960	83,145
Rental and service expenses	17,122	14,763
Loss on foreign exchange - net	16,353	-
Provision for loss on litigation claims	121,173	-
Other expenses	105,179	124,879
Total expenses	<u>1,803,615</u>	<u>1,752,052</u>

18. MANAGEMENT BENEFIT EXPENSES

During the years ended December 31, 2015 and 2014, the Company paid salaries, bonus, meeting allowance and gratuities to their directors and managements totaling Baht 22.9 million and Baht 17.9 million, respectively, which is considered a related party transaction.

19. REGISTERED PROVIDENT FUND

The Company has established a contributory registered provident fund in accordance with the Provident Fund Act B.E. 2530 based on the approval from the Ministry of Finance on March 22, 1996. Under the plan, members and the Company contribute to the fund at 3% - 5% of the employees' basic salaries. The Company appointed a fund manager to manage the fund in accordance with the terms and conditions prescribed in the Ministerial Regulation No. 2 (B.E. 2532) issued under the Provident Fund Act B.E. 2530.

The Company's contribution for each of the years 2015 and 2014, which were charged to the statements of comprehensive income, amounted to Baht 12.2 million and Baht 11.3 million, respectively.

20. DISCLOSURE OF FINANCIAL INSTRUMENTS

Financial assets and financial liabilities carried on the statements of financial position include cash and cash equivalents, trade and other account receivables, short-term loans from financial institutions, trade and other account payables, advance received from customers, long-term loans from financial institution and liabilities under finance lease agreements. The accounting policies on recognition and measurement of these items are disclosed in the respective accounting policies in Note 2.

Liquidity Risk

Liquidity risk arises from the problem in raising funds adequately and in time to meet commitments as indicated in the financial statements. Based on the assessment of the Company's current financial position and financial performance, the Company does not face liquidity risk.

Foreign Currency Risk

The Company's exposure to foreign currency risk arises mainly trading transactions and loans that are denominated in foreign currencies. The Company seeks to manage this risk by entering in to forward exchange contracts when it considers appropriate. Generally, the forward contracts will mature within one year.

As at December 31, 2015 and 2014, the balances of financial assets and liabilities denominated in foreign currencies are as follows:

Foreign currency	Financial assets as at December 31,		Financial liabilities as at December 31,		Exchange rate as at December 31,	
	2015 (Million)	2014 (Million)	2015 (Million)	2014 (Million)	2015 (Baht per foreign currency unit)	2014
U.S. Dollars	1.5	2.0	6.0	9.6	36.0886	32.9630
Euro	0.1	0.1	0.4	0.3	39.4388	40.0529
GBP	-	0.1	0.3	0.6	53.5035	51.1497
JPY	-	-	3.1	-	0.2996	-

Foreign exchange contracts outstanding balance as at December 31, 2015 and 2014 are as follows:

Foreign currency	Sold amount (million)		Forward exchange rate (Baht per foreign currency unit)	
	2015	2014	2015	2014
U.S. Dollars	0.5	-	34.6160 - 35.0050	-

Credit Risk

The Company is exposed to credit risk primarily with respect to trade accounts receivable and other receivables. The Company manages the risk by adopting appropriate credit control policies and procedures and therefore does not expect to incur material financial losses. In addition, the Company does not have high concentration of credit risk since it has a large customer base. The maximum exposure to credit risk is limited to the carrying amounts of receivables, as stated in the statement of financial position.

Interest Rate Risk

Interest rate risk arises from the fluctuation of market interest rates, which may have an impact to current and future operations of the Company. The Company's exposure to interest rate risk relates primarily to its deposits at financial institutions, short-term loans and long-term loans, which bear interest rate. However, since most of the Company's financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate. The management considers that the interest rate risk is minimal, hence, the Company has no hedging agreement to protect against such risk.

Significant financial assets and liabilities as at December 31, 2015 and 2014, classified by type of interest rates are summarised in the table below, with those financial assets that carry fixed interest rates further classified based on the maturity date, or the repricing date if this occurs before the maturity date.

	2015 (In Thousand Baht)						Effective interest rate (% p.a.)
	Fixed interest rates					Total	
	Within 1 year	1- 5 years	Over 5 years	Floating interest rate	Non-interest bearing		
Financial assets							
Cash and cash equivalents	-	-	-	41,688	454	42,142	0.10 - 0.375
Trade and other account receivables - net	-	-	-	-	161,358	161,358	-
Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>41,688</u>	<u>161,812</u>	<u>203,500</u>	
Financial liabilities							
Short-term loans from financial institutions	100,225	-	-	-	-	100,225	3.02 - 5.25
Trade and other account payables	-	-	-	-	163,337	163,337	-
Current portion of long-term loans from financial institutions	-	-	-	258,003	-	258,003	2.753-3.601
Advance received from customers	-	-	-	-	12,231	12,231	-
Liabilities under finance lease agreements	1,151	1,242	-	-	-	2,393	6.8 - 9.6
Total	<u>101,376</u>	<u>1,242</u>	<u>-</u>	<u>258,003</u>	<u>175,568</u>	<u>536,189</u>	
	2014 (In Thousand Baht)						
	Fixed interest rates						
	Within 1 year	1- 5 years	Over 5 years	Floating interest rate	Non-interest bearing	Total	Effective interest rate (% p.a.)
Financial assets							
Cash and cash equivalents	-	-	-	71,392	534	71,926	0.30 - 0.375
Trade and other account receivables - net	-	-	-	-	163,137	163,137	-
Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>71,392</u>	<u>163,671</u>	<u>235,063</u>	
Financial liabilities							
Short-term loans from financial institutions	50,000	-	-	-	-	50,000	3.43 - 3.90
Trade and other account payables	-	-	-	-	203,076	203,076	-
Advance received from customers	-	-	-	-	40,387	40,387	-
Long-term loans from financial institution	-	-	-	271,458	-	271,458	2.41 - 2.76
Liabilities under finance lease agreements	2,066	769	-	-	-	2,835	6.4 - 10.8
Total	<u>52,066</u>	<u>769</u>	<u>-</u>	<u>271,458</u>	<u>243,463</u>	<u>567,756</u>	

Fair Value of Financial Instruments

Fair value is defined as the amount at which the instrument could be exchanged in a current transaction between knowledgeable willing parties in an arm's length transaction. The fair value is determined by reference to the market price of the financial instrument or by using an appropriate valuation technique, depending on the nature of the instrument.

Since the majority of the Company's financial assets and liabilities are short-term in nature and loans bear interest of the rates approximate the market rates, their fair values are not expected to be materially different from the amounts present in the statement of financial position.

21. OPERATING SEGMENTS

The business of the Company is the manufacture of ceramic tableware for both the domestic and export markets. For the years ended December 31, 2015 and 2014, export sales represented approximately 78% and 81% of total sales, respectively. The Company's operations involve a single industry segment and are carried out from a single geographic area in Thailand. Accordingly, revenues, earnings and assets as reflected in these financial statements pertain to the industry segment and geographic area mentioned above.

22. LONG-TERM LEASE AGREEMENTS

The Company has various operating leases covering its office premises and other service agreements. The totals of future minimum lease payments under non-cancellable operating leases for each period are as follows:

	In Million Baht	
	2015	2014
Not later than 1 year	18.3	16.1
Later than 1 year and not later than 5 years	2.7	19.1
Later than 5 years	-	-
Total	21.0	35.2

23. OTHERS

- a) As at December 31, 2015 and 2014, there were outstanding bank guarantees issued by various local financial institutions on behalf of the Company in respect of certain performance bonds as required in the normal course of business, which are collateralized by the Company's land and structures, machinery and equipments as discussion in Note 7. The details are as follows;

	In Million Baht	
	2015	2014
Guarantee electricity use	0.5	0.5
Guarantee payment to suppliers	7.7	6.8
Total	8.2	7.3

- b) The Company had commitments under purchase orders of fixed assets and service agreements totaling Baht 5.9 million as at December 31, 2015 (2014: Nil).

- c) As at December 31, 2015, the Company was sued for the damages from the breach of employee agreements of 3 litigation claims. The Court of First Instance sentenced that the Company has to compensate totaling Baht 121.2 million. The Company has recorded a provision for loss on this litigation claims in the accounts in full. However, the ultimate outcome of these cases cannot presently be determined.

24. CAPITAL MANAGEMENT

The primary objective of the Company's capital management is to ensure that it has appropriate capital structure in order to support its business and maximize shareholder value. As at December 31, 2015, the Company had a debt to equity ratio of 2.2 to 1 (2014: 1.5 to 1).

No changes were made in the Company's objectives, policies or processes during the years ended December 31, 2015 and 2014.

25. NEW/REVISED THAI FINANCIAL REPORTING STANDARDS NOT YET ADOPTED

The Company has not adopted new/revised Thai Financial Reporting Standards (TFRS) that have been issued but are not yet effective at the reporting date as follows:

TFRS	Topic	Effective date
TFRS 2 (revised 2015)	Share-based Payment	2016
TFRS 3 (revised 2015)	Business Combinations	2016
TFRS 4 (revised 2015)	Insurance Contracts	2016
TFRS 5 (revised 2015)	Non-current Assets held for Sale and Discontinued Operations	2016
TFRS 6 (revised 2015)	Exploration for and Evaluation of Mineral Resources	2016
TFRS 8 (revised 2015)	Operating Segments	2016
TFRS 10 (revised 2015)	Consolidated Financial Statements	2016
TFRS 11 (revised 2015)	Joint Arrangements	2016
TFRS 12 (revised 2015)	Disclosure of Interests in Other Entities	2016
TFRS 13 (revised 2015)	Fair Value Measurement	2016
TAS 1 (revised 2015)	Presentation of financial statements	2016
TAS 2 (revised 2015)	Inventories	2016
TAS 7 (revised 2015)	Statement of Cash Flows	2016
TAS 8 (revised 2015)	Accounting Policies, Changes in Accounting Estimates and Errors	2016
TAS 10 (revised 2015)	Events after the Reporting Period	2016
TAS 11 (revised 2015)	Construction Contracts	2016
TAS 12 (revised 2015)	Income Taxes	2016
TAS 16 (revised 2015)	Property, Plant and Equipment	2016
TAS 17 (revised 2015)	Leases	2016
TAS 18 (revised 2015)	Revenue	2016
TAS 19 (revised 2015)	Employee Benefits	2016
TAS 20 (revised 2015)	Accounting for Government Grants and Disclosure of Government Assistance	2016
TAS 21 (revised 2015)	The Effects of Changes in Foreign Exchange Rates	2016
TAS 23 (revised 2015)	Borrowing Costs	2016
TAS 24 (revised 2015)	Related Party Disclosures	2016
TAS 26 (revised 2015)	Accounting and Reporting by Retirement Benefit Plans	2016
TAS 27 (revised 2015)	Separate Financial Statements	2016
TAS 28 (revised 2015)	Investments in Associates and Joint Ventures	2016
TAS 29 (revised 2015)	Financial Reporting in Hyperinflationary Economies	2016
TAS 33 (revised 2015)	Earnings per Share	2016
TAS 34 (revised 2015)	Interim Financial Reports	2016
TAS 36 (revised 2015)	Impairment of Assets	2016
TAS 37 (revised 2015)	Provisions, Contingent Liabilities and Contingent Assets	2016
TAS 38 (revised 2015)	Intangible Assets	2016
TAS 40 (revised 2015)	Investment Property	2016
TAS 41	Agriculture	2016
TFRIC 1 (revised 2015)	Changes in Existing Decommissioning, Restoration and Similar Liabilities	2016
TFRIC 4 (revised 2015)	Determining whether an Arrangement contains a Lease	2016
TFRIC 5 (revised 2015)	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds	2016
TFRIC 7 (revised 2015)	Applying the Restatement Approach under TAS 29 (revised 2015) Financial Reporting in Hyperinflationary Economies	2016

TFRS	Topic	Effective date
TFRIC 10 (revised 2015)	Interim Financial Reporting and Impairment	2016
TFRIC 12 (revised 2015)	Service Concession Arrangements	2016
TFRIC 13 (revised 2015)	Customer Loyalty Programmes	2016
TFRIC 14 (revised 2015)	TAS 19 (revised 2015) —The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction	2016
TFRIC 15 (revised 2015)	Agreements for the Construction of Real Estate	2016
TFRIC 17 (revised 2015)	Distributions of Non-cash Assets to Owners	2016
TFRIC 18 (revised 2015)	Transfers of Assets from Customers	2016
TFRIC 20 (revised 2015)	Stripping Costs in the Production Phase of a Surface Mine	2016
TFRIC 21	Levies	2016
TSIC 10 (revised 2015)	Government Assistance—No Specific Relation to Operating Activities	2016
TSIC 15 (revised 2015)	Operating Leases-Incentives	2016
TSIC 25 (revised 2015)	Income Taxes—Changes in the Tax Status of an Entity or its Shareholders	2016
TSIC 27 (revised 2015)	Evaluating the Substance of Transactions Involving the Legal Form of a Lease	2016
TSIC 29 (revised 2015)	Service Concession Arrangements Disclosure	2016
TSIC 31 (revised 2015)	Revenue—Barter Transactions Involving Advertising Services	2016
TSIC 32 (revised 2015)	Intangible Assets -Web Site Costs	2016

Management expects to adopt and apply these new and revised TFRSs in accordance with the FAP's announcement and is presently considering the potential impact on the Company's financial statements of these new and revised TFRSs.

26. APPROVAL OF FINANCIAL STATEMENTS

The Company's director has authorized these financial statements for issue on March 18, 2016.

Performance Analysis

Revenues

In the Year 2015, the Company's Total Sale Revenue was reported at THB 1,699 million, which was increase by THB 6 million compared to the previous year of 2014. Accordingly, Export Sales represented THB 1,325 million, which was 78% of the total sales. Domestic Sales were recorded at THB 374 million, or 22% of total sales. Porcelain was the major sales product, showing the highest income in year 2015 that represented 51% of total sales, Unleaded Bone China was second representing 37%, while Maxadura represented 6%, Ultra Strong represented 5% and Vitreous 1% respectively.

In the year 2015, the Company recorded a total revenue inclusive of other income at the value of THB 1,714 million, an decrease of THB 39 million or 2%, when compared to the total revenue figure for the year 2014.

Performance

In 2015, Gross Profit was reported at THB 240 million or 14% of total sales, an increase of THB 70 million or a growth 41% from the previous year.

Loss before interest and taxes was THB 90 million, after THB 9 million deductions from interest, with no the corporate income tax this year, net loss was, therefore, THB 99 million of 6% of total sales, which loss was higher than year 2014 by THB 90 million. Loss per share represented 1.06 Baht, which loss was higher than the figure in 2014, loss per share represented 0.10 Baht.

Financial Position

At the end of December 2015, the Company's total assets were THB 1,100 million, which was higher than the previous year by THB 5 million compared to the previous year of 2014. Total Liabilities stood at THB 754 million which included loan and financial debt of THB 358 million, trade and other payables THB 182 million, provision for long-term employee benefits THB 93 million and provision for loss on the litigation claims THB 121 million, an increase of THB 104 million compared to last year for an increase of a provision for loss on this litigation claims. Total Shareholders' Equity was THB 346 million, a decrease of THB 99 million from year 2014 due to performance was loss.

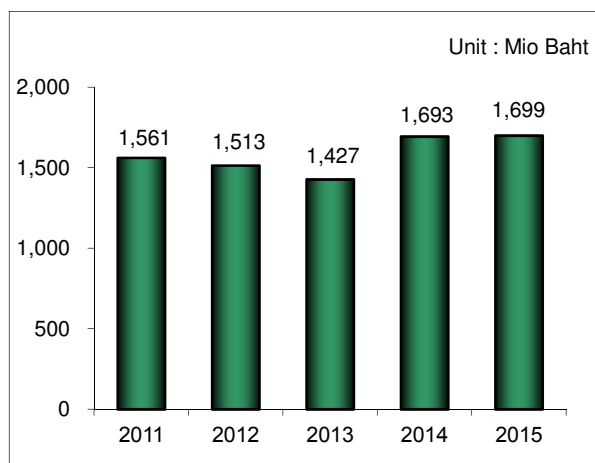
Liquidity

Throughout the year 2015, Net Cash from operation activities stood at THB 71 million, an decrease of THB 83 million from year 2014. The Net Cash amount used in investing activities was THB 109 million for purchasing of machinery, equipment and tools. The net cash amount used for financing activities was recorded at THB 8 million. This was due to an increase to long-term loan from financial institution for THB 60 million for purchasing of machinery, an increase to short-term loan THB 133 million, the payment of long-term loans for THB 91 million, the payment of short-term loans for THB 83 million, the payment of liabilities under finance lease agreements for THB 2 million and the interest payment of THB 9 million. Therefore at the end of year 2015, the total cash amount stood at THB 42 million that already included Net Cash amounts at the beginning of the year.

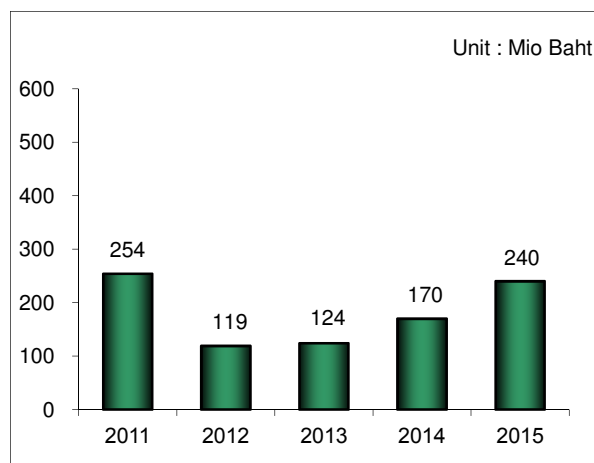
Key figures

Financial Highlights	2011	2012	2013	2014	2015
				Unit : Million Pieces	
Production Volume	28.6	29.3	27.4	32.0	34.5
Sales Volume	25.9	25.9	25.3	28.6	29.6
				Unit : Persons	
Number of Employees	2,466	2,508	2,005	2,790	2,795
Operating Performance				Unit : Million Baht	
Total revenue	1,571	1,547	1,435	1,753	1,714
Net Sales	1,561	1,513	1,427	1,693	1,699
Gross profit	254	119	124	170	240
EBITDA	144	49	12	84	(22)
EBIT	30	(61)	(101)	1	(90)
Net profit (loss) before tax	15	(70)	(111)	(9)	(99)
Net profit (loss) after tax	15	(70)	(111)	(9)	(99)
Earning per share	0.16	(0.75)	(1.19)	(0.10)	(1.06)
Dividend per share	-	-	-	-	n.a.
Dividend payout ratio (%)	-	-	-	-	n.a.
Financial Position					
Total assets	1,171	1,130	1,087	1,095	1,100
Total liabilities	535	564	633	650	754
Net Financial Debt	299	285	343	252	318
Total shareholders ' equity	636	566	454	445	346
Book value per share	6.80	6.05	4.85	4.75	3.70
Financial Ratio					
Net income to sales (%)	1.0	(4.6)	(7.8)	(0.5)	(5.8)
Return on assets (%)	2.5	(5.3)	(9.1)	0.1	(8.2)
Return on equity (%)	2.4	(11.6)	(21.8)	(2.0)	(25.0)
Total assets per share	12.5	12.1	11.6	11.7	11.8
Debt to Equity Ratio (Times)	0.8	1.0	1.4	1.5	2.2

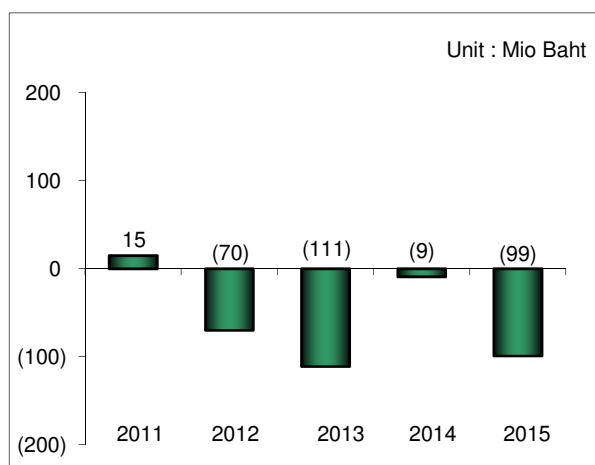
NET SALES



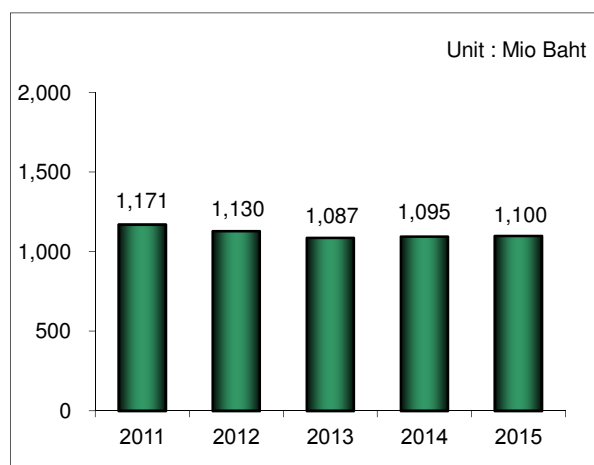
GROSS PROFIT



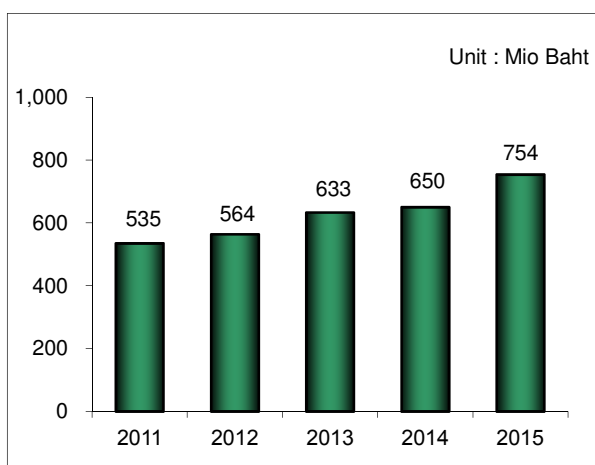
NET PROFIT (DEFICIT)



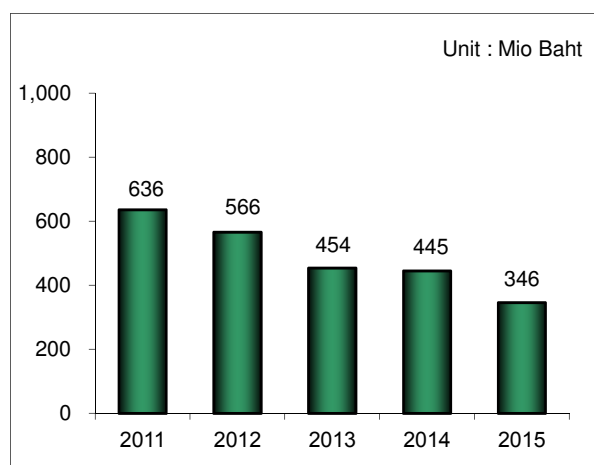
TOTAL ASSETS



TOTAL LIABILITIES



SHAREHOLDER'S EQUITY



Shareholding Structure

Major Shareholders and Shareholding proportion

Major Shareholders (At closing date of Share registry : December 31, 2015)		Shares	Shareholding(%)
1.	Mr. Chokchai Lertiendumrong	21,106,995	22.55
2.	Mr. Ruangchai Lertiendumrong	21,087,397	22.53
3.	Government Pension Fund	14,037,900	15.00
4.	Mr. Kamolaphat Teepsuwan	5,002,262	5.35
5.	Dhipaya Insurance Public Company Limited	4,679,300	5.00
6.	Mr. Kitti Korpanichkul	4,679,300	5.00
	Other Shareholders	22,992,846	24.57
Total		93,586,000	100.00

SUMMARY OF SIGNIFICANT INFORMATION

1. A Director who has any direct and indirect interest from the company's transaction in the year 2015.

- None -

2. Holdings in shares by the Directors as at December 31, 2015

Directors	Number of shares	Increase (Decrease)
1. Mr. Chokchai Lertiendumrong	21,106,695	4,679,300
2. Mr. Ruangchai Lertiendumrong	21,087,397	4,679,300
3. Mr. Kamolaphat Teepsuwan	5,002,262	-
4. Miss Sunee Lertiendumrong	-	-
5. Mr. Teerapong Ninvoraskul	-	-

Remuneration for the Directors

Unit : Baht per year

Director's Name	Position	Monthly Remuneration	Annual Remuneration	Total
1. Mr. Chokchai Lertiendumrong	Managing Director and Chief Executive Officer	120,000	-	120,000
2. Mr. Kamolaphat Teepsuwan	Director	120,000	-	120,000
3. Mr. Ruangchai Lertiendumrong	Director	120,000	-	120,000
4. Mr. Teerapong Ninvoraskul	Director	120,000	-	120,000
5. Miss Sunee Lertiendumrong	Director	120,000	-	120,000
6. Mr. Krit Phunratanamala	Director	90,000	-	90,000
Total		690,000	-	690,000

Remark :-

- 1) Mr. Krit Phunratanamala has resigned as director from September 16, 2015.

Related Company's Information

1. Holdings in related shares as at December 31, 2015

- None –

2. Holdings in shares by the Directors as at December 31, 2015

- None –

Others Company's Information

1. Holdings in other shares as at December 31, 2015

- None –

2. Holdings in shares by the Directors as at December 31, 2015

- None –