



ANNUAL REPORT 2019

THE UNION MOSAIC INDUSTRY PUBLIC COMPANY LIMITED

	Content
Message from Chairman of the Board of Directors	2
Message from Managing Director	3
Vision	4
Report of the Audit Committee	6
General Information	8
Financial Summary	12
Income Structure of UMI Group of Companies for the Past 3 Years	14
Shareholding Structure and Management	17
Good Corporate Governance	43
Social Responsibility	53
Management Discussion and Analysis of Financial Condition and Results of Operations	59
Report of Auditor	66
Statements of Financial Position	72
Statements of Comprehensive Income	75
Statements of Changes in Shareholders' Equity	76
Statements of Cash Flows	78
Notes to Financial Statements	81



Message from Chairman of the Board of Directors

To be pragmatic, I see year 2019 as a precursor to the worsening of economy in 2020. I had foreseen the looming crisis since 2018 and had putted in place various measures to cushion the expected impacts. We had decreased our production and shift our focus to more imports. Even though, all of our import tiles come from China, we also looked to other countries for better opportunity. Fortunately we found one in India and just at the right time because China just entered the trade war with the U.S. and not to mention the coronavirus epidemic which crippled the Chinese industries. The number of our labor force had been frozen. Our products line shifted to more emphasis on imported floor materials.

Our main concern is not to waste time mulling over 2019 results but how to make it through 2020 and start moving forward again in 2021. This will be a daunting task which required careful financial planning and decisive decision making. The economic crisis of 2020 may spell doom for many companies but fortunately, we had expected this over a year ago and had prepared ourselves for such a situation. I am highly confident that UMI will weather through this crisis and emerge even stronger.

A handwritten signature in black ink, appearing to be 'Seranee Phenjati', written in a cursive style.

Captain Seranee Phenjati
Chairman of the Board of Directors

Message from Managing Director

The economic conditions in the year 2019; did not differ much from the previous year. But there was an increase tendency that challenges Thai economy and problem solving. The emergence of a trade war has affected the global and Thai economy. The baht appreciation has also caused the difficulty in exports. The government's measures on the housing construction industry, and the drought that affected the purchasing power of consumers; together with cheap and wide variety of replacement materials have impacted on import volumes to increase respectively. These factors therefore resulted in intense competition in terms of products, prices, promotions, and distribution channels, which also affected the company's performance.

However, the performance of the company in the past year slightly improved. This was due to working closely with customers and distributors in various types by having products that met all levels of needs, etc. What has been continuously done by the company was to have quality products of international standards, beautiful, durable and also meet the various needs of customers in each group, as well as developing new products and innovations to suit the modern times in society. In the past year, the company has added non-tile departments to increase the line of business not only tiles but also other covering materials, which hope that in the future it will be another business that increases revenue of the company.

From now, the company will continue to work closely with partners in order to respond to customers in terms of quality, price, with more emphasis on image, brand awareness and new business development that extends the existing business of the company. The management's main consideration is to conduct business fairly, transparently and verifiable in accordance with good corporate governance including responsibility towards employees, society and communities around the company. All of the aforementioned actions have been well-supported by all parties including shareholders, business partners, customers and all employees. The company would like to thank everyone for this opportunity and look forward to receiving this kind of support forever.



Mr. Somboon Uranukul
Managing Director

Vision

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

Mission

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

Quality Policy

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

Business Ethics

The Board of Directors, management team and employees will perform their duties with honesty and fairness, and will treat all stakeholders as follows:

1. Responsibility to Shareholders

To act cautiously and transparently for stable and sustainable growth by taking into account the interests and satisfaction of all shareholders. Do not use any inside information of the Company which has not been disclosed to the public in seeking benefits for themselves and related persons.

2. Employee responsibility

To treat employees at all levels fairly without discrimination, and to promote good and safe working environment with the opportunity to develop their knowledge and skills thoroughly.

3. Business Partner Responsibility

To make commitment to satisfy business partners and to maintain good relationships sustainably

4. Social and Environmental Responsibility

To practice and promote awareness of employees in responsibility to social and environment; and to adhere to democracy and anti-corruption corruption

And adherence to the principles of good governance both in consciousness and behavior as follows:

- 1. Fairness and Morality**
- 2. Transparency**
- 3. Integrity**
- 4. Responsibility**
- 5. Accountability**
- 6. Vision**
- 7. Leadership**

Report of the Audit Committee

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

In the year 2019, there are 4 Audit Committee's meeting and 2 meetings with the company external auditors without any participating from the executives of the company.

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

The Audit Committee has examined the financial statement of the company as at December 31, 2019 and for year end the same day, would like to make comment that the financial statement is correct, complete, reliable, and has been prepared in according to the general accepted accounting principles and is in according to the report of certified public accountant that has been submitted to shareholders and the Board of Directors of the company.

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

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

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

The Audit Committee is of the opinion that the certified public accountants from Karin Audit Co., Ltd Auditor are independent without giving any other service which is non-auditing to the company and performed their duties well for the accounting period ended December 31, 2019, and would like to recommend that Mr. Jedsada Hangsapruk certified public accountant registration no. 3759; and/or Ms. Kannika Wipanurat certified public accountant registration no. 7305; and/or Mr. Jirote Sirirorote certified public accountant registration no. 5113; and/or Ms. Nonglak Pattanabundith certified public accountant registration no. 4713; and/or Ms. Sumana Senivongse certified public accountant registration no. 5897 from Karin Audit Co., Ltd. to be appointed as auditor and preparing auditing report for financial statement of the company for the accounting period ended December 31, 2020. The quoted Audit fee is also found appropriate.

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



(Mrs. Nopparat Runguthaisiri)

Chairman of Audit Committee

February 26, 2020

Report of Board of Directors' Responsibilities for the Financial Statements

According to section 112, 113 and 114 of the Public Company Act B.E. 2535, Board of Directors of the Union Mosaic Industry Public Company Limited has arranged for preparing 2019 Annual Report including financial statements to indicate financial situation and operation result of the previous year of the company and its subsidiaries.

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

On behalf of Board of Directors of the company



Captain Seranee Phenjati
Chairman of the Board of Directors



Mr. Somboon Uranukul
Managing Director

1. General Information

Name	: The Union Mosaic Industry Public Company Limited		
Registration Number	: 0107537000777		
Head Office Location	: 65 Chamnan Phenjati Business Center Building, 29 th Floor Rama 9 th Road, Huai Khwang Sub-district, Huai Khwang District, Bangkok 10320 Tel. 0-2248-7007 Fax: 0-2248-7005-6 Website: www.umi-tiles.com		
Type of Business	: Manufacturing and Distributing of - Mosaic Tiles “UMI” - Ceramic Floor Tiles “DURAGRES” - Ceramic Wall Tiles “DURAGRES LILA”		
Factory Location	: 1 st Site at 54/1 Suwanasorn Road, Tumbon Kokeyae, Nongkhae District, Saraburi 18230 Tel. (036) 387169-171 Fax: (036) 387177 : 2 nd Site at 54 Moo 1, Leab Khlong Rapeepat Road, Tumbon Phaitum, Nongkhae District, Saraburi 18230 Tel. (036) 263840 Fax: (036) 263843 Total Capacity 57,600 Square Meter per Day		
Registered Capital as at December 31, 2019	836,504,795.00	Baht	
Issued and Paid-up Capital	836,504,741.00	Baht	
Number of Ordinary Shares	836,504,741.00	Shares	
Par Value per Share	1.00	Baht	

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

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

Location : 136 Moo13, Tumbon Kokeyae, Nongkhae Distric, Saraburi 18230
Tel. (036)305977-8 Fax: (036)305128

Type of Business : Manufacturing and distributing ceramic tiles, porcelain tile “Cergres”

Holding in percent 66.67 %

Paid-up share capital 600,808,896 Baht

2. Cermas Co., Ltd.

Location : 65/224 Chamnan Phenjati Business Center 27th Fl., Rama 9th Rd., Huaykwang, Bangkok 10320
Tel. 0-2248-7060-3 Fax: 0-2248-7064

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

Holding in percent 24.90 %

Paid-up share capital 21,000,000 Baht

3. UMI Property Co., Ltd.

Location : 65/233 Chamnan Phenjati Business Center 30th Fl., Rama 9th Rd., Huaykwang, Bangkok 10320
Tel. 0-2246-7634-6, 0-2247-7090-4 Fax: 0-2247-7346

Type of Business : Real estate.

Holding in percent 37.57 %

Paid-up share capital 150,000,000 Baht

4. Ruampat Ceramic Co., Ltd.

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

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

Holding in percent 49.00 %

Paid-up share capital 20,000,000 Baht

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

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

Type of Business : Direct sales.

Holding in percent 40.00 %

Paid-up share capital 25,000,000 Baht

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

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

Type of Business : Supplier of raw materials and machineries.

Holding in percent 45.00 %

Paid-up share capital 20,000,000 Lira

7. Surf Dynamics Co., Ltd.

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

Type of Business : Manufacturing of water sport equipments.

Holding in percent 14.28 %

Paid-up share capital 14,000,000 Baht

Share Register

Thailand Securities Depository Co., Ltd.

1st Floor, the Stock Exchange of Thailand Building

93 Ratchadapisek Road, Dindaeng, Bangkok 10400

Tel. 0-2009-9000

Fax: 0-2009-9991

Auditors for the Year 2019

Name Mr. Jirote Sirirorote C.P.A. No. 5113

Auditing Firm: Karin Audit Co., Ltd

75 CAT Telecom Town, Floor24, Charoen Krung Road

Bangrak, Bangkok 10500

Tel: 0-2634-2484-6 Fax: 0-2634-2668

Legal Advisor

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

2. Financial Summary

Financial and Operation Results	2019	2018	2017	2016	2015
Total Assets (Million Baht)	3,077	3,351	3,409	3,755	3,917
Total Liabilities (Million Baht)	1,588	1,765	1,796	2,009	2,103
Shareholders' Equity (Million Baht)	1,489	1,586	1,613	1,746	1,814
Total Revenues (Million Baht)	2,414	2,388	2,486	2,793	3,739
Gross Profit (Million Baht)	543	500	552	671	694
Net Profit (Loss) (Million Baht)	(94)	(90)	(30)	90	(390)
Key Financial Ratios					
Number of Shares (Million Baht)	837	837	837	837	837
Net Profit Margin (%)	(3.87)	(3.77)	(1.21)	3.21	(10.44)
Return on Equity (%)	(6.29)	(5.68)	(1.87)	5.14	(21.52)
Return on Total Assets (%)	(3.04)	(2.68)	(0.88)	2.39	(9.96)
Debt to Equity Ratio (Times)	1.07	1.11	1.11	1.15	1.16
Book Value per Share (Baht)	1.78	1.90	1.93	2.09	2.17
Net Profit (Loss) per Share (Baht)	(0.08)	(0.09)	(0.03)	0.13	(0.23)

3. Business Structure

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

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

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

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

Subsidiaries

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

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

Product and Service	No.of Share	Revenues	2019 (MB)	%	2018 (MB)	%	2017 (MB)	%
The Union Mosaic Industry Public Co.,Ltd. Mamufacturer of glazed mosaic, floor and wall tiles		Sale	1,950.65	98.57	1,942.72	97.29	2,037.05	97.51
		Others	28.24	1.43	54.04	2.71	52.11	2.49
		Total	1,978.90	100.00	1,996.76	100.00	2,089.15	100.00
		% to Tatal Revenues		69.18		71.08		71.92
UMI Property Co.,Ltd. Property Business	37.57%	Sale	40.03	96.47	37.73	98.05	38	97.98
		Others	1.47	3.53	0.75	1.95	1	2.02
		Total	41.49	100.00	38.48	100.00	39	100.00
		% to Tatal Revenues		1.45		1.37		1.34
Ruampat Ceramic Co.,Ltd. Distributor of ceramic tiles and others	49.00%	Sale	135.02	97.88	101.69	98.27	142.27	98.97
		Others	2.92	2.12	1.79	1.73	1.49	1.03
		Total	137.94	100.00	103.48	100.00	143.76	100.00
		% to Tatal Revenues		4.82		3.68		4.95
Cermas Co.,Ltd. Selling mineral and soil that used in ceramic tiles production.	24.90%	Sale	90.41	99.67	90.31	99.71	83.00	99.95
		Others	0.30	0.33	0.26	0.29	0.04	0.05
		Total	90.71	100.00	90.57	100.00	83.04	100.00
		% to Tatal Revenues		3.17		3.22		2.86
TT Ceramic Public Co.,Ltd. Manufacturer of Ceramic,floor and wall tiles	66.58%	Sale	606.69	99.25	564.63	97.39	527.16	95.83
		Others	4.615	0.75	15.16	2.61	22.96	4.17
		Total	611.30	100.00	579.79	100.00	550.13	100.00
		% to Tatal Revenues		21.37		20.64		18.94
		Total Revenues	2,860.34	100.00	2,809.08	100.00	2,904.98	100
Increase (decrease) in income (Percent)			1.82%		(3.30%)		(11.25%)	

4. Risk factors

Risk from Quality of Raw Materials

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

Risk from Out-dated Design

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

Financial risk

The company and subsidiaries issued debentures with repayment scheduled in July 2017 and long-term loan from financial institutions, that the company must be careful in the management of sufficient liquidity to operating and repayment loan

Energy cost risk

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

Risk from controlling influence by groups of majority shareholders

The Company has 3 majority groups of shareholders consisting of Phenjati group, Laowiwatwong group and Tantranont group with combined of shareholding proportion at 50 percent of total shares and these 3 majority groups of shareholders have 6 directors from total of 12 directors of the Company, which there might be risk in form of controlling business and having the problem to guard against the rights of minority shareholders. However, the Company has set policy to improve the said problem in accordance with principle of transparency and good corporate governance as the Company has strictly conducted on the rights of shareholders and to treat all shareholders equally. Based on the assessment of corporate governance by Thai Institute of Directors (IOD), the Company always gets excellent mark on these 2 categories on all occasions (score higher than 90 percent). In addition, on the matter of arranging to set the Annual General Meeting of Shareholders the Company also gets full or almost full mark of 100 percent for many consecutive years on the quality assessment of organizing the Annual General Meeting of Shareholders by Thai Investors Association.

Risk of exchange rate fluctuations

The company also has its operation related foreign countries by importing finished goods, raw materials and equipment from abroad. Therefore company has made a forward contract to prevent risks from exchange rate fluctuations.

The company has sent its products to sell abroad. Even though, export sales proportion will not be much, but it is an additional part to accomplish full production capacity. Resulting in making the low average cost of production as reserve to prevent foreign exchange losses and there is the price negotiation in advance in Baht.

5. Shareholding Structure and Management

5.1 Shareholding

List of the first 10 largest shareholders as at March 15, 2019

No.	Name of Shareholders	No. of Shares (Shares)	% as of total shares	Note
1.	Captain Seranee Phenjati	75,514,250	9.027	
	Mrs. Punchalee Phenjiti	63,000	0.008	Spouse of person no.1
	Chamnan Co., Ltd.	39,060,000	4.669	Person no.1 holds shares more than 30%
2.	Mrs. Nongnart Phenjati	67,987,150	8.127	
3.	Mrs. Nipanan Tantranont	58,783,200	7.027	
	Mr. Voravat Tantranont	1,898,750	0.227	Spouse of person no.3
	Chammanard LP	7,140,000	0.854	Person no. 3 is Partnership Manager
4.	Miss. Paweena Laowiwatwong	52,743,600	6.305	
5.	Miss. Sunee Anantaprakorn	28,350,000	3.389	
6.	Mrs. Kanishtha Makdounghien	23,455,825	2.804	
7.	Mr. Sin Laowiwatwong	21,071,400	2.519	
8.	Miss. Peerapan Laowiwatwong	18,879,000	2.257	
9.	Mr. Methawee Laowiwatwong	18,795,000	2.247	
10.	Mrs. Piyanuch Prapawong	16,946,500	2.026	

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

5.2 Management

5.2.1 Structure of the Company Management

5.2.1.1 The Board of Directors

The Board of Directors of the company consists of 12 members, which 4 members are independent directors and are not less than one-third of total amount of directors according to Securities and Exchange Commission (SEC) requirement. In performing their duty, the Board of Directors has to be abided by law, under the company's regulations and objectives including the resolution made at the shareholders' meeting.

Qualification of Independent Directors

- (1) Any independent Director must also meet the following requirement holding shares in total not more than 1 percent of all shares that have right to vote in the company, holding company, subsidiary company, associated company, the major shareholder or the authority in control of the company, which shall be inclusive of shares held by his/her related persons.
- (2) Does not be or ever be the executive director, worker, employee or adviser that receive the regular salary or the authority in control of the company, holding company, subsidiary company, associated company, subsidiary company at same level, the major shareholder or the authority in control of the company, except disconnecting from such matter at least 2 years prior to the appointment date. Moreover, the aforementioned prohibit characteristics shall not include the case that independent director, who used to be government officer or advisor of government office that is the major shareholder or the authority in control of the company.
- (3) Does not be a person that has the lineage relation or by registering according to law in the form that is parents, spouse, relatives, and a child: including the spouse of a child of the executive, major shareholders, the authority in control, or a candidate, who will be nominated to be the executive or the authority in control of the company or subsidiary company.
- (4) Does not have or ever have any business relation with the company, holding company, subsidiary company, associated company, the major shareholder or the authority in control of the company in the form the might interfere with the independent decision of each director, including does not ever be the significant shareholder or the authority in control of the company, who have business relation with the company, holding company, subsidiary company, associated company, the major shareholder or the authority in control of the company, except that this person has already been disconnected from the aforementioned characteristics exceeding two years; before the appointed date.

The business relation according to the 1st paragraph, include trading transactions that is normally done for engaging in renting business of immovable property, any transactions about the assets or services, or giving or receiving financial assistance by borrowing or lending loan, putting up collateral security, putting up assets as principle as principle assets in debt guarantees, including any same behaviors, which cause the company or, its parties to be responsible to pay debt for the other parties up from three percent of the net tangible assets or from twenty million Baht going up, depend on which amounts are lower. For the aforementioned calculation of debt, it has to be calculated according to the method of value calculation of items that are related according to the Notice of the Securities and Exchange Commission (SEC) about the criterions in handling the compliant connected transactions. But in considering the aforementioned debt, it only counted the debt that was occurred during one year before the date of having connected transaction with the same person.

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

After being appointed as an independent director, who have already had the characteristics in line with clause (1) – clause (9), this independent director might receive an assignment from Board of Directors, in making decision in the operation of the company, holding company, subsidiary company, associated company, subsidiary company at same lever, the major shareholder or the authority in control of the company, by being able to have the decision making in the form of the committee (collective decision).

Qualification of Audit Committee

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

The Board of Director's Name as follows

(As at December 31, 2019)

1. Captain Seranee Phenjati

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

Date of Birth November 24, 1955 Age: 64 years old

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

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

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

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

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

Training course in role and duty of directors: None

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

No. attended meeting/ No. total meeting: 5/5

Other Position at Present

Listed Companies: None

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

2. Miss Paweena Laowiwatwong

Position	Chairman of the Executive Board of Directors (appointed as director on April 30 th 2019)
Date of Birth	June 22 nd , 1946 Age: 73 years old
Education Background	<ul style="list-style-type: none">- Bachelor in Accountancy (Costing), Chulalongkorn University- Master of Business Administration (Major: Cost Accounting), Chulalongkorn University- Executive Development Course MINI MBA, Thammasat University
Experience	<ul style="list-style-type: none">- Accountant, Bangkok Cigar Co., Ltd- Accountant, the Union Mosaic Industry Public Co., Ltd- Vice President, the Union Mosaic Industry Public Co., Ltd
Number of Shares	52,743,600 Shares (6.305 percent of total shares, with no trading during the year)
Training course in role and duty of directors:	DAP From Thai Institute of Directors Association (IOD)
Developing and training during the past year to enhance knowledge on working as director:	None
No. attended meeting/ No. total meeting:	2/3
Other Position at Present	
Listed Companies:	- None
Unlisted Companies:	<ul style="list-style-type: none">- Directors, Cermas Co., Ltd- Chairman of the Board of Directors, Ruampat Ceramic Co., Ltd- Chairman of the Board of Directors, T.N. Co., Ltd- Director, UMI Property Co., Ltd- Director, Surf Dynamics Co., Ltd- Chairman of the Board of Directors, T.T. Ceramic Public Co., Ltd

3. Mr. Sivaporn Dardarananda

Position	Independent Director (appointed as director on April 23, 2004)
Date of Birth	February 2, 1947 Age: 72 years old
Education Background	- MBA in International Business and Finance, The Wharton School of the University of Pennsylvania, Pennsylvania, USA
Experience	- President, TISCO - Advisor for Governor of Bank of Thailand - Director, Corporate Debt Restructuring Advisory Committee (CDARC)

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

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

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

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

No. attended meeting/ No. total meeting: 5/5

Other Position at Present

Listed Companies:	- None
Unlisted Companies:	- Director, Dole Thailand Co., Ltd

4. Mrs. Nopparat Runguthaisiri

Position	Chairman of Audit Committee /Independent Director (appointed as Chairman of Audit Committee on April 28, 2006)
Date of Birth	June 25, 1951 Age: 68 years old
Education Background	- B.S. (Statistics), Chulalongkorn University - Master of Science (Statistics), Texas A&M University, USA
Experience	- Senior Chair Researcher, Chulalongkorn University Research Center - Faculty Staff (retired), Faculty of Commerce and Accountancy, Chulalongkorn University
Number of Shares: No self-own shares (no trading during the year)	No shares hold by related persons (no trading during the year)
Training course in role and duty of directors: DAP From Thai Institute of Directors Association (IOD)	Updated COSO Enterprise Risk Management: Integrating with Strategy and Performance" (IOD)
Developing and training during the past year to enhance knowledge on working as director: None	
No. attended meeting/ No. total meeting: 5/5	
Other Position at Present	
Listed Companies:	- None
Unlisted Companies:	- Director, Nawat Energy Co., Ltd

5. Mrs. Nipanan Tantranont

Position	Director (appointed as director on March 9, 1994)
Date of Birth	April 25, 1960 Age: 59 years old
Education Background	- Bachelor of Laws, Chulalongkorn University - Barrister-at-Law, Institution of Legal Education Thai Bar Association - Master of Public Administration, Saint Louis University, St. Louis, MO, USA
Experience	Personal business and Investor

Number of Shares: Self-own shares at 58,783,200 shares (7.027% of total shares with no trading during the year)

Hold by related persons at 9,038,750 shares (1.081% of total shares with no trading during the year)

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

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

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

No. attended meeting/ No. total meeting: 4/5

Other Position at Present

Listed Companies:	- None
Unlisted Companies:	- Director, UMI Property Co., Ltd - Director, T.N. Co., Ltd

6. Mr. Voravat Tantranont

Position Executive Director (appointed as director on April 28, 2006)

Date of Birth January 10, 1959 Age: 60 years old

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

Experience - Managing Director, Tantraphan Department Store (Chiangmai)

Number of Shares: Self-own shares at 1,898,750 shares (0.227% of total shares with no trading during the year)
Hold by related persons at 65,923,200 shares (7.881% of total shares with no trading during the year)
Total at 67,821,950 shares (8.108% of total shares)

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

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

No. attended meeting/ No. total meeting: 5/5

Other Position at Present

Listed Companies: - Independent Director, FN Factory Outlet Public Company Limited

Unlisted Companies: - Director, Choice Mini-Store Co., Ltd
- Director, CR Chiang Mai (Thailand) Co., Ltd
- Director, Tantraphan Supermarket (1994) Co., Ltd
- Director, T.T. Ceramic Public Co., Ltd
- Director, FN Factory Outlet Co., Ltd
- Director, Choice Training Co., Ltd
- Director, The Choice Property Development Co., Ltd

7. Mr. Methawee Laowiwatwong

Position	Executive Director (appointed as director on March 9, 1994)
Date of Birth	October 10, 1948 Age: 71 years old
Education Background	<ul style="list-style-type: none"> - Professional Certificate, Panichayakarn Pranakorn College - Mini-MBA, Thammasat University - Bachelor of Thai Traditional Medicine, Ramkhamhaeng University.
Experience	<ul style="list-style-type: none"> - An Expert in International Marine Service and Transport and Invited Lecturer to give lecture on the topic about Marine Transportation to various government agencies -To consult and be Special Adviser to various universities instructors on the subject of International Transportation Administration
Number of Shares: Self-own shares at 18,795,000 shares (2.247% of total shares with no trading during the year)	
	No shares hold by related persons (no trading during the year)
	Total at 18,795,000 shares (2.247% of total shares)
Training course in role and duty of directors: DAP From Thai Institute of Directors Association (IOD)	
Developing and training during the past year to enhance knowledge on working as director: None	
No. attended meeting/ No. total meeting: 5/5	
Other Position at Present	
Listed Companies:	- None
Unlisted Companies:	<ul style="list-style-type: none"> - Director, P.K.R. Group Co., Ltd - Director, T.N. Co., Ltd - Director, C.E.X. Transport Co., Ltd - Director, Chiew Charn Chai Kha Mai Co., Ltd - Director, Transmic Co., Ltd - Director, Cermas Co., Ltd

8. Mr. Krit Phunratnamala

Position	Audit Committee, Independent Director (appointed as director on April 28, 2006)
Date of Birth	June 19, 1968 Age: 51 years old
Education Background	- Bachelor of Engineering, Chulalongkorn University - Master of Engineering, Imperial College, London - MBA, University of Florida, USA
Experience	- Managing Director, Thai Prosperity Advisory Co., Ltd - Director, Quality Houses Public Company Limited - Director, Diamond Building Products Public Company Limited - Investment advisor, Bualuangventures Co., Ltd
Number of Shares: No self-own shares (no trading during the year)	
	No shares hold by related persons (no trading during the year)
Training course in role and duty of directors: DCP From Thai Institute of Directors Association (IOD)	
	Certificate of Completion the Advanced Audit Committee Programs from Thai Institute of Directors Association (IOD) Strategic Board Master Class Retreat (IOD)
Developing and training during the past year to enhance knowledge on working as director: None	
No. attended meeting/ No. total meeting: 4/5	
Other Position at Present	
Listed Companies:	- Director, TPBI Public Co., Ltd.
Unlisted Companies:	- None

9. Mr. Marut Mangklabruks

Position	Executive Directors (appointed as director on April 23, 2004)
Date of Birth	October 9, 1944 Age: 75 years old
Education Background	- Bachelor of Engineering, Chulalongkorn University - Advanced Management Program Graduate School of Business, Harvard University, USA
Experience	- The Siam Cement Public Company Limited
Number of Shares:	No self-own shares (no trading during the year) No shares hold by related persons (no trading during the year)
Training course in role and duty of directors:	DAP From Thai Institute of Directors Association (IOD)
Developing and training during the past year to enhance knowledge on working as director:	None
No. attended meeting/ No. total meeting:	5/5
Other Position at Present	
Listed Companies:	- None
Unlisted Companies:	- Chairman of the Board of Directors, Cermas Co., Ltd - Director, T.T. Ceramic Public Co., Ltd

10. Mr. Somboon Uranukul

Position	Managing Director, Executive Director (appointed as director on April 29, 2015)
Date of Birth	December 12, 1960 Age: 59 years old
Education Background	- B.E. in Mechanical Engineering, King Mongkut's Institute of Technology, Thonburi (KMUTT) - Master of Industrial Engineering and Management, Asian Institute of Technology (AIT)
Experience	- The Siam Cement Public Company Limited
Number of Shares: No self-own shares (no trading during the year)	No shares hold by related persons (no trading during the year)
Training course in role and duty of directors: DAP From Thai Institute of Directors Association (IOD)	
Developing and training during the past year to enhance knowledge on working as director: None	
No. attended meeting/ No. total meeting: 5/5	
Other Position at Present	
Listed Companies:	- None
Unlisted Companies:	- Director, T.T. Ceramic Public Co., Ltd

11. Mr.Supoj Kaewmanee

Position	Audit Committee/ Independent Director (appointed as director on April 30, 2019)
Date of Birth	December 1 1960 Age: 59 years old
Education Background	<ul style="list-style-type: none"> - Bachelor's Degree from the Faculty of Law, Thammasat University - Master's Degree from the faculty of Law, Ramkhamhaeng University - Taxation Law Course (Batch2), the legal Training Institute, The Thai Bar under The Royal Patronage - Taxation Law for the Public Course (Batch5), Judicial Training Institute, Office of Judiciary
Experience	<ul style="list-style-type: none"> - Director of the Training Institute of the Law Society of the Lawyer Council - Liquidator Mobil Oil Thailand Co.,Ltd. - Professional Lowyers and consultants for more than 30 years. - Director, Royal Ceramic Industry Public Company Limited
Number of Shares: No self-own shares (no trading during the year)	
	No shares hold by related persons (no trading during the year)
Training course in role and duty of directors: DAP From Thai Institute of Directors Association (IOD)	
Developing and training during the past year to enhance knowledge on working as director: None	
No. attended meeting/ No. total meeting: 3/3	
Other Position at Present	
Listed Companies:	<ul style="list-style-type: none"> - Audit Committee/ Independent Director LDC Dental Public Company Limited - Audit Committee/ Independent Director SALEE Printing Public Company Limited - Audit Committee/ Independent Director Comanche International Public Company Limited - Audit Committee/ Independent Director M.C.S Steel Public Company Limited
Unlisted Companies:	- Chairman of the Board of Directors, Thosatham Co., Ltd

12. Miss Pavarisa Phenjati

Position	Executive Director (appointed as director on April 28, 2017)
Date of Birth	May 22 1984 Age: 35 years old
Education Background	<ul style="list-style-type: none"> - Chulalongkorn University (Bachelor of Arts in economics, International Program) - Chulalongkorn University (Master of Sciences in Architecture and Applied Economics) - Certificate in Aligning Strategy and Sales, Harvard Business School, Harvard University - Certificate in Driving Digital Strategy, Harvard Business School, Harvard University - Certificate in Creating Share Value, Harvard Business School, Harvard University - Graduate Diploma, Program for Leadership Development (PLD), Harvard Business School, Harvard University
Experience	<ul style="list-style-type: none"> - Special lecturer in Economics and Management at Bangkok University (International Program) - Chief executive officer, Cloud Nine Creation Co., Ltd.
Number of Shares: Self-own shares at 3,360,000 shares (0.402 % of total shares with no trading during the year) No shares hold by related persons (no trading during the year) Total at 3,360,000 shares (0.402 %of total shares)	
Training course in role and duty of directors: None	
Developing and training during the past year to enhance knowledge on working as director: None	
No. attended meeting/ No. total meeting: 5/5	
Listed Companies:	- None
Unlisted Companies:	<ul style="list-style-type: none"> - Director /Chief executive officer, Cloud Nine Creation Co., Ltd. - Director, Pava Group Co., Ltd.

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

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

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

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

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

5.2.1.2 Subcommittee

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

- 1) The audit committee

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

The audit committee names are as follows:

No.	Name	Position	No. of Attending Meeting/ No. of Total Meeting
1.	Mrs. Nopparat Runguthaisiri	Chairman of Audit Committee	4/4
2.	Mr. Suporn Prasandvinitchai	Audit Committee	1/1 (Retired on April 30, 2019)
3.	Mr. Krit Phunratnamala	Audit Committee	3/4
4.	Mr. Supoj Kaewmanee	Audit Committee	3/3 (Elected on April 30, 2019)

Both Mr. Krit Phunratnamala and Mr. Supoj Kaewmanee are the persons, who have knowledge and experience in auditing financial statement. In 2019, the Audit committee has held the joined meeting with the company's auditors 2 times during the year. If necessary, the audit committee shall consult with the independent advisors from outside and the expenses will be paid by the company.

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

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

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

2) Executive Board of Directors

The Executive Board of Directors consists of 8 members, which could be the company's director, executives or individuals with knowledge and experience; has duty to help the company's directors to manage and supervise the operations of the management to be strong and conforming to the policy of the Board of Directors with efficiently and effectively.

The Executive Board of Directors will meet once a month. There is no fixed term of holding the position, but the Executive Board shall carry on until changing the orders happen.

List of Executive Directors

No.	Name - Surname	Position
1	Miss. Paweena Laowiwatwong	Chairman of the Executive Board of Directors
2	Mr. Marut Mangklabruks	Executive Directors
3	Mr. Voravat Tantranont	Executive Directors
4	Mr. Somboon Uranukul	Executive Director
5	Mr. Sutin Youthanavaraporn	Executive Director
6	Miss. Kiratcha Laowiwatwong	Executive Director
7	Miss. Ratirat Laowiwatwong	Executive Director
8	Miss. Pavarisa Phenjati	Executive Director

1.2.1.3 Profile of executive and administrative officers (As of December 31, 2019)

1. Miss Paweena Laowiwatwong

Position	Chairman of the Executive Board of Directors and President
Date of Birth	June 22, 1946
Education Background	- Bachelor in Accountancy (Costing), Chulalongkorn University - Master of Business Administration (Major: Cost Accounting), Chulalongkorn University
Number of Shares	52,743,600 Shares (no trading during the year)
Position in Other Company	- Directors, Cermas Co., Ltd - Chairman of the Board of Directors, T.N. Co., Ltd - Director, UMI Property Co., Ltd - Director, Surf Dynamics Co., Ltd - Chairman of the Board of Directors, T.T. Ceramic Public Co., Ltd

2. Mr. Marut Mangklabruks

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

3. Mr. Voravat Tantranont

Position Executive Directors

Date of Birth January 10, 1959

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

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

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

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

Position in Other Company

- Independent Director, FN Factory Outlet Public Company Limited
- Director, Choice Mini-Store Co., Ltd
- Director, CR Chiang Mai (Thailand) Co., Ltd
- Director, Tantraphan Supermarket (1994) Co., Ltd
- Director, T.T. Ceramic Public Co., Ltd
- Director, FN Factory Outlet PCL
- Director, Choice Training Co., Ltd
- Director, The Choice Property Development Co., Ltd

4. Mr. Somboon Uranukul

Position Managing Director

Date of Birth December 12, 1960

Education Background - B.E. in Mechanical Engineering, King Mongkut's Institute of Technology,
Thonburi (KMUTT)
-Master of Industrial Engineering and Management
Asian Institute of Technology (AIT)

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

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

Position in other company

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

5. Mr. Surin Wongkittipat

Position Assistant to Managing Director / Company's Secretary

Date of Birth March 12, 1951

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

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

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

Total at 65,100 shares (0.008% of total shares)

Position in other company

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

6. Mr. Sutin Youthanavaraporn

Position Sale and Marketing Director

Date of Birth November 9, 1965

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

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

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

Position in other company

- Managing Director: T.T. Ceramic Public Co., Ltd

7. Miss Ratirat Laowiwatwong

Position Finance and Accounting Director / Director - Corporate Strategy Officer

Date of Birth September 5, 1973

Education Background - Bachelor of Accountancy (costing), Chulalongkorn University

- MBA (Finance), University of Denver, USA

-Company Secretary Program 15/2006 Intake from Thai Institute of Directors (IOD)

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

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

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

Position in other company

Director, Cermas Co., Ltd

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

8. Miss Kiratcha Laowiwatwong

Position Director – Corporate Human Resource Office

Date of Birth July 17, 1969

Education Background - Bachelor of Economics - International Economics, Chulalongkorn University

- MBA (Finance), University of Akron, USA

Number of Shares: Self-own shares at 14,733,650 shares (1.76 % of total shares with no trading during the year)

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

Total at 14,733,650 shares (1.76% of total shares)

Position in other company: None

9. Miss Pavarisa Phenjati

Position Executive Director

Date of Birth May 22 1984

Education Background - Chulalongkorn University (Bachelor of Arts in economics, International Program)

- Chulalongkorn University (Master of Sciences in Architecture and Applied Economics)
- Certificate in Aligning Strategy and Sales, Harvard Business School, Harvard University
- Certificate in Driving Digital Strategy, Harvard Business School, Harvard University
- Certificate in Creating Share Value, Harvard Business School, Harvard University
- Graduate Diploma, Program for Leadership Development (PLD), Harvard Business School, Harvard University

Number of Shares: Self-own shares at 3,360,000 shares (0.402 % of total shares with no trading during the year)

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

Total at 3,360,000 shares (0.402% of total shares)

Position in other company

Director / Chief executive officer, Cloud Nine Creation Co., Ltd.

Director, Pava Group Co.,Ltd

10. Mr. Bandit Woonbamrung

Position Manager, Internal Audit Office

Date of Birth January 23, 1968

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

- Fundamentals of Law for Corporate Secretaries. Class 12/2014

Intake from Thai Listed Companies Association

- Fundamental Practice for Corporate Secretary. Class 30/2014

Intake from Thai Listed Companies Association

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

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

Position in other company: None

5.2.1.4 Personal

As at December 31, 2019, the company has total employees as the followings:

	Male (Persons)	Female (Persons)	Total (Persons)
Head office employee	126	140	266
Factory employee	316	216	532
Total	442	356	798

1. Employee's remuneration

Employees will receive the remuneration in term of wage, allowance, and bonus and overtime payment including welfare in accidental insurance, health insurance, and employee provident fund with total remuneration for the year 2019 equal to 316,925,761.73 Baht.

2. Policy in employee's development

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

Employees of the company have officially established the Union Mosaic Industry PCL Workers Union, which has a good relationship with management; held regular meetings together; and there is no significant labor dispute in the last 3 years.

5.2.2 Selection Process of Directors and Executives

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

5.2.3 Remuneration of the Management

5.2.3.1 Monetary remuneration

Year 2019

(As at December 31, 2019)

Director of the Company	Meeting Allowance of Directors (Baht)	Meeting Allowance of Audit Committee (Baht)	Annual Bonus (Baht)	Total (Baht)
1. Captain Seranee Phenjati Chairman of the Board of Directors	520,000	-	-	520,000
2. Miss.Paweena Laowiwatwong (Joined April 30, 2019) Chairman of the Executive Board of Directors	160,000	-	-	160,000
3. Mrs. Nopparat Runguthaisiri Chairman of Audit Committee, Independent Director	260,000	65,000	-	325,000
4. Mr. Suporn Prasandvinitchai (Resigned 30 April 2019) Audit Committee, Independent Director	100,000	25,000	-	125,000
5. Mr. Krit Phunratnamala Audit Committee, Independent Director	260,000	65,000	-	325,000
6. Mr.Supoj Kaewmanee (Joined April 30, 2019) Audit Committee, Independent Director	160,000	40,000	-	200,000
7. Mr. Sivaporn Dardarananda Independent Director	260,000	-	-	260,000
8. Mr. Marut Mangklabruks Executive Directors	260,000	-	-	260,000
9. Mr. Voravat Tantranont Executive Directors	260,000	-	-	260,000
10. Mr. Methawee Laowiwatwong Director	260,000	-	-	260,000
11. Mrs. Nipnant Tantranont Director	260,000	-	-	260,000
12. Mr. Somboon Uranukul Managing Director	260,000	-	-	260,000
13. Miss Kiratcha Laowiwatwong (Resigned 30 April 2019)	100,000	-	-	100,000
14. Miss Pavarisa Phenjati Executive Director	260,000	-	-	260,000
Total (Baht)	3,380,000	195,000	-	3,575,000

Year 2019

Executive Board of Directors & Administrative Officers	Persons	Payment (Baht)
Monthly Salary And Bonus	10	25,948,640

5.2.3.2 Other Remunerations

The Board of Directors does not receive other remunerations. But the executives receive other remunerations in total amount of 850,748 Baht from Social Security Fund and Provident Fund name “Tisco Master Ruamtun 1, Provident Fund” with TISCO Asset management Co., Ltd. acts as fund manager. And executives, who are the members, have to contribute into fund by deducting from wages at rate of not less than 3 percent of wages but not more than 15 percent of wages. In the meantime, the employer will have commitment to contribute to the fund in the same day that the members contribute to the fund at the rate in percentage of wages as the followings:

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

5.2.4 Good Corporate Governance

The Board of Directors has considered and reviewed the implementation of good corporate governance code for listed companies in the year 2017, was issued by the Securities and Exchange Commission, has been deployed in accordance with the business context of the Company. The code of conduct that has not yet been applied, the Board of Directors will consider the appropriateness and take action in the next occasion.

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

5.2.4.1 Shareholders' Right and Equitable Treatment

In 2019, the Company held 1 shareholders' meeting as the Annual General Shareholders' Meeting for the year 2019 which the Company has adopted the policy to provide convenience and promotion for shareholders especially institutional investors to attend the shareholders' meeting. As during September 11, 2018 to December 31, 2018 at least not less than 3 months before the end of the year, which was not less than 6 months before the Annual General Meeting of Shareholders took place, the Company has invited the minority shareholders to submit additional agenda, name of the persons to be elected as directors and to send the advance inquiry to the Company via E-Mail by sending the letter to Chairman of the Board of Director, Board of Directors, President of the Company or Secretary of the Company with details for considering by Directors according to guideline whether the matters shall be brought in for the meeting as to be listed on agenda of the meeting or not. The information including specified criterion is posted on website of the Company and Stock Exchange of Thailand. The meeting has been held at the meeting room, 27th floor, Chamnan Phenjati Business Center Building, Rama 9 Road, Huai Khwang District, Bangkok, which located near subway station and many public passenger buses passing by so it is easy for shareholders to travel to attend the shareholders' meeting. All of 12 members of the Board of Directors attended the meeting including executives and the Company's auditor. The Company has provided enough facility to accommodate the shareholders including the convenience in car parking and registration for attending the meeting. The letter of invitation with information on each agenda item (in Thai and English language) is sent to the shareholders not less than 15 days prior to the meeting. Moreover, all of the previous mentioned (in Thai and English language) information is posted on the Company's website in advance for 31 days prior to the meeting and the Company has also informed the information through Stock Exchange of Thailand (SET). There are no additional agenda items or any change in the important matters without notifying the shareholders in advance. The right to make an inquiry to Board of Directors in the meeting has been provided, without any limitation to the right to attend the meeting of shareholders in case of the late arrival and there is Board of Directors' opinion on each agenda item as supporting information. Moreover, the resolution of shareholders' meeting shall be disclosed including result of voting on the day after shareholders' meeting date by reporting as News Letter to SET and post it on the Company's Website. It is a complete and correct minute of meeting as shareholders can check and examine. This minute of meeting will be posted on website of the Company within 14 days. An alternative way has been arranged by the Company for the

shareholder by allowing the independent directors to act as proxy to attend the meeting on your behalf in case that the shareholders cannot attend the meeting. During the meeting, the Shareholders have been encouraged to express their opinion on the matter that related to the agenda. The election of each of the Company's director is by voting and the election card will be used in the important agenda, in case that the unanimous resolution of the meeting cannot be reached.

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

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

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

For supervising of the handling of internal information:

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

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

5.2.4.2 Stakeholders' role

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

1. Shareholders: The Company has set policy to carefully perform the duty with transparency for stable and sustainable growth by taking into consideration the benefit and the maximized satisfaction of every shareholder.
2. Employees: The Company has set policy to equally and fairly treat the employees and has provided the employees with suitable payment for both income and welfare to be in line with the company's operation results both short term and long term. In short term, in addition to salary employees are also entitled to annual bonuses as the company will consider the rate of pay in line with the profit each year including the results of each employee's performance assessment, which is evaluated twice a year by the supervisor. For long term, the company has adjusted its annual salary based on performance appraisal in conjunction with economic information such as inflation rate and the system of work values is used to consider the promotion of employee position. Employee Provident Fund has been set up as long term welfare. Human resource committee and Welfare committee has been arranged to look after employees and to solve any conflicts between the company and the employees and among the employees. The company also arranges to have policy to take care for safety, occupational health in workplace (according to ISO 45001:2018), and personnel development including arranging training to increase knowledge, skill, safety and occupational health in workplace at every level of employees regularly. In the year 2019, average training in hours equaled to 5.17 hours per head. The statistics record of accident from working all year was kept, in 2019 there were 2 accident from working. Moreover, the company has set its policy not to relate with human right violation matters, by fighting against the use of child labor and illegal workers; and there is no discrimination against gender, race, and religion.
3. Customers: The Company has set the policy to apply fair treatment with an attention and responsibility to customers by producing quality and standardized products. The information of customers will be kept confidentially. The customers complain procedure has been set up to get the problem corrected as fast as possible.
4. Business partners: The Company has set the policy to apply fair treatment and responsibility to business partners by purchasing raw materials, goods and services from business partners and has complied with condition and agreement according to the contract in every matter. Moreover, there is policy to select business partners by considering doing business with business partners, who have ethic in not doing illegal business and is responsible to social and environment. The company arranges Procurement Department to collect the data records of business partners and to periodically assess business partners.
5. Competitors: The Company has set the policy to apply fair treatment and responsibility to competitors by practicing in according to the fair competitive guide line and has abided by basic rules of competition to avoid using the unethical method in offending the competitors. In addition, the company has tried to improve on the product standard instead, in order to be benefit to customers.
6. Community / society: The Company has set the policy to be responsibility for the community and the society both from inside and outside of the factory by participating in the support of activities related to community development according to its capability and opportunity (policy and practices of society and environment, as reported in clause 5.2.8), with confidence in democracy; illegal activities have been discouraged including not to violate intellectual property or copyright, counter corruption and not paying bribe to gain advantage on the company business. Moreover, the company has set the process in risk assessment of any corruption and has guideline to conduct corporate governance to protect and pay attention to risk from

corruption by setting system to investigate and to set the approval authority according to line of command. Internal audit office has been set up to follow up and to evaluate the implementation of the policy and report to the management regularly including arranging for staffs training about policy and practice to counter corruption. The measures taken by the company are to ensure that it can be supervised and regulated to prevent and follow up on the risk from corruption.

The company has organized a monthly management meeting to monitor the performance of various policies including anti-corruption corruption, which top executives and the Audit Committee will receive the performance report and, if the corrupt is found, the responsible person will be punished according to the company's regulations.

In case of complaint that there may be wrong doings, complainant can also complain verbally or send a complaint letter to supervisors or top executives. The complainant will be protected and fully impartial and the committee will be set up to investigate the facts.

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

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

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

5.2.4.3 Information disclosure and transparency

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

Corporate objective and long term goal, as defined in the vision, is to be the leading manufacturer and distributor of ceramic tiles and related products as consumers' first choice with sustainable growth. To achieve long-term goals, the company has set the core mission as follows: making satisfaction with all stakeholders, keeping the average growth rate no lower than industry growth with continued profit, developing new product and continuous innovation; developing personnel, product quality and continuous customer service.

The company has set a policy to report where the offense is committed (Whistle Blowing) in any case by requiring the complainant to make a letter to the Board of Directors or the Audit Committee and it can be sent by mail to the company address as stated in this Annual Report. The Board will review and take action where appropriate, and the complainant will be fully protected.

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

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

Remuneration for Directors and the Executives, the Board of Directors has set up with the policy to be in line with the principle that link to the performance of the company and the conduct of Directors and each individual Executive. The remuneration is in the same level with the industry, but high enough to take care and keep Directors and qualified management with the company. The remuneration in the year 2019 that the company has paid to Directors and Executives including remuneration from conducting as committee and performing other duties in the subsidiaries company with details in cause 5.2.3 of the annual report.

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

There is the report of responsibility of Board of Directors on financial report signed by the Chairman of Board of Directors and Managing Directors. This report has stated about the conduct according to generally accepted accounting practice suitable to business and accounting policy with consistently practice. Therefore, there is correctly and completely information according to accounting standard that has already been disclosed in the annual report.

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

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

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

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

5.2.4.4 Responsibility of Board of Directors.

A. Structure of Board of Directors

The Board of Directors had set policy to have wide variety of idea in the structure of the Board of Directors by having knowledgeable persons in many fields with no specific on gender and perceived that structure of current Board of Directors is properly as Directors consist of people with many varieties of knowledge capabilities, in accounting, finance, administration, law, engineering, logistics and statistics. The company Board of Directors consists of 12 persons with the following proportion.

Administrative Broad of Directors	7	Persons
Non-Administrative Broad of Directors	1	Persons
Independent Directors	4	Persons

There are 2 independent directors with work experience relevant to the company's business; namely 1. Mr. Krit Phunratanamala, a former director of the company Quality House Public Company Limited and Diamond Building Products Public Company Limited, which are in the property development and construction materials business, and 2. Mr. Suphot Kaewmanee was previously a director of the Royal Ceramic Industry Public Company Limited, a ceramic tile manufacturer, which will be beneficial to the management, and all independent directors; as well as being independent from the management and major shareholders of the company.

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

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

The Board of Directors has set up the policy about holding the position of director at the other company, by abiding with the law and has limited number of listed companies that are able to take the position of director for no more than five companies according to the principles of good corporate governance. The information about holding the position of director at the other company has been disclosed in the annual report and there are no any directors, who hold the position of director in the listed company more than 5 companies. Moreover, there is no any executive who holds the position as director in the other listed company for more than 2 companies.

The Board of director had set up the policy to prohibit the managing director and the executives from holding the position of director at the competitor company in the same business, except to take the position of director in the subsidiary company as a representative of the company and the information about holding the position of directors by each executives has been reported in the annual report.

There is no any director or executive of the company who used to be employee or partner of Audit Company from the outside that the company has used its service as the company's auditor for the past 2 years.

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

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

2. To look after activities of Board of Directors.

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

4. To prepare and keep the following documents:

(A) Directors register book

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

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

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

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

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

B. Subcommittee

The Board of Directors of the Company has appointed Directors with special skill to be Sub Committee to assist in details studying and work screening for the Board of Directors. However, the responsibility of all activities of the Company to outside persons is still remained with the Board of directors. At present, there are 2 subcommittees, which are the Audit committee and the Executive Board of Directors.

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

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

C. Role and Scope of responsibility of Board of Directors

The Board of Directors has clearly considered the allocations of authority and the duty of Board of Directors and managements. They have also considered the approval of the important matters on the operation of the company such as vision, mission, strategy, plans and budget etc. including to follow up on the operation, and the performance of the management to be in according to specified policy, strategy and plan.

The Board has established and approved a business ethics policy for directors, executives and employees that directors, management, employees have to follow including guidelines for promoting business ethics by posting a notice at workplaces, defining it as a topic for new employee orientation, and publishing it in internal journals. In addition, follow-up on such operation is monitored

under supervision of supervisors in hierarchical order and there is a punishment in case of ethical misconduct and it will be included for consideration in annual performance appraisal.

In the meantime, for the part about mission, strategy, plan and budget; the Board of Directors will periodically review and approve as necessary and appropriate, usually no more than every 5 years

The company is in the process of preparing a draft on good corporate governance policy in written form and to be approved by the Board of Directors. Policy has been set as to encourage every person in the organization to carry out the company operation in according to the principle of SET and Securities and Exchange Commission as always, including communicating and operation follow up has regularly been monitored.

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

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

D. the Board of Directors' meeting

In 2019, there are 5 Board of Directors' meetings with advance yearly meeting time tables and each Director has already been informed about the schedule of meeting. The Chairman of the Board of Directors and Managing Director will together consider the agenda of the meeting. Directors can submit topics to be put on as agenda by informing to the Secretary of Board of directors. The complete document with significant information for the meeting will be sent to each Director in advance not less than 7 days before each meeting will take place. In case that there are any inquiries from Directors, the additional information can be asked from the Secretary of the Board of Directors.

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

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

E. Self-evaluation of Board of Directors

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

F. Remuneration for Directors and Managing Director

The Board of Directors has set the clear policy and rule for remuneration to director to be based on the performance of the company and the suitable of role, responsibility and usefulness of each individual director. There is the process in considering

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

The Board of Directors has considered that the structure is appropriate for responsibility and can motivate directors and executives to lead the organization to carry out both short-term and long-term goals and it can be compared with the level practicing in this industry.

G. Development for Directors and the Management

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

5.2.5 Handling of Internal Information Usage

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

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

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

5.2.6 Internal Control and Risk Management

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

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

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

The Board's policy on the aspects of risk management is to cover the entire organization with responsible persons for managing of risk in according to policy and regularly report to the Board of Directors. There is a systematic review of risk management including the effectiveness of risk management, as necessary. The company also focuses on early warning signs and irregularity transactions especially the main risks (Key Risk), for example: D/E ratio, energy costs, total inventories etc. which are reported to the Board of Directors on a quarterly basis. If the Board considers that there is any irregularity, they will get together to find a solution for both short and longer term.

5.2.7 Compliance of Subsidiaries and Affiliates

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

5.2.8 Social Responsibility

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

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

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

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

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

The company's internal audit department shall have duty on assessing the system of control, prevention, and monitoring risk from corruption and report directly to the Audit Committee. The company has specified guideline about good governance by having checking system and set approval authority according to hierarchy. Training is provided to the company's employees to get knowledge about policy and practical guideline on anti-corruption. In addition, the Audit Committee shall have a quarterly meeting with internal audit department and a meeting with external auditors at least once a year as to follow up the operation results and acknowledge that there might be unusual transactions including corruption. If any wrongdoing is found, there shall be a report to the Board of Directors.

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

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

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

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

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

On development and promotion of workers: the company has set guideline in developing skill and training for equally opportunity to get promotion with course of study for workers in each level as on the job training and classroom training both inside and outside factory such as teamwork building with walk rally activities, development of supervisors, marketing etc. For the year 2019, average hours in training is equally 5.17 hours per head and the quality management system has been brought in and adapting to be used all over the organization which are as follows: TQM, 5Ss, QCC, ISO 9001: 2015.

On health and safety the company has set the policy to promote health and safety by arranging for annual health check-up for employees providing health insurance and after work accidental insurance that is in addition to those specified by law. The company also provides vaccination against diphtheria and tetanus for its employees. Sport club of employees has been supported to set up such as football, badminton, and water sport etc. including organizing annual competition to build unity and for good health. The arrangement for contest on weight loss was organized as "Fit Fun Run". Campaign on project to reduce the amount of accidents and safety week at work has been employed including establishing of Occupation Health and Safety System Management (ISO45001:2018). In the year 2019 there was accident at work 2 times compared to the year 2018 which had accident at work 1 times; and the award for the campaign

on 120 day, 240 days and 480 day of non-accident at work was presented. There are also the implement of safety and delicious food including assessing food stalls in the factory cafeteria according to standard of Health Ministry. Courses on basic and serious fire prevention drill are trained yearly and the company staff team was sent to visit employees who are sick and cannot go to work as usual.

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

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

Furthermore the company has also supported youth education by providing yearly 75 scholarships to children of low income employees at 2,000 Baht per scholarship. Welfare store has been set up to provide the employees at the factory with low price goods. Certificates are given annually to employees with the Annual Employee Award Certificate of Excellence, Runner-up and Honorable Mentioned. Presents are given to retired employees. On National Labor Day, presents are given to employees in the form of consumable goods and organizing activities to make merit and offering dedicated to Buddhist monks on the auspicious occasion of employees' birthday in each month.

Consumer responsibilities: the Company has set the policy to create products and services that are worthy to social and environment with the acceptance of International Standard as certified product industrial standard by Thai Industrial Standard Institute, Ministry of Industry. Products are continuity developed to serve the consumer satisfaction. There are wide variety of products with neutral price and many price levels for every group of customers. The company has wide channel of distribution thru distributors that cover all around the country. In addition, the company has started to develop the online selling system. Tiles are also exported to many parts of the world such as Asia, Australia, America and Europe.

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

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

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

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

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

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

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

To set up energy management policy and energy saving committee to support energy saving policy and to participate in energy saving activities by every level of employees and the implementation of an energy management system ISO50001: 2018 was improved and put to use;

To set up energy saving project by campaigning to switch off electricity and air conditioning system in the office during lunch break. Cooling tower and air compressors at the factory have been moved to save energy. The motors in production lines totally 73 units were changed from 0.75 KW to high efficient motor of 0.4 KW with the cost reduction result of 311,747 Baht annually; and totally 148 electrical light bulbs were changed to LED bulbs with the cost reduction of 49,728 Baht annually etc.

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

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

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

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

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

To campaign for saving water in the workplace as anti-drought

Participation in the development of community and social: the Company has set the policy and has participated with various sectors such as government, local organization, and community etc. in social development. Some projects have implemented in 2019 and some projects have carried on continuously with details as follows:

- To join sustainable white factory project and receive the certification of preventing and solving the problems of drugs in work place;
- To arrange for blood donation by the company's workers;
- To donate money to Tambon Phai Tam Municipal, Amphoe Nong Khae, Saraburi Province for supporting the organization of the Children Day;
- To donate books to Non-formal education center, Wat Sahamit Monkhon School, Amphoe Nong Khae, Saraburi Province;
- To donate ceramic tiles to Wat Pho Si Sawang, Maha Sarakham Province; Wat Thai Ngam, Amphoe Nong Khae, Saraburi Province;
- To donate goods to participate in the project of the Municipality Meeting with the People for the Year 2019 to Phai Tam Municipality, Nong Khae District, Saraburi Province;
- To donate money to join activities on project to promote value of local wisdom for the elderly in 2019 in 2019 for Khok Yae Subdistrict and Phai Tam Municipality, Nong Khae District, Saraburi Province;
- To provide financial support to food kiosks on HM The King's 67th Birthday Anniversary to Khok Yae Subdistrict, Nong Khae District, Saraburi Province;
- To donate money to support the sports competition project in the sub-district to fight against drugs to Phai Tam Municipality, Nong Khae District, Saraburi Province;
- To donate money for the Royal Kathin Robe Offering to the Department of Labor Protection and Welfare, Saraburi Province;
- To donate money to support the robes offering for educational development to Wat Rat Sathatham School, Saraburi Province;
- To donate money with employees and trading partners to raise funds to purchase medical equipment to Wihaeng Daeng Hospital, Saraburi Province, totaling over 400,000 Baht;

- To provide financial support to carry on the Loi Krathong tradition of the year 2019 to Phai Tam Municipality, Nong Khae District, Saraburi Province;
- To provide financial support for organizing the New Year's activities of the elderly club to Phai Tam Municipality, Nong Khae District, Saraburi Province.

Social Innovation: the company has set the policy to develop innovation from the operation with social responsibility to add value and continuity to business and social. Production formula to reuse scrapped tiles has been developed in production as raw material. Co-Generator has been installed to reduce the use of outside electricity in order to save energy. Production system using Digital Printing Machinery has been developed to manufacture tiles with various designs including natural design such as marble design and wooden design etc. with reality look that this kind of tiles shall be used to replace natural products is the result to reduce the use of natural products. There is “One Person One Idea for Our UMI” project by encouraging the employees to participate in proposing the improving method to develop their works including cost and loss reduction. There is also reward each month for proposer, whose suggestion has been chosen for practice. Monthly magazine naming “Interesting Story for Telling and Listening” (Rueng Na Roo Lao Soo Kan Fang) is distributed within the organization with the information about the company’s operation, safety in working, quality promotion and other social information that promote labor relation.

The company has set up an information technology department, to allocate and manage IT resources adequately including risk management with security measures of information technology. Information technology department will support the work of other departments in the organization to enhance business opportunities and develop the implementation of risk management in order to achieve its objectives and main goals.

The company's policy is to give its priority to society and the environment under the Code of Ethics and Good Corporate Governance which resulted in the company has been awarded the "ESG100 CERTIFICATE" from Thaipat Institute as in 1 out of 100 listed companies that has outstanding business practices for sustainable development prominently in Environment, Social and Governance: ESG in the construction materials group for the year 2015.

5.3 Dividend payment policy

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

6. Parties with Shared Interests and Transactions

- Ruampat Ceramic Co., Ltd.** : 49 percent of its registered capital is invested by UMI and there is management including related persons, who hold shares more than 10%. Ruampat Ceramic Co., Ltd. serves as up country agent for UMI, with the same price and condition are applied as same as those for other agents.
- Inter-Company Transaction : Approximately 103 million Baht per year; Ruamphat Ceramic Company Limited has borrowed loans from individuals and related companies for payment of goods at the amount of 7 million Baht at interest rates of 6.00 percent per year.
- Cermas Co., Ltd.** : 24.90 percent of its registered capital is owned by UMI. Main business of Cermas is to manufacture and to serve raw material such as clay and feldspars that are used in producing ceramic tiles as to be confident that the domestic raw materials will not be shortage for continuing production. And to make sure that the price of raw material will not be expensive together with consistency quality.
- Inter-Company Transaction : About 19 million Baht
- UMI Property Co., Ltd.** : 37.57 percent of its registered capital is owned by UMI. The company is in real estate business that owns Chamnan Phenjati Business Center. Up to 70 percent of 30 floors Chamnan Phenjati Business Center building space, has been sold. The remaining space of 30 percent is for rent. UMI has onwer three and a half floors of the building to be the company's office on the 27th, 28th, 29th floors and half of the 30th floor. And showroom at 1st floor.
- Inter-Company Transaction : UMI Property Co., Ltd. has borrowed money from Directors and the related company to use in debt restructuring with creditors, with an amount about 14 million Baht using interest rate equal to MLR and deposit rate of fixed account of leading commercial banks plus 2 percent per year.

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

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

The Audit Committee is of the opinion that the said transaction is reasonable and for the best interest of the company.

Historical data for comparison of 3 years can be viewed on the company's website.

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

1. Analyze overall performance for the year 2019

In 2019, it was another year that the company was under pressure from the intense competition in the tile business, both from the challenges of changing consumer behavior and the impact of rapid technology development. As a result, the company had to adjust and update the business plan to keep up with the changes by developing products to meet both quality, and price; while with more imported products causing increased competition.

Operating income: the company was principally engaged in the manufacturing and selling of floor tiles, wall tiles, and porcelain tiles; under the brand name “Duragres” and “Cergres”; with main income consisting of 87% from domestic sales, 7% from exports and 6% from other sources.

The company's main income can be separated into 49% from floor tiles, 18% from wall tiles, 23% from porcelain tiles, 3% from clay, rock, and minerals, and 1% from property.

2. Performance

The results of operations for the year 2019 of the Union Mosaic Industry Public Company Limited and its subsidiaries compared with the year 2018 for the year ended December 31, 2019 and 2018 are as follows:

(Unit: in million baht)

Details	2019	2018	Increase(Decrease)	
			Amount	Percent
-Revenue from sales	2,414	2,388	26	1
-Cost of goods sold	1,871	1,887	(16)	(1)
-Gross profit margin	543	500	42	8
-Other incomes	54	29	25	85
-Selling expense	342	362	(20)	(6)
-Administration expense	316	219	97	44
-Financial cost	37	41	(4)	(9)
-Profit before income taxes	(98)	(92)	(5)	6
-Income taxes	4	2	2	69
-Profit (loss) sharing for the year, attributable to the equity holders of the parent company	(69)	(77)	8	(11)

Revenue from sales in 2019 was 2,414 million baht, increasing from the end of 2018 by 26 million baht or 1 percent. The sales volume increased by 3% while the average selling price per unit decreased due to the price competition and high imported products with proportion of sales from tiles divided into floor tiles 54%, wall tiles 13% and income from the imported tiles increased by 7% with income of a subsidiary company that made a purchase and sale business by 6%, a subsidiary operating a clay, and mineral business increased revenue by 4% and property revenue at 2%.

However, the company has developed products, sales and marketing model in order to be competitive as compared to the increased volume of imported products. Gross profit margin increased by 1 percent due to cost reduction and effective cost management. Other income increased by 25 million baht, as an increase from impairment of assets in a subsidiary company. Distribution costs decreased by 20 million baht as resulted from 11 million baht in transportation costs and 5 million baht in marketing expenses. Administrative expenses have increased by 97 million baht due to the new labor protection law that increases the compensation in the case of retirement from 300 days to 400 days payment for employees with 20 years of working period or more at the amount of 22 million baht. Loss from impairment of assets of a subsidiary company was at the amount of 54 million baht and the cost of shutting down the kiln to control the inventory at the amount of 18 million baht with income tax expense increased by 2 million baht as a result, the net loss attributable to shareholders of the parent company was 69 million baht. Loss decreased by 8 million baht as compared to the year before.

3. Financial status analysis

The financial status of the company and its subsidiaries as of 31 December 2019, compared with 31 December 2018

(Unit: in million Baht)

Details	Consolidated Statements			
	31 Dec. 2019	31 Dec. 2018	Inc./(Dec.)	%
Assets				
Current assets	1,338	1,418	(80)	(6)
Property, plant and equipment – net	1,593	1,770	(176)	(10)
Other non-current assets	146	164	(18)	(11)
Total assets	3,077	3,351	(274)	(8)
Liabilities				
Current liabilities	1,166	1,569	(403)	(26)
Non-current liabilities	422	196	226	115
Total liabilities	1,588	1,765	(177)	(10)
Shareholders' equity				
Paid-up share capital	837	837	(0)	(0)
Parent company shareholders' equity	520	590	(70)	(12)
Non – controlling interest	132	159	(27)	(17)
Total shareholders' equity	1,489	1,586	(97)	(6)
Total liabilities and shareholders' equity	3,077	3,351	(274)	(8)

Assets

As of 31 December 2019, the total assets of the company and its subsidiaries amounted to 3,077 million baht, a decrease of 274 million baht from the end of 2018 as follows:

Cash and cash equivalents increased by 11 million baht from debt repayment;

Current investment increased by 2 million baht

Accounts receivables and other receivables - net decreased by 50 million baht;

- Accounts receivable not yet due 57%;
- Accounts receivable with overdue not over 3 months 35%;
- Excess 3 months to 1 year 8%.

The company has considered the quality of accounts receivable by analyzing each debtor in the credit term as well as closely following up on outstanding debt and having considered the allowance of doubtful accounts for long outstanding receivables of the year 2019 is 2 percent of the total accounts receivable.

Credit policies for account receivables are as follows;

1. The ability to pay account receivable of trade partners;
2. The attention of the management of trade partners;
3. Potential growth of trade partners;
4. Having a good accounting system that is transparent and verifiable;
5. Having a good inventory and delivery management system;
6. Having secured, strong and comprehensive guarantee.

Inventories decreased by 39 million baht due to the effort to control inventories by stopping production of certain sizes that are slow-moving and there were promotions to release the products.

Property, plant and equipment-net decreased by 185 million baht from depreciation.

Other current assets decreased by 3 million baht.

Liabilities and shareholders' equity

The total liabilities of the Company and its subsidiaries as of December 31, 2019 were 1,588 million baht, a decrease of 177 million baht or 10 percent came from short-term loans from financial institutions decreased by 10 million baht. Accounts payable decreased by 99 million baht due to control of raw materials purchase. Current liabilities under the debt restructuring plan decreased by 11 million baht; from the payment according to the payment cycle. Repayment of the remaining debentures due at 347 million baht by borrowing long-term loans from financial institutions at the amount of 300 million baht and using some reserves of the business, resulting in the long-term loans from financial institutions remain at 268 million baht at the end of 2019. Estimated non-current liability for employee benefits increased by 28 million baht; due to a new labor protection law that increased the compensation for retirement benefits from 300 days to 400 days for employees with working period 20 years or more. Other non-current liabilities decreased by 9 million baht resulting in debt to equity ratio stay at 1.07 times.

Shareholders' equity at the end of the year 2019 was 1,489 million baht, a decrease of 97 million baht or 6 percent due to changes in the fair value of investments decreased by 7 million baht and from the annual total comprehensive loss.

4. Liquidity and capital adequacy

Liquidity of the Company and its subsidiaries for the year ended 31 December 2019 had an increase in net cash of 11 million baht, with the beginning net cash carried from 2018 at the amount of 39 million baht. As a result, net cash at the end of the period decreased to 50 million baht. The cash details of each activity are as follows:

Details	(Unit: in million baht)
-Net cash provided by (used in) operation activities	189
-Net cash provided by (used in) investment activities	(30)
-Net cash came from (used in) financing activities	(149)
-Cash and cash equivalents increase (decrease) – net	11
-Cash and cash equivalents at the beginning date of period	39
-Cash and cash equivalents at the ending date of period	50

Net cash received from operations was 189 million baht; from interest payments of 37 million baht, trade and other receivables decreased by 51 million baht, inventories decreased by 47 million baht, payable decreased by 95 million baht, depreciation and amortization of 213 million baht, adjusted the employee benefit liabilities in accordance with the compensation law by increasing of 37 million baht, having interest income of 12 million baht, and cash paid for employee benefits liabilities of 10 million baht.

Net cash used in investment activities amounted to 30 million baht, came from cash paid for purchasing equity securities of 2 million baht, and cash received from the sale of old equipment that was not in use of 6 million baht, as investment capital to purchase machinery and equipment at the amount of 30 million baht to replace the old machines that are damaged and used for a long time, and the vehicle at the amount of 4 million baht.

Net cash used in financing activities was 149 million baht, due to pay for redeemed debentures of 348 million baht, short-term loans of 67 million baht, dividend payment of 2 million baht, interest payment of 42 million baht, and having a loan from a financial institution at the amount of 312 million baht

Financial ratios and profit per share of the company and subsidiaries

Financial ratio and profit per share	Unit	2019	2018	2017
Liquidity ratio				
Current ratio	Times	1.15	0.90	3.63
Quick ratio	Times	0.53	0.42	1.77
Account receivable turnover	Days	80	83	80
Inventory turnover	Days	141	144	133
Account payable turnover	Days	53	63	60
Financial ratio				
Debt to equity ratio	Times	1.07	1.11	1.11
Profitability ratio				
Gross profit margin	%	22.49%	20.96%	22.20%
Net profit margin	%	-3.87%	-3.77%	-1.21%
Return on assets	%	-3.04%	-2.68%	- 0.88%
Return on equity	%	-6.28%	-5.67%	-1.87%
Profit per share				
Profit per share	Baht/Share	- 0.08	- 0.09	- 0.03

Liquidity ratio

Since one of subsidiaries has defaulted on debt payment with a financial institution, resulting in the classification of non-current liabilities to be all current liabilities. So various ratios decreased significantly which is in the process of negotiation in order to adjust the payment limit to be in line with the cash flows that this subsidiary can pay.

Current ratio in 2019, compared to 2018, was at 1.15 times and 0.90 times, increased from the previous year.

The quick ratio was 0.53 times and 0.42 times.

Account receivable turnover was reduced from 83 days to 80 days due to debt control.

Inventory turnover decreased from 144 days to 141 days due to inventory control by establishing a policy of work and having promotions to distribute products.

Financial Ratio

Debt to equity ratio in 2019, compared to the previous year, unchanged at 1.07 times and 1.11 times

Profitability ratio

Gross profit margin in 2019 increased to 22 percent from 21 percent due to effective cost management.

Since the year 2019, the company's operating results had a loss resulting in a negative return ratio compared to the year 2018 by reporting losses at 0.08 baht per share from a loss of 0.09 baht per share the previous year.

5. Obligations and liabilities that may arise

Obligation and liabilities that may arise as at December 31, 2019; it is an obligation under operating lease agreements from 1-5 years at the amount of 50 million baht which was a normal operating lease.

6. Factors that may affect future operations

The year 2020 is another year that the company is expected to be greatly affected by the following events.

The Corona virus epidemic in 2019 (COVID-19) that the World Health Organization (WHO) raises the level of epidemic to "Pandemic", which will have a wide impact around the world, causing economic activities to halt, the spread that is expanding exponentially, affecting the entire supply chain and affecting all countries in the world like never before and the high economic damage will last for years.

Before the COVID-19 problems spread throughout the world, we have economic problems; and 2020 is the year that economists, business men and people generally are of the opinion that does not look good. Due to the continuation of the economic problems from the year 2019, the World Trade War, the baht appreciation, decreased exports, private investment decreased, high household debt, drought, delay in the national budget. These factors will therefore affect all companies, public agencies and of course inevitably to the company as well. For the aforementioned reasons, what the company can do is that the company has to return to focus on increasing efficiency in all work processes of the company even more. This action has affected on cost reduction, monitoring of cash flow closely, and increasing speed in responding to these changes etc. that will enable the company to overcome these difficult times.

8. Remuneration of the Company's Auditors

The company's auditor for the year 2019 was Mr. Jirote Sirirorote, a certified public account registration no. 5113 from Karin Audit Co., Ltd which has been received the remuneration as follows:

Audit fee: 1,814,000. - Baht

Non-Audit fee: None

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

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

REPORT OF AUDITOR

To The Shareholders of The Union Mosaic Industry Public Company Limited

Opinion

I have audited the financial statements of The Union Mosaic Industry Public Company Limited and subsidiaries, which comprise the consolidated and separate statements of financial position as at December 31, 2019, 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 The Union Mosaic Industry Public Company Limited and subsidiaries as at December 31, 2019, 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. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of my report. I am independent of the Group in accordance with the Code of Ethics for Professional Accountants as issued by the Federation of Accounting Professions under the Royal Patronage of His Majesty the King as relevant to my audit of the consolidated financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code. 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 financial statements of the current period. These matters were addressed in the context of my audit of the consolidated financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

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Impairment of Assets in Subsidiary and Classification of Machinery

Risk

As discussed in Notes 11 to the financial statements, the Group may be at risk of asset impairment. Due to the continuing loss of subsidiaries' operations. This impairment test is significant to the audit because the subsidiaries' value of land, buildings and equipment as at December 31, 2019 that are significant to the consolidated financial statements.

Risk Responses of Auditor

My audit procedures responded to the risk referred to above are summarized as follows:

- Review the reports as shown in the evaluation and sampling entries in order to observe the assets.
- Assessed assumptions and methods used by experts for value-in-use of assets evaluation, including assessment of professional competency of experts.
- Reviewed value-in-used of assets evaluation by conducting reasonableness analysis of future income projection and expenses information.

Impairment of Investment in Subsidiary

Risk

As discussed in Note 9.2 to the financial statements, the Company might have an indication of impairment of investment in subsidiary due to having continuous loss on the subsidiary's operations. And this risk also associated with the risk of impairment of assets in subsidiary. If the subsidiary records loss on impairment of its assets, it will also have an impact to the impairment of investment in subsidiary as well.

Risk Responses of Auditor

My audit procedures responded to the risk referred to above are summarized as follows:

- compared recoverable amount adjusted net book value versus book values of investment at the end of accounting period or the present value method discounted cash flow that will be received in the future.
- reviewed assumptions and methods used by experts, including assessment of professional competency of experts.
- performed calculation test for recording loss on impairment of investment.

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Deferred income tax assets

Risk

As discussed in Note 13 to the financial statements, the Group still has some deferred income tax assets that have not been recorded yet. Since the recognition of the deferred tax asset must be based on actual implementation opportunities that require management's discretion. Expectations to take advantage of the asset depends on many factors, including the appropriateness of taxable temporary differences and the adequacy of future taxable profits to support the recognition.

Risk Responses of Auditor

My audit procedures responded to the risk referred to above are summarized as follows:

- considering the management's assessment of the adequacy of future taxable profits, in order to support deferred income tax assets by considering the future cash flows and management estimation process.
- test the reliability of the calculations and compare with the latest budgets approved by the Board of Directors of the company and
- Ask management about key assumptions, about long-term growth rates by comparing them with past performance, economic conditions and forecasting industry trends.

Allowance for Declining in Value of Inventory

Risk

As discussed in Note 8 to the financial statements, the Company might have indications of impairment of inventories, due to the risk of products obsolescence.

Risk Responses of Auditor

My audit procedures responded to the risk referred to above are summarized as follows:

- reviewed classification of inventories aging noted in the ending balance of inventory report and performed calculation test for recording allowance for declining in value of inventory in accordance with the Group's accounting policy
- reviewed the management's judgment with respect to recording allowance for declining in value of inventories based on historical average selling price
- In addition, I have compared the values at cost to the net realizable value. Calculated from the sales price after the end of the year.

*** /4

Other matters

The financial statement of The Union Mosaic Industry Public Company Limited at December 31, 2019, which is presented as comparative information, audited by another auditor in my firm, expressed an unqualified opinions in accordance with the report dated February 26, 2019.

Other Information

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

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

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

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

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

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

In preparing the consolidated 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.

*** /5

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

My objectives are to obtain reasonable assurance about whether the consolidated 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 Thai Standards on Auditing 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 financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated 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 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 financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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- 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 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. Jirote Sirirorote



(Mr. Jirote Sirirorote)

Certified Public Accountant (Thailand)

Registration No. 5113

Karin Audit Company Limited

Bangkok, Thailand.

February 26, 2020

THE UNION MOSAIC INDUSTRY PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

AS AT DECEMBER 31, 2019

ASSETS

(Unit : Baht)					
	Notes	Consolidated		Separate	
		As at	As at	As at	As at
		December 31, 2019	December 31, 2018	December 31, 2019	December 31, 2018
Current assets					
Cash and cash equivalents	5	49,804,251	39,042,846	20,558,873	13,300,791
Current investments	6	22,253,405	20,580,849	-	-
Trade and other current receivables	7, 30.1.1	531,544,409	581,275,050	466,259,803	529,755,438
Short-term loans	30.1.3	-	-	60,043,010	57,043,010
Inventories	8	725,201,091	764,297,971	491,773,732	520,894,104
Other current financial assets	30.1.2	-	-	-	1,232,011
Other current assets		9,250,845	12,337,079	4,936,912	4,889,618
Total current assets		1,338,054,001	1,417,533,795	1,043,572,330	1,127,114,972
Non-current assets					
Investments held available for sale	28	6,632,450	6,795,500	6,632,450	6,795,500
Investments in associates	9.1	-	-	-	-
Investments in subsidiaries	9.2	-	-	247,124,388	310,470,865
Other long-term investments	9.3	2,000,000	2,000,000	2,000,000	2,000,000
Trade and other non-current receivables	30.1.4	-	-	49,102,081	49,102,081
Investment property	10	40,713,257	41,569,351	824,277	824,277
Property, plant and equipment	11	1,593,252,596	1,769,531,106	716,469,286	792,836,800
Intangible assets	12	27,228,946	34,713,351	22,064,686	27,661,728
Deferred tax assets	13	2,985,750	2,985,750	23,862,401	8,385,192
Other non-current financial assets	30.1.2	-	-	-	-
Other non-current assets					
- Machine non-used in operation	14	37,640,238	46,061,605	-	-
- Construction in progress and install assets	15	-	-	-	-
- Other non-current assets	16	28,553,651	29,491,806	5,628,200	5,628,200
Total non-current assets		1,739,006,888	1,933,148,469	1,073,707,769	1,203,704,643
Total assets		3,077,060,889	3,350,682,264	2,117,280,099	2,330,819,615

THE UNION MOSAIC INDUSTRY PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION (CONT.)

AS AT DECEMBER 31, 2019

LIABILITIES

(Unit : Baht)					
	Notes	Consolidated		Separate	
		As at December 31, 2019	As at December 31, 2018	As at December 31, 2019	As at December 31, 2018
Current liabilities					
Bank overdrafts and short-term borrowings from financial institutions	17	94,007,369	103,527,474	94,007,369	101,364,631
Trade and other current payables	18	271,578,360	370,376,264	196,691,552	284,188,047
Current portion of long-term liabilities					
- Debentures	19	-	346,808,627	-	346,808,627
- Liabilities under debt rehabilitation plan	20	723,531,142	734,602,022	-	-
- Loans from financial institutions	21	60,537,749	683,257	59,820,000	-
Current income taxes payable		1,354,755	2,800,168	-	-
Current provision for employee benefit	22	4,502,484	6,587,272	3,609,184	6,021,732
Other current provisions		4,918,395	-	-	-
Other current financial liabilities		3,076,004	2,819,604	1,926,794	2,569,157
Other current liabilities		2,499,186	481,152	-	-
Total current liabilities		1,166,005,444	1,568,685,840	356,054,899	740,952,194
Non-current liabilities					
Long-term borrowings					
- Debentures	19	-	-	-	-
- Liabilities under debt rehabilitation plan	20	-	-	-	-
- Loans from financial institutions	21	208,856,427	779,176	208,795,000	-
- Long-term borrowings form related parties	30.1.6	16,090,000	19,290,000	-	-
Deferred tax liabilities	13	79,127,538	84,672,058	-	-
Non - Current provision for employee benefit	22	106,344,448	78,681,361	89,907,939	66,318,660
Other non-current financial liabilities		1,425,851	2,545,018	-	1,716,177
Other non-current liabilities		10,217,282	10,319,532	-	-
Total non-current liabilities		422,061,546	196,287,145	298,702,939	68,034,837
Total liabilities		1,588,066,990	1,764,972,985	654,757,838	808,987,031

THE UNION MOSAIC INDUSTRY PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION (CONT.)

AS AT DECEMBER 31, 2019

SHAREHOLDERS' EQUITY

(Unit : Baht)					
	Notes	Consolidated		Separate	
		As at	As at	As at	As at
		December 31, 2019	December 31, 2018	December 31, 2019	December 31, 2018
Shareholders' equity					
Share capital					
Authorized share capital					
836,504,795 ordinary shares of Baht 1.00 each		836,504,795	836,504,795	836,504,795	836,504,795
Issued and paid-up share capital					
836,504,741 ordinary shares of Baht 1.00 each		836,504,741	836,504,741	836,504,741	836,504,741
Share premium					
Share premium on ordinary shares		15,500,685	15,500,685	15,500,685	15,500,685
Retained earnings					
Appropriated					
Legal reserve	24	83,650,474	83,650,474	83,650,474	83,650,474
Unappropriated		242,953,857	313,999,568	363,544,439	422,691,712
Other components of shareholders' equity		177,897,840	176,667,637	163,321,922	163,484,972
Total shareholders' equity of parent company		1,356,507,597	1,426,323,105	1,462,522,261	1,521,832,584
Non-controlling interests		132,486,302	159,386,174	-	-
Total shareholders' equity		1,488,993,899	1,585,709,279	1,462,522,261	1,521,832,584
Total liabilities and shareholders' equity		3,077,060,889	3,350,682,264	2,117,280,099	2,330,819,615

THE UNION MOSAIC INDUSTRY PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF COMPREHENSIVE INCOME

F OR THE YEAR ENDED DECEMBER 31, 2019

(Unit : Baht)					
	Notes	Consolidated		Separate	
		2019	2018	2019	2018
Revenues form sales	30.2	2,413,888,164	2,387,874,844	1,950,653,165	1,942,724,978
Cost of sales	30.2	(1,871,006,254)	(1,887,439,577)	(1,547,631,327)	(1,593,951,253)
Gross (loss) profit		542,881,910	500,435,267	403,021,838	348,773,725
Other income	30.2	54,244,683	29,320,508	28,243,127	54,036,731
Distribution costs		(341,738,527)	(362,095,504)	(274,538,558)	(290,030,591)
Administrative expenses	30.2	(286,478,664)	(192,393,538)	(180,263,293)	(95,902,416)
Director and management benefit expenses		(29,523,640)	(26,970,640)	(29,523,640)	(26,970,640)
Total expenses and other income		(603,496,148)	(552,139,174)	(456,082,364)	(358,866,916)
Profit (loss) before financial costs and income tax expense		(60,614,238)	(51,703,907)	(53,060,526)	(10,093,191)
Finance costs	30.2	(37,064,643)	(40,694,283)	(21,563,956)	(28,071,343)
Profit (loss) before income tax expense		(97,678,881)	(92,398,190)	(74,624,482)	(38,164,534)
Income tax expense (revenue)	27	4,163,448	2,469,512	15,477,209	(3,354,764)
Profit (loss) for the year		(93,515,433)	(89,928,678)	(59,147,273)	(41,519,298)
Other comprehensive income (loss)					
Components of other comprehensive income that will be reclassified to profit or loss					
Gain (loss) on remeasuring investments held as available for sale		(158,130)	(4,761,650)	(163,050)	(4,709,500)
Components of other comprehensive income that will not be reclassified to profit or loss					
Gain (loss) on remeasurement of Employee benefits are defined	22	(3,554,541)	-	-	-
Gain (loss) on revaluation of assets		2,089,824	68,983,536	-	56,344,640
Total comprehensive income (loss) for the year		(95,138,280)	(25,706,792)	(59,310,323)	10,115,842
Profit (loss) for the years attributable to:					
Equity holders of the parent		(68,679,098)	(77,100,741)	(59,147,273)	(41,519,298)
Non-controlling interests		(24,836,335)	(12,827,937)	-	-
		(93,515,433)	(89,928,678)	(59,147,273)	(41,519,298)
Total comprehensive income (loss) attributable to:					
Equity holders of the parent		(69,805,558)	(17,035,540)	(59,310,323)	10,115,842
Non-controlling interests		(25,332,722)	(8,671,252)	-	-
		(95,138,280)	(25,706,792)	(59,310,323)	10,115,842
Basic earnings (loss) per share					
Net profit (loss) (Baht : Shares)	29	(0.082)	(0.092)	(0.071)	(0.050)
Weighted average number of ordinary share (Shares)		836,504,741	836,504,741	836,504,741	836,504,741

THE UNION MOSAIC INDUSTRY PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE YEAR ENDED DECEMBER 31, 2019

(Unit : Baht)												
Consolidated												
Equity holders of the parent												
Notes	Share capital issued and paid-up	Premium on ordinary shares	Retained earnings		Other components of shareholders' equity				Total other components of shareholders' equity		Non-controlling Interests	Total
			Appropriated	Unappropriated	Defined benefit plan actuarial gains (loss)	Revaluation surplus of lands	Surplus on change in shareholding in subsidiary	Fair value changes on investments	Total other components of shareholders' equity	of the parent		
Beginning balance as at January 1, 2018	836,504,741	15,500,685	83,650,474	391,100,309	-	113,988,734	5,084,547	(2,471,845)	116,601,436	1,443,357,645	169,634,526	1,612,992,171
Total comprehensive income for the year	-	-	-	(77,100,741)	-	64,759,647	-	(4,693,446)	60,066,201	(17,034,540)	(8,671,252)	(25,705,792)
Dividend of non-controlling interest	23	-	-	-	-	-	-	-	-	-	(1,577,100)	(1,577,100)
Ending balance as at December 31, 2018	836,504,741	15,500,685	83,650,474	313,999,568	-	178,748,381	5,084,547	(7,165,291)	176,667,637	1,426,323,105	159,386,174	1,585,709,279
Total comprehensive income for the year	-	-	-	(68,679,098)	(2,366,613)	1,391,404	-	(161,201)	(1,136,410)	(69,815,508)	(25,322,772)	(95,138,280)
Transfer to retain earning	-	-	-	(2,366,613)	2,366,613	-	-	-	2,366,613	-	-	-
Dividend of non-controlling interest	23	-	-	-	-	-	-	-	-	-	(1,577,100)	(1,577,100)
Ending balance as at December 31, 2019	836,504,741	15,500,685	83,650,474	242,953,857	-	180,139,785	5,084,547	(7,326,492)	177,897,840	1,356,507,597	132,486,302	1,488,993,899

THE UNION MOSAIC INDUSTRY PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE YEAR ENDED DECEMBER 31, 2019

	(Unit : Baht)								
	Separate								
			Retained earnings		Other components of shareholders' equity				
	Share capital issued	Premium on			Defined benefit			Total other	
	and paid-up	ordinary shares	Appropriated	Unappropriated	plan actuarial gains	Fair value changes	Revaluation surplus	components of	Total
					(loss)	on investments	of lands	shareholders' equity	
Beginning balance as at January 1, 2018	836,504,741	15,500,685	83,650,474	464,211,010	-	(2,138,902)	113,988,734	111,849,832	1,511,716,742
Total comprehensive income (loss) for the year	-	-	-	(41,519,298)	-	(4,709,500)	56,344,640	51,635,140	10,115,842
Ending balance as at December 31, 2018	836,504,741	15,500,685	83,650,474	422,691,712	-	(6,848,402)	170,333,374	163,484,972	1,521,832,584
Total comprehensive income (loss) for the year	-	-	-	(59,147,273)	-	(163,050)	-	(163,050)	(59,310,323)
Ending balance as at December 31, 2019	836,504,741	15,500,685	83,650,474	363,544,439	-	(7,011,452)	170,333,374	163,321,922	1,462,522,261

THE UNION MOSAIC INDUSTRY PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2019

(Unit : Baht)					
	Notes	Consolidated		Separate	
		2019	2018	2019	2018
Cash flows from operating activities					
Profit (loss) before corporate income tax for expense the year		(97,678,881)	(92,398,190)	(74,624,482)	(38,164,534)
Adjustment of profit (loss) on cash received (paid)					
Adjustment on financial cost		37,064,643	40,579,000	21,563,956	28,071,343
Adjustment on trade and other receivables (increase) decrease		50,433,394	(78,210,949)	63,754,386	(87,965,442)
Adjustment on inventories (increase) decrease		47,061,974	(38,106,675)	36,404,610	(33,607,491)
Adjustment on other assets (increase) decrease		(6,846,981)	(5,887,392)	(47,296)	(4,681,764)
Adjustment on trade and other payables increase (decrease)		(94,566,950)	94,850,128	(83,189,121)	100,968,120
Adjustment on other current liabilities increase (decrease)		1,915,785	(915,208)	-	(1,422,967)
Depreciation depletion and amortization charge	10, 11, 12, 14	213,150,643	214,852,052	91,557,409	107,780,715
Adjustment with impairment loss on assets (reverse)	9.2 , 11	9,573,630	(28,819,098)	63,346,477	(7,964,383)
Adjustment on provisions liabilities (reverse)		37,492,197	9,951,371	30,245,916	8,667,535
Adjustment on unrealized loss (gain) on exchange rate		(2,446)	(41,996)	(82,506)	(146,169)
Adjustment with loss (gain) on fair value adjustment	6	(4,920)	288,049	-	275,339
Adjustment on bad debts and allowance for doubtful accounts (reverse)	7	(910,083)	(1,758,052)	147,075	456,004
Adjustment on loss from inventories devaluation (reverse)	8	(7,965,093)	1,233,800	(7,284,237)	(1,373,317)
Adjustment on loss (gain) on disposal of non-current assets	11	134,491	(485,112)	137,947	(17,011,489)
Adjustment on cash generated from investments or borrowings		(907,478)	(11,632,711)	(8,150,996)	(7,656,260)
Net cash provided by (used in) operation activities		187,943,925	103,499,017	133,779,138	46,225,240
Interest income		907,478	11,632,712	8,782,896	7,133,360
Income Tax expense refund (paid)		10,367,310	560,563	(1,577,467)	(1,190,608)
Cash received (paid) from other activities - Provision for employee benefits	22	(10,550,045)	(16,834,154)	(9,069,185)	(14,946,232)
Net cash provided by (used in) operation activities		188,668,668	98,858,138	131,915,382	37,221,760

THE UNION MOSAIC INDUSTRY PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CASH FLOWS (CONT.)

FOR THE YEAR ENDED DECEMBER 31, 2019

(Unit : Baht)				
Notes	Consolidated		Separate	
	2019	2018	2019	2018
Cash flows from investing activities				
Cash received from the sale of equity or debt securities of other entities	-	101,629,132	-	99,985,090
Cash paid to purchase equity or debt securities of other entities	(1,706,472)	(20,365,595)	-	(20,000,000)
Cash received from the sale of property, plant and equipment	6,031,142	3,537,816	6,027,684	2,160,000
Cash paid for purchase of property, plant and equipment	(32,411,087)	(20,102,604)	(14,650,483)	(13,086,000)
Cash paid to purchase intangible assets	(1,108,000)	(32,764,618)	(1,108,000)	(26,396,702)
Dividends received	-	-	522,900	522,900
Advance payments and loans to other persons or related parties	-	-	(5,000,000)	(12,000,000)
Cash received from advance payment and loans to other persons or related parties	-	-	2,000,000	5,000,000
Cash received (paid) other than investing activities - Financial assets	-	-	1,232,011	2,693,652
Net cash provided by (used in) investing activities	(29,194,417)	31,934,131	(10,975,888)	38,878,940
Cash flows from financing activities				
Receive form borrowings	312,162,949	-	312,162,949	-
Payment of short-term borrowings	(67,330,818)	(119,241,094)	(50,213,838)	(87,102,711)
Cash paid for redemption of debentures	(347,500,000)	-	(347,500,000)	-
Cash paid for liabilities under financial leasing	(3,195,207)	(3,928,327)	(2,358,540)	(3,841,453)
Cash paid for dividend	(1,577,100)	(1,577,100)	-	-
Interest paid	(41,272,670)	(42,160,698)	(25,771,983)	(29,653,041)
Net cash provided by (used in) financing activities	(148,712,846)	(166,907,219)	(113,681,412)	(120,597,205)

THE UNION MOSAIC INDUSTRY PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF CASH FLOWS (CONT.)
FOR THE YEAR ENDED DECEMBER 31, 2019

	(Unit : Baht)			
	Consolidated		Separate	
	2019	2018	2019	2018
Net increase (decrease) in cash and cash equivalents	10,761,405	(36,114,950)	7,258,082	(44,496,505)
Cash and cash equivalents, at beginning of year	39,042,846	75,157,796	13,300,791	57,797,296
Cash and cash equivalents, at ending of year	<u>49,804,251</u>	<u>39,042,846</u>	<u>20,558,873</u>	<u>13,300,791</u>
Supplemental disclosures of cash flows information :				
<p>1. For the purpose of preparing the statement of cash flows, cash and cash equivalents items include cash in hand and cash at banks and short-term investment in promissory notes which are due within 3 months.</p> <p>2. During the year 2019, the subsidiary has purchased motor vehicle by the financial lease of Baht 2.33 million.</p> <p>3. During the year 2018, the company has been appraised subsidiaries increased amount of Baht 15.80 million.</p> <p>4. During the year 2018, the Company purchased 3 machines from the parent company amount of Baht 45.89 million (Balance before output Tax). There is not payment.</p> <p>(Presented as other non-current receivable)</p>				

1. GENERAL INFORMATION

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

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

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

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

2. BASIS FOR PREPARATION OF CONSOLIDATED FINANCIAL STATEMENT

2.1 Basis for financial statements preparation

The financial statements are prepared in accordance with generally accepted accounting principles under the Accounting Act, BE 2543, which refers to the financial reporting standards issued under the Accounting Profession Act BE 2547 and the Securities and Exchange Commission. Stock Exchange of Thailand Re: Formulation and presentation of financial statements under the Securities and Exchange Act.

The financial statements have been prepared on a historical cost basis except where otherwise disclosed in the accounting policies. Except for the matters described in the subsequent accounting policies.

The preparation of financial statements in conformity with generally accepted accounting principles in Thailand. Use accounting estimates significant accounting judgments and estimates the preparation of financial statements in conformity with generally accepted accounting principles requires management to make subjective judgments and estimates regarding matters that are inherently uncertain. The Company discloses the use of management discretion. Or complexity or significant assumptions and estimates to the financial statements in Note 4.

The financial statements in English language have been derived 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 New financial reporting standards

2.2.1 Financial reporting standards that became effective in the current period

During the period, the Company and its subsidiaries have adopted the revised (revised 2018) and new financial reporting standards and interpretations 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 adoption of these financial reporting standards does not have any significant impact on the Company's and its subsidiaries' financial statements. However, the new standard involves changes to key principles, which are 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 recognized 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 believes that the said financial report standards will not have a significant impact on the financial statements of the company

2.2.2 Financial reporting standards that became effective for fiscal years beginning on or after January 1, 2020

The Federation of Accounting Professions issued a number of new and revised financial reporting standards and interpretations, which are effective for fiscal years beginning on or after 1 January 2020. 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 except the following new standards which involve changes to key principles, which are summarised below.

TFRS 9 Financial Instruments

A 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

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 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 Group is currently evaluating the impact of these standards on the financial statements in the year when they are adopted.

TFRS 16 Leases

TFRS 16 supersedes TAS 17 Leases together with related Interpretations. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases, and requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is low value.

Accounting by lessors under TFRS 16 is substantially unchanged from TAS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles to those used under TAS 17.

The Group plans to adopt TFRS 16 using the modified retrospective method of adoption of which the cumulative effect is recognised as an adjustment to the retained earnings as at 1 January 2020, and the comparative information was not restated.

The management of the Group expects the effect of the adoption of this accounting standard to the statement of financial position as at 1 January 2020 to be to increase the Group's assets by approximately Baht 29.55 million and the Company only approximately Baht 18.42 million, and the Group's liabilities by approximately Baht 29.55 million and the Company only approximately Baht 18.42 million.

2.3 Basis for consolidated financial statements preparation

The consolidated financial statements include the financial statements of the Union Mosaic Industry Public Company Limited and subsidiaries have the power to control or hold more than 50 percent of the voting rights of the company as follows:

			Percentage of holding	
			(% of share capital)	
	Type of Business	Head office	As at December 31, 2019	As at December 31, 2018
Direct Investment :				
Cermas Co ., Ltd.	Sales of mineral and soil	Bangkok	24.90	24.90
UMI Property Co ., Ltd.	Real Estate	Bangkok	37.57	37.57
Ruampat Ceramic Co ., Ltd.	Ceramic Agent	Bangkok	49.00	49.00
T.T. Ceramic Public Co ., Ltd	Manufacturer and Ceramic Agent	Saraburi	66.58	66.58

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

The consolidated financial statements have been prepared under the same accounting policies as those used for similar accounting transactions or similar accounting events for the preparation of the separate financial statements.

Total assets of the subsidiaries as at December 31, 2019 and 2018 , and Total revenue of subsidiaries for the years ended December 31, 2019 and 2018. The ratio is summarized in the consolidated financial statements.as follows:

	Total assets of the subsidiaries		Total revenue of subsidiaries	
	Percentage of total assets		Percentage of total revenue	
	as at December 31,		for the years ended December 31,	
	2019	2018	2019	2018
Cermas Co ., Ltd.	2.45	2.32	3.67	3.75
UMI Property Co ., Ltd.	2.46	2.44	1.68	1.59
Ruampat Ceramic Co ., Ltd.	1.99	1.69	5.58	4.28
T.T. Ceramic Public Co ., Ltd.	33.28	33.91	24.74	23.99

Non-controlling interest

Details of non-wholly owned subsidiaries which have material non-controlling interests as at December 31, 2019 and 2018, are as follows;

(Unit: Million Baht)

Company's name	Proportion of equity interest held by non-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	
	2019	2018	2019	2018	2019	2018	2019	2018
	(%)	(%)						
Cermas Co., Ltd.	75.10	75.10	47.21	44.35	2.77	5.74	1.58	1.58
UMI Property Co., Ltd.	62.43	62.43	28.07	24.93	3.14	1.28	-	-
Ruampat Ceramic Co., Ltd.	51.00	51.00	8.87	7.79	1.08	(3.45)	-	-
T.T. Ceramic Public Co., Ltd.	33.42	33.42	48.34	82.32	17.85	(16.40)	-	-

The summarized financial information before intragroup eliminations of each non-wholly owned subsidiary which has material non-controlling interests for the year ended December 31, 2019 and 2018, are as follows;

		(Unit: Million Baht)							
		Cermas Co., Ltd.		UMI Property Co., Ltd.		Ruampat Ceramic Co., Ltd.		T.T. Ceramic Public Co., Ltd.	
		2019	2018	2019	2018	2019	2018	2019	2018
Condensed statement of financial position									
As at December 31,									
Current assets		54.87	57.94	34.19	38.72	58.59	54.26	310.18	300.86
Non-current assets		20.31	19.82	41.20	43.04	2.37	2.47	711.45	835.51
Current liabilities		9.11	14.66	1.74	5.40	44.05	41.90	904.99	913.84
Non-current liabilities		2.88	1.50	27.65	35.40	2.00	2.03	80.53	81.50
Equity attributable to owners of the Company		63.19	61.60	46.00	40.96	14.91	12.80	36.11	141.03
Condensed statement of profit or loss and other comprehensive income									
For the year ended December 31,									
Revenues		90.71	90.57	41.49	38.48	137.94	103.48	611.30	579.79
Expenses		(87.02)	(82.93)	(36.46)	(36.43)	(135.82)	(110.24)	(712.67)	(605.07)
Profit (loss) for the year		3.69	7.64	5.03	2.05	2.12	(6.76)	(101.37)	(25.28)

Condensed statement of cash flows

(Unit: Million Baht)							
Cermas Co ., Ltd.		UMI Property Co ., Ltd.		Ruampat Ceramic Co ., Ltd.		T.T. Ceramic Public Co ., Ltd.	
2019	2018	2019	2018	2019	2018	2019	2018
Dividends paid to non-controlling interests	(1.58)	(1.58)	-	-	-	-	-
Net cash inflow (outflow) from operation activities	17.89	2.29	4.17	10.62	0.84	(0.38)	44.38
Net cash inflow (outflow) from investing activities	(6.11)	(0.43)	(0.35)	(0.81)	(0.01)	1.58	(2.00)
Net cash inflow (outflow) from financing activities	(2.58)	(1.86)	(6.44)	(6.83)	4.98	1.98	(40.16)
Net cash inflow (outflow)	9.20	-	(2.62)	2.98	5.81	3.18	2.22

3. ACCOUNTING POLICIES

3.1 Significant accounting policies

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

Revenues and Expenses Recognition

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

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

Interest income and other income is recognized as accrual basis.

Expense is recognized as accrual basis.

Trade accounts receivable

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

Allowance for doubtful accounts

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

Inventory Valuation

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

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

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

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

Property, plant and equipment

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

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

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

Investment properties

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

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

Deferred charges

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

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

Impairment of Assets

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

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

Foreign Currency Transactions

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

Investments

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

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

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

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

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

Capitalization of Interest

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

Provision for employees' benefits

Short-term employee benefits

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

Post-employment benefits

Defined contribution plans

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

Defined benefit plans

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

The obligation under the defined benefit plan is determined by a professionally qualified independent actuary based on actuarial techniques, using the projected unit credit method.

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

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

Corporate Income Tax

Corporate income tax for four subsidiaries is calculated based on net income of the non-promoted activity after adding back certain expenses and allowances which are forbidden expenses in tax computation at 20 percent of net profit before income tax.

Finance Lease

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

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

Operating Lease

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

Related party transactions

Related parties comprise enterprises and individuals that control, or are controlled by, the Company, whether directly or indirectly, or which are under common control with the Company. They also include associated companies and individuals which directly or indirectly own a voting interest in the Company that gives them significant influence over the Company, key management personnel, directors and officers with authority in the planning and direction of the Company's operations.

Segment information

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

that is subject to risks and returns that are different from those of components operating in other economic environments.

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

Income tax

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

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

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

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

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

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

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised.

4. JUDGMENTS AND ESTIMATES

The preparation of interim financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

Finance lease / operating lease.

The Company has entered into leases the vehicle. The Company and its subsidiaries and consider the scope of. The risks and rewards of ownership of the leased asset should be found by contract. Risk and return all or nearly all of the lessor. Such leases are classified as operating leases.

Allowance for doubtful accounts receivable.

Allowance for doubtful accounts receivable resulting from the revaluation of receivables from credit risk that may arise. Management uses Judgment to estimate losses expected to be incurred by each debtor. The analysis of the status of the debtor. Collection experiences in the past The aging analysis of accounts receivable and the current economic conditions, however, the use of estimates and assumptions different. May affect the amount of the allowance for doubtful accounts, thus improving the allowance for doubtful accounts may be held in the future.

Allowance for impairment of investments.

The Company considers allowance for impairment of investments. When the fair value of those investments dropped significantly and for a long time. The significant period and is based on management's judgment.

Depreciation

In calculating the depreciation of buildings and equipment. Management estimates the useful life and residual value of property, plant and equipment when not in use. And has reviewed the useful life and residual value if it has changed.

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.

Intangible assets

Intangible assets are amortized on a straight-line basis over the estimated useful lives. And to determine if there is any indication of impairment.

Provision for decline in value

The financial statements show the true value of inventories. And results of operations of the Company. The Company has reviewed the revised policy guidelines for impairment of inventories. To cover all types of finished goods, raw materials, spare parts and supplies. Considered impaired when the carrying amount of an asset exceeds its value is expected to be returned to the impairment of such assets. Over the long outstanding and no motion case.

Employee benefits

Note 22 The discount rate salary increase.

5. CASH AND CASH EQUIVALENTS

Consist of:

	(Unit : Baht)			
	Consolidated		Separate	
	As at December 31, 2019	As at December 31, 2018	As at December 31,2019	As at December 31,2018
Cash on hand	71,435	65,353	-	-
Cash in bank - current	24,083,924	11,758,639	10,364,760	11,100,200
Cash in bank - saving	24,421,491	26,556,755	8,966,713	1,538,492
Checks due date not raise some money	1,227,401	662,099	1,227,400	662,099
Total	49,804,251	39,042,846	20,558,873	13,300,791

6. CURRENT INVESTMENTS

Consist of:

	(Unit : Baht)			
	Consolidated		Separate	
	As at	As at	As at	As at
	December 31,	December 31,	December 31,	December 31,
	2019	2018	2019	2018
Fixed deposit				
(Over 3 months to 1 year)	22,253,405	20,580,849	-	-
Total	22,253,405	20,580,849	-	-

Current investment for the year ended December 31, 2019 and 2018 have the following movement:

	(Unit : Baht)			
	Consolidated		Separate	
	As at	As at	As at	As at
	December 31,	December 31,	December 31,	December 31,
	2019	2018	2019	2018
Beginning balance	20,580,849	102,005,067	-	80,260,429
Additions during the year	1,667,636	20,492,963	-	20,000,000
Disposal during the year	-	(101,629,132)	-	(99,985,090)
Gain on fair value adjustment	4,920	(288,049)	-	(275,339)
Ending balance	22,253,405	20,580,849	-	-

The Consolidated

As at December 31, 2019, investment in one listed security has cost of Baht 1.48 million and market price of Baht 0.00 million.

(As at December 31, 2018 , investment in one listed security has cost of Baht 1.48 million and market price of Baht 0.00 million).

7. TRADE AND OTHER CURRENT RECEIVABLE

Consist of:

	(Unit : Baht)			
	Consolidated		Separate	
	As at	As at	As at	As at
	December 31,	December 31,	December 31,	December 31,
	2019	2018	2019	2018
Trade accounts receivable				
- Related parties	100,705	582,792	28,707,477	34,348,875
- Others	524,781,591	581,616,794	429,663,950	478,449,083
Total Trade accounts receivable	524,882,296	582,199,586	458,371,427	512,797,958
<u>Less</u> Allowance for doubtful	(20,968,928)	(21,879,011)	(9,442,819)	(9,295,744)
Trade accounts receivable - net	503,913,368	560,320,575	448,928,608	503,502,214
Other accounts receivable	28,696,986	22,020,420	18,397,140	27,319,169
<u>Less</u> Allowance for doubtful	(1,065,945)	(1,065,945)	(1,065,945)	(1,065,945)
Other accounts receivable - net	27,631,041	20,954,475	17,331,195	26,253,224
Total trade accounts and other				
accounts receivable - net	531,544,409	581,275,050	466,259,803	529,755,438

As at December 31, 2019 and 2018, accounts receivable classified by aging are as follows:

	(Unit : Baht)			
	Consolidated		Separate	
	As at	As at	As at	As at
	December 31,	December 31,	December 31,	December 31,
	2019	2018	2019	2018
Related parties				
Undue	100,705	582,792	6,562,527	11,374,179
Overdue				
Less than 3 months	-	-	8,301,322	8,149,274
Over 3 months to 6 months	-	-	10,468,478	14,825,422
Over 6 months to 12 months	-	-	3,375,150	-
Over 12 months	-	-	-	-
Total related parties	100,705	582,792	28,707,477	34,348,875

	(Unit : Baht)			
	Consolidated		Separate	
	As at	As at	As at	As at
	December 31,	December 31,	December 31,	December 31,
	2019	2018	2019	2018
Others company				
Undue	300,480,689	311,176,868	267,248,424	267,878,421
Overdue				
Less than 3 months	184,245,178	212,578,208	148,410,104	175,227,200
Over 3 months to 6 months	9,392,226	32,489,389	2,987,234	24,289,438
Over 6 months to 12 months	7,593,917	3,223,125	388,666	1,642,319
Over 12 months	23,069,581	22,149,204	10,629,522	9,411,705
Total other accounts	524,781,591	581,616,794	429,663,950	478,449,083
Total trade accounts receivable	524,882,296	582,199,586	458,371,427	512,797,958
Allowance for doubtful accounts	(20,968,928)	(21,879,011)	(9,442,819)	(9,295,744)

Allowance for doubtful accounts receivable have changed during the year as follows:-

	(Unit : Baht)			
	Consolidated		Separate	
	As at	As at	As at	As at
	December 31,	December 31,	December 31,	December 31,
	2019	2018	2019	2018
Beginning balance	(21,879,011)	(23,637,063)	(9,295,744)	(8,839,740)
Increase	(147,075)	(1,456,216)	(147,075)	(456,004)
Decrease	1,057,158	3,214,268	-	-
Ending balance	(20,968,928)	(21,879,011)	(9,442,819)	(9,295,744)

As at December 31, 2019, the Company reversed the allowance for doubtful accounts in the amount of Baht 1.06 million due to debt repayment from such debtor. (As at December 31, 2018, the Company reversed allowance for doubtful accounts amounting to Baht 3.21 million due to debt repayment from such debtor).

8. INVENTORIES

As at December 31, 2019, and 2018 consist of:

	(Unit : Baht)			
	Consolidated		Separate	
	As at	As at	As at	As at
	December 31,	December 31,	December 31,	December 31,
	2019	2018	2019	2018
Finish goods	654,764,087	687,437,609	439,671,122	464,558,763
Work in process	4,354,778	4,064,052	112,640	336,963
Raw materials	34,518,421	28,997,032	17,774,761	19,447,774
Spare part and supplies	31,666,669	36,713,812	17,167,933	22,218,077
Goods intransit	4,607,535	16,523,739	4,607,535	5,950,985
Other	17,061,421	20,298,640	16,888,965	20,115,003
Total	746,972,911	794,034,884	496,222,956	532,627,565
Less allowance for declining in value of inventory	(21,771,820)	(29,736,913)	(4,449,224)	(11,733,461)
Net	725,201,091	764,297,971	491,773,732	520,894,104

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

	(Unit : Baht)			
	Consolidated		Separate	
	As at	As at	As at	As at
	December 31, 2019	December 31, 2018	December 31, 2019	December 31, 2018
Beginning balance	(29,736,913)	(28,503,113)	(11,733,461)	(13,106,778)
Increase	(5,311,973)	(5,608,359)	-	-
Decrease	13,277,066	4,374,559	7,284,237	1,373,317
Ending balance	(21,771,820)	(29,736,913)	(4,449,224)	(11,733,461)

As at December 31, 2019, the Company has reverse allowance of inventory amounting of Baht 13.28 million, and Separate amounting of Baht of 7.28 million. Also, the sold of inventory. (As at December 31, 2018, the Company has reverse allowance of inventory amounting of Baht 4.38 million. And Separate amounting of Baht 1.37 million. Also, the sold of inventory.)

REAL ESTATE HELD FOR SALE

On June 29, 2018, the Company received transfer condominium 8 unit. To pay for the sale of tiles instead of cash amount Baht 20.12 million. By purchased from the Origin property public company limited, held for sale to employees and directors without additional margin.

As at December 31, 2019 and 2018, the Company had remaining condominium of 6 unit in amount of Baht 16.89 million and 8 unit in amount of Baht 20.12 million, respectively.

During the year of 2019, the Company sold 2 units of condominiums to unrelated parties at a price of Baht 1.65 and 1.60 million respectively and having loss after deducting selling expenses amount of Baht 0.11 million and 0.11 million respectively.

9. INVESTMENTS

Consist of:

9.1 Investments in associated companies

				(Unit : Baht)			
				Consolidated / Separate			
				Cost Method		Equity Method	
				As at	As at	As at	As at
				December 31,	December 31,	December 31,	December 31,
Company's name	Type of Business	Paid-up Capital	Holding Portion	2019	2018	2019	2018
<u>Non-marketable securities</u>							
Tekno Cer S.R.L. Co., Ltd.*	Raw material	20,000,000	45.00%	192,600	192,600	192,600	192,600
	Supply	(Lir)					
Duragres Co., Ltd.	Consumer	25,000,000	40.00%	10,000,000	10,000,000	10,000,000	10,000,000
	products	(Baht)					
Total				10,192,600	10,192,600	10,192,600	10,192,600
Less Allowance for impairment investment				(10,192,600)	(10,192,600)	(10,192,600)	(10,192,600)
Net				-	-	-	-

* Stop operation and during the settlement process.

9.2 Investments in subsidiaries consist of:

(Unit : Baht)										
		Paid-up Capital (In Thousand Baht)		Holding Portion		Separate Cost Method		Dividends income		
		As at	As at	As at	As at			As at	As at	
		December	December	December	December			December	December	
Company's name	Type of Business	31, 2019	31, 2018	31, 2019	31, 2018	Relationship	31, 2019	31, 2018	31, 2019	31, 2018
<u>Subsidiaries</u>										
T.T. Ceramic Plc Co.,Ltd.	Manufacturer and Ceramic Agent	600,809	600,809	66.58%	66.58%	The same Shareholder and director	400,000,000	400,000,000	-	-
Cermas Co., Ltd	Sales of mineral and soil	21,000	21,000	24.90%	24.90%	The same Shareholder and director	4,728,000	4,728,000	522,900	522,900
UMI Property Co., Ltd.	Real estate	150,000	150,000	37.57%	37.57%	The same Shareholder and director	56,350,000	56,350,000	-	-
Ruampat Ceramic Co., Ltd.	Ceramic Agent	20,000	20,000	49.00%	49.00%	The same Shareholder and director	9,800,000	9,800,000	-	-
Total							470,878,000	470,878,000	522,900	522,900
<u>Less</u> Allowance for impairment investment							(223,753,612)	(160,407,135)	-	-
Net							247,124,388	310,470,865	522,900	522,900

The Board of Directors Meeting No. 4/2019, on August 13, 2019, passed a resolution to purchase the T.T. Ceramic Public Company Limited's shares returned from Royal Ceramic Public Company Limited. In the amount of 50 million shares at the price of 0.58 Baht per share, totaling Baht 29 million. After the reporting period, the company has bought back the said shares. (Note 35)

During the year 2019, the company was considering the impairment of investment in a subsidiary. The subsidiary, there is new property valuation during the year. Which cause impairment in machinery. In addition, the said subsidiary company has continuously suffered losses from operations. Resulting in the recoverable value when calculated in proportion to impairment amounting of Baht 63.34 million.

During the year 2018, The subsidiary T.T. Ceramic Public Co., Ltd. appraised its assets, accordingly, the company reversed allowance for impairment of investment net of the increase during the year amount of Baht 9.02 million. That have been recorded in the statement of comprehensive income. And Ruampat Ceramic Co., Ltd. allowance investment and the subsidiary suffered a loss from continuing operations. The asset impairment comparison between the book value amounts of Baht 1.06 million

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

Company's name	Type of Business	Paid-up Capital		(Unit : Baht)	
		(In Thousand Baht)	Holding portion	Consolidated / Separate	
				Cost Method	
				As at	As at
				December 31, 2019	December 31, 2018
<u>Other companies</u>					
Surf Dynamics Co., Ltd.	Water Sport equipment	14,000	14.28%	2,000,000	2,000,000

10. INVESTMENT PROPERTY

As at December 31, 2019 and 2018, the Company and a subsidiary's investment property, presented at cost, depreciated by straight line method as the useful life, and partly has been used as collateral for short-term loans from financial institutions. (Note 17)

Investment property as follow:

	(Unit : Baht)			
	Consolidated		Separate	
	As at	As at	As at	As at
	December 31, 2019	December 31, 2018	December 31, 2019	December 31, 2018
Land	824,277	824,277	824,277	824,277
Office building - net	39,888,980	40,745,074	-	-
Total	40,713,257	41,569,351	824,277	824,277

Depreciation of office building units for the year ended December 31, 2019 and 2018, amount of Baht 0.86 million and Baht 1.83 million, respectively.

11. PROPERTY, PLANT AND EQUIPMENT

	Consolidated (Thousand Baht)											
	Cost					Accumulated Depreciation					Net-Book Value	
	As at	Increase	Decrease	Transferred	As at	As at	Increase	Decrease	Transferred	As at	As at	As at
	December 31,			In (Out)	December 31,	December 31,			(In) Out*	December	December 31,	December 31,
	2018				2019	2018				31, 2019	2018	2019
<u>Appraise value</u>												
Land of plant - at cost	123,086	-	-	-	123,086	-	-	-	-	-	123,086	123,086
Appraisal surplus of land of plant	257,841	2,612	-	-	260,453	-	-	-	-	-	257,841	260,453
Improvement of land of plant	62,694	-	-	-	62,694	-	-	-	-	-	62,694	62,694
Land of plant-appraise value	443,621	2,612	-	-	446,233	-	-	-	-	-	443,621	445,233
<u>Cost</u>												
Condominium units	443,046	-	-	-	443,046	(364,735)	(1,696)	-	-	(366,431)	78,311	76,615
Plant and construction	1,594,840	709	-	47	1,595,596	(1,082,855)	(47,927)	-	-	(1,130,782)	511,985	464,814
Building the publication added	281,805	-	-	-	281,805	(117,843)	(33,883)	-	-	(151,726)	163,962	130,079
Office improvement and fixture	83,038	94	-	-	83,132	(80,673)	(1,001)	-	-	(81,674)	2,365	1,458
Machinery	4,122,364	14,751	(11,211)	3,354	4,129,258	(3,373,977)	(99,955)	10,870	-	(3,463,062)	748,387	666,196
Tools and office equipment	234,510	694	-	-	235,204	(229,787)	(3,418)	7	-	(233,198)	4,723	2,006
Furniture and office equipment	125,730	1,254	(2,052)	-	124,932	(118,793)	(2,098)	2,045	-	(188,846)	6,937	6,086
Vehicles	38,993	3,998	(300)	-	42,691	(27,212)	(5,304)	300	-	(32,216)	11,781	10,475
Machinery and equipment in process	852	10,632	(5,825)	(3,401)	2,258	-	-	-	-	-	852	2,258
Total	7,368,799	34,744	(19,388)	-	7,384,155	(5,395,875)	(195,282)	13,222	-	(5,577,935)	1,972,924	1,806,220
<u>Less</u> Allowance for impairment building and machine											(203,393)	(212,967)
Property, plant and equipment-net											1,769,531	1,593,253

Depreciation for the year ended 2019, amount of Baht 195.28 Million. (Baht 161.48 million included in cost of sales, and Baht 33.80 million included in selling and administrative expenses).

	Consolidated (Thousand Baht)											
	Cost					Accumulated Depreciation					Net-Book Value	
	As at	Increase	Decrease	Transferred	As at	As at	Increase	Decrease	Transferred	As at	As at	As at
	December 31,			In (Out)	December 31,	December 31,			(In) Out	December	December 31,	December 31,
	2017				2018	2017				31, 2018	2017	2018
<u>Appraise value</u>												
Land of plant - at cost	123,086	-	-	-	123,086	-	-	-	-	-	123,086	123,086
Appraisal surplus of land of plant	171,612	86,229	-	-	257,841	-	-	-	-	-	171,612	257,841
Improvement of land of plant	62,694	-	-	-	62,694	-	-	-	-	-	62,694	62,694
Land of plant-appraise value	357,392	86,229	-	-	443,621	-	-	-	-	-	357,392	443,621
<u>Cost</u>												
Condominium units	443,046	-	-	-	443,046	(362,567)	(2,168)	-	-	(364,735)	80,479	78,311
Plant and construction	1,592,588	-	-	2,252	1,594,840	(1,035,949)	(46,906)	-	-	(1,082,855)	556,639	511,985
Building the publication added	281,805	-	-	-	281,805	(96,857)	(20,986)	-	-	(117,843)	184,948	163,962
Office improvement and fixture	82,704	334	-	-	83,038	(79,661)	(1,012)	-	-	(80,673)	3,043	2,365
Machinery	4,129,798	904	(56,561)	48,223	4,122,364	(3,292,121)	(119,293)	53,508	(16,071)	(3,373,977)	837,677	748,387
Tools and office equipment	232,131	1,292	(59)	1,146	234,510	(222,941)	(6,905)	59	-	(229,787)	9,190	4,723
Furniture and office equipment	145,731	227	-	(20,228)	125,730	(134,841)	(4,654)	-	20,702	(118,793)	10,890	6,937
Vehicles	38,346	1,120	(2,990)	2,517	38,993	(21,569)	(6,116)	2,990	(2,517)	(27,212)	16,777	11,781
Machinery and equipment in process	15,541	17,323	-	(32,012)	852	-	-	-	-	-	15,541	852
Total	7,319,082	107,429	(59,610)	1,898	7,368,799	(5,246,506)	(208,040)	56,557	2,114	(5,395,875)	2,072,576	1,972,924
<u>Less Allowance for impairment building and machine</u>											(176,577)	(203,393)
Property, plant and equipment-net											1,895,999	1,769,531

Depreciation for the year ended 2018, amount of Baht 208.04 Million. (Baht 155.04 million included in cost of sales, and Baht 53.00 million included in selling and administrative expenses).

* During the year 2018, there was an adjustment of the allowance for impairment to the accumulated depreciation account. In the amount of Baht 28.77 million due to the impact of the reversal of impairment Must not exceed the book value that should be.

	Separate (Thousand Baht)											
	Cost					Accumulated Depreciation					Net-Book Value	
	As at	Increase	Decrease	Transferred	As at	As at	Increase	Decrease	Transferred	As at	As at	
	December 31,			In (Out)	December 31,	December 31,			(In) Out	December 31,	December 31,	
	2018				2019	2018				2019	2018	2019
<u>Appraise value</u>												
Land of plant – at cost	74,245	-	-	-	74,245	-	-	-	-	-	74,245	74,245
Appraisal surplus of land of plant	212,916	-	-	-	212,916	-	-	-	-	-	212,916	212,916
Improvement of land of plant	5,430	-	-	-	5,430	-	-	-	-	-	5,430	5,430
Land of Plant-appraise value	292,591	-	-	-	292,591	-	-	-	-	-	292,591	292,591
<u>Cost</u>												
Condominium units	53,751	-	-	-	53,751	-	-	-	-	-	53,751	53,751
Plant and Construction	878,993	-	-	47	879,040	(731,991)	(22,217)	-	-	(754,208)	147,002	124,832
Office improvement and fixture	45,029	14	-	-	45,043	(43,418)	(677)	-	-	(44,095)	1,611	948
Machinery	2,688,160	4,000	(11,211)	3,354	2,684,303	(2,411,215)	(53,306)	10,870	-	(2,453,651)	276,945	230,652
Tools and office equipment	204,423	215	-	-	204,638	(198,292)	(2,838)	-	-	(201,130)	6,131	3,508
Furniture and office equipment	115,730	927	(377)	-	116,280	(110,886)	(2,010)	377	-	(112,519)	4,844	3,761
Vehicles	30,147	556	-	-	30,703	(20,698)	(3,805)	-	-	(24,503)	9,449	6,200
Machinery and equipment in process	513	8,939	(5,825)	(3,401)	226	-	-	-	-	-	513	226
Total	4,309,337	14,651	(17,413)	-	4,306,575	(3,516,500)	(84,853)	11,247	-	(3,590,106)	792,837	716,469
<u>Less</u> Allowance for impairment asset											-	-
Property, plant and equipment-net											792,837	716,469

Depreciation for the year ended 2019, amount of Baht 84.85 Million. (Baht 73.48 million included in cost of sales, and Baht 11.37 million included in selling and administrative expenses)

	Separate (Thousand Baht)											
	Cost					Accumulated Depreciation					Net-Book Value	
	As at	Increase	Decrease	Transferred	As at	As at	Increase	Decrease	Transferred	As at	As at	As at
	December 31,			In (Out)	December 31,	December 31,			(In) Out	December 31,	December 31,	December 31,
	2017				2018	2017				2018	2017	2018
<u>Appraise value</u>												
Land of plant – at cost	74,245	-	-	-	74,245	-	-	-	-	-	74,245	74,245
Appraisal surplus of land of plant	142,485	70,431	-	-	212,916	-	-	-	-	-	142,485	212,916
Improvement of land of plant	5,430	-	-	-	5,430	-	-	-	-	-	5,430	5,430
Land of Plant-appraise value	222,160	70,431	-	-	292,591	-	-	-	-	-	222,160	292,591
<u>Cost</u>												
Condominium units	53,751	-	-	-	53,751	-	-	-	-	-	53,751	53,751
Plant and Construction	876,741	-	-	2,252	878,993	(709,816)	(22,175)	-	-	(731,991)	166,925	147,002
Office improvement and fixture	45,029	-	-	-	45,029	(42,670)	(748)	-	-	(43,418)	2,359	1,611
Machinery	2,719,780	-	(49,485)	17,865	2,688,160	(2,363,146)	(69,033)	18,447	2,517	(2,411,215)	356,634	276,945
Tools and office equipment	203,518	49	-	856	204,423	(193,060)	(5,232)	-	-	(198,292)	10,458	6,131
Furniture and office equipment	135,958	-	-	(20,228)	115,730	(127,079)	(4,510)	-	20,703	(110,886)	8,879	4,844
Vehicles	26,510	1,120	-	2,517	30,147	(13,475)	(4,706)	-	(2,517)	(20,698)	13,035	9,449
Machinery and equipment in process	15,203	11,916	-	(26,606)	513	-	-	-	-	-	15,203	513
Total	4,298,650	83,516	(49,485)	(23,344)	4,309,337	(3,449,246)	(106,404)	18,447	20,703	(3,516,500)	849,404	792,837
<u>Less</u> Allowance for impairment asset											-	-
Property, plant and equipment-net											849,404	792,837

Depreciation for the year ended 2018, amount of Baht 106.40 Million. (Baht 94.35 million included in cost of sales, and Baht 12.05 million included in selling and administrative expenses)

(Unit : Baht)

	Consolidated statements of		Separate statements of	
	comprehensive income for		comprehensive income for	
	the years ended December 31,		the years ended December 31,	
	2019	2018	2019	2018
Depreciation	195,282,615	208,039,783	84,852,367	106,404,170

During the year 2019, the subsidiary company conducted a survey of machinery and reviewed the classification of operating and non-operating machinery. In addition, the assets were re-evaluated by an independent appraiser who is not related to a company, evaluating the assets by using cost-based analysis, resulting in the reversal of impairment of buildings and machinery in the amount of Baht 9.57 million.

During the year 2018, the Company considered the impairment of buildings in the consolidated financial statements in the amount of Baht 0.14 million and reversed the allowance for impairment of machinery in the amount of Baht 1.06 million because the subsidiary assessed the new machinery during the year.

During the year 2018, the Subsidiary reclassified its operating and non-operating machinery classification. In addition, the new appraisal was conducted by an independent appraiser unrelated to the Company, Siam Appraisal and Services Co., Ltd., to appraise the assets using the cost method. It results in impairment in buildings of Baht 9.89 million and reversal of impairment of machinery. And was allowance impairment mounting to Baht 37.78 million.

As at December 31, 2019 and 2018, the Company and a subsidiary's land are stated at appraised value (the land of plant), reports of the independent appraiser in 2019, valued by market value method. The excess of appraised value on the consolidated financial statements over cost in amount of Baht 180.14 million and Baht 178.75 million, respectively and the separate financial statements in amount of Baht 170.33 million and Baht 170.33 million, respectively, are shown as "Revaluation surplus of land" under "Shareholders' Equity" in the statement of financial position. The revaluation surplus of land is not available for dividend distribution.

As at December 31, 2019 and 2018, the Company has mortgaged of land, building and part of machineries by cost in consolidated amount of Baht 3,775.21 million and Baht 2,157.74 million, respectively, and in separate amount of Baht 1,810.34 million and Baht 194.69 million, respectively, and in the net from accumulated depreciation and provision for impairment in consolidated amount of Baht 949.56 million and Baht 796.82 million, respectively, and in consolidated amount of Baht 257.66 million and Baht 23.30 million, respectively, as collateral Bank overdrafts and short-term and long-term loans from banks.

During the year 2019, assets have been sold to unrelated parties at the net book value. In the consolidated financial statements in the amount of Baht 0.34 million and the separate financial statements in the amount of Baht 0.34 million in which the loss

from the disposal of assets in the consolidated financial statements in the amount Baht 0.14 million and separate financial statements in the amount of Baht 0.14 million.

During the year 2019, assets were sold to related companies at net book value. In the consolidated financial statements of Baht 5.89 million and separate financial statements of Baht 5.89 million which has been recorded in the statement of comprehensive income.

During the year 2018, the Company sold assets to related companies in the net book value of Baht 31.04 million. The loss from the sale of those assets amounted of Baht 17.01 million which was recorded in the statements of income and other comprehensive income.

As at December 31, 2019 and 2018, the Company and subsidiaries have fully depreciated but still use the assets as follows:-

	(Unit : Baht)			
	Consolidated		Separate	
	As at December 31, 2019	As at December 31, 2018	As at December 31, 2019	As at December 31, 2018
Machinery	1,731,373,242	1,719,047,239	1,691,323,072	1,674,881,125
Plant and construction	664,501,994	474,426,416	636,578,495	446,503,918
Tools and Office Equipment	347,165,075	351,421,774	301,057,237	304,285,554
Office Building	67,189,903	66,128,003	42,498,201	41,436,301
Vehicles	21,077,775	11,308,265	15,941,022	8,901,830

12. INTANGIBLE ASSETS

As at December 31, 2019 are as follows :

	(Unit : Baht)				
	Consolidated				
	January 1, 2019	Increase	Decrease	Transfer in (Transfer out)	December 31, 2019
Computer software	68,979,567	1,108,000	-	-	70,087,567
<u>Less</u> Accumulated amortization	(34,266,216)	(8,592,405)	-	-	(42,858,621)
Net	34,713,351	(7,484,405)	-	-	27,228,946

Amortization expenses included in the statement of comprehensive income for the years ended December 31, 2019 and 2018 amount of Baht 8.59 million and Baht 2.06 million, respective.

	(Unit: Baht)			
	Separate			
	January 1, 2019	Increase	Decrease	December 31, 2019
Computer software	49,740,893	1,108,000	-	50,848,893
<u>Less Accumulated</u>				
amortization	(22,079,165)	(6,705,042)	-	(28,784,207)
Net	27,661,728	(5,597,042)	-	22,064,686

Amortization expenses included in the statement of comprehensive income for the years ended December 31, 2019 amount of Baht 6.71 million.

In 2018, the Company has classified its intangible assets. By classified the cost and accumulated amortization from property, plant and equipment. Show new under the intangible asset list (Note 11)

13. DEFERRED TAX ASSETS AND DEFERRED TAX LIABILITIES

As at December 31, 2019 and 2018, the deferred tax assets and deferred tax liabilities are as follows:

	(Unit : Baht)			
	Consolidated		Separate	
	December 31, 2019	December 31, 2018	December 31, 2019	December 31, 2018
Total	2,985,750	2,985,750	23,862,401	8,385,192
Off set of tax	-	-	-	-
Net deferred tax assets	2,985,750	2,985,750	23,862,401	8,385,192

	(Unit : Baht)			
	Consolidated		Separate	
	December 31, 2019	December 31, 2018	December 31, 2019	December 31, 2018
Total	79,127,538	84,672,058	-	-
Off set of tax	-	-	-	-
Net deferred tax liabilities	79,127,538	84,672,058	-	-

The movement on the deferred income tax is as follows:

(Unit : Baht)				
	Consolidated		Separate	
	2019	2018	2019	2018
Deferred tax assets				
Beginning	2,985,750	2,854,005	8,385,192	25,826,116
Income tax recognized in shareholders' equity	-	-	-	(14,086,160)
Income tax recognized in statement of comprehensive income	-	131,745	15,477,209	(3,354,764)
Ending	2,985,750	2,985,750	23,862,401	8,385,192
Deferred tax liabilities				
Beginning	84,672,058	72,651,568	-	-
Income tax recognized in shareholders' equity	522,456	17,245,895	-	-
Income tax recognized in statement of comprehensive income	(6,066,976)	(5,225,405)	-	-
Ending	79,127,538	84,672,058	-	-
Income tax recognized in statement of comprehensive income	(6,066,976)	(5,093,660)	15,477,209	(3,354,764)

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

(Unit : Baht)				
	Consolidated			
	(Charged) / credited to:			
	January 1, 2019	Profit or loss	Other comprehensive income / Equity	December 31, 2019
Deferred tax assets				
Allowance for doubtful account - Receivable	2,517,274	-	-	2,517,274
Accumulated employees benefit	468,476	-	-	468,476
Total	2,985,750	-	-	2,985,750

(Unit : Baht)			
Consolidated			
	(Charged) / credited to:		
	January 1, 2019	Profit or loss	Other comprehensive income / Equity
			December 31, 2019
Deferred tax liabilities			
Allowance for doubtful account – receivable	2,072,338	29,415	-
Provision obsolete stock	2,346,692	(1,456,847)	-
Impairment of assets	-	-	-
Accumulated employees benefit	14,468,078	4,235,346	-
Difference in depreciation for tax and accounting	(26,408,844)	6,028,520	-
Appraisal surplus of Land-Factory	(45,743,078)	-	(522,456)
Gain on a bargain purchase	(31,407,244)	(2,769,458)	-
Total	(84,672,058)	6,066,976	(522,456)

(Unit : Baht)			
Consolidated			
	(Charged) / credited to:		
	January 1, 2018	Profit or loss	Other comprehensive income / Equity
			December 31, 2018
Deferred tax assets			
Allowance for doubtful account – Receivable	2,517,274	-	-
Allowance impairment of investment	-	-	-
Accumulated employees benefit	336,731	131,745	-
Total	2,854,005	131,745	-

(Unit : Baht)				
Consolidated				
	January 1, 2018	(Charged) / credited to:		December 31, 2018
		Profit or loss	Other comprehensive income / Equity	
Deferred tax liabilities				
Allowance for doubtful account – receivable	2,207,147	(134,809)	-	2,072,338
Provision obsolete stock	2,513,347	(166,655)	-	2,346,692
Impairment of assets	9,518,612	(9,518,612)	-	-
Accumulated employees benefit	16,060,246	(1,592,168)	-	14,468,078
Difference in depreciation for tax and accounting	(32,490,465)	6,081,621	-	(26,408,844)
Appraisal surplus of Land-Factory	(28,497,183)	-	(17,245,895)	(45,743,078)
Gain on a bargain purchase	(41,963,272)	10,556,028	-	(31,407,244)
Total	(72,651,568)	5,225,405	(17,245,895)	(84,672,058)

(Unit : Baht)				
Separate				
	January 1, 2019	(Charged) / credited to:		December 31, 2019
		Profit or loss	Other comprehensive income / Equity	
Deferred tax asset (liabilities)				
Allowance for doubtful account - Receivable	2,072,338	29,415	-	2,101,753
Provision obsolete stock	2,346,693	(1,456,848)	-	889,845
Accumulated employees benefit	14,468,079	4,235,346	-	18,703,425
Allowance for impairment of investments	32,081,425	12,669,296	-	44,750,721
Appraisal surplus of Land-Factory	(42,583,343)	-	-	(42,583,343)
Total	8,385,192	15,477,209	-	23,862,401

(Unit : Baht)

	Separate		
	(Charged) / credited to:		
	Other		December 31,
	January 1,	comprehensive	
	2018	Profit or loss	income / Equity
Deferred tax asset (liabilities)			
Allowance for doubtful account - Receivable	2,075,403	(3,065)	-
Provision obsolete stock	2,513,347	(166,654)	-
Accumulated employees benefit	16,060,246	(1,592,167)	-
Allowance for impairment of investments	33,674,303	(1,592,878)	-
Appraisal surplus of Land-Factory	(28,497,183)	-	(14,086,160)
Total	25,826,116	(3,354,764)	(14,086,160)

Deferred tax assets that have not been recognized caused by the follows :

(Unit : Baht)

	Consolidated		Separate	
	December 31,	December 31,	December 31,	December 31,
	2019	2018	2019	2018
Allowance for doubtful account - Receivable	2,305,222	3,159,507	-	-
Allowance for impairment of assets	85,654,475	74,787,979	-	-
Allowance for inventories	3,464,519	3,600,690	-	-
Unrealized gain (loss) from available-for-sale investments	295,016	270,526	-	-
Accumulated employees benefit	3,436,629	2,307,479	-	-
Deficit brought forward not more than 5 years	59,710,078	94,864,917	-	-
Total	154,865,939	178,991,098	-	-

The Company records deferred tax assets in respect of the tax losses brought forward for the amount estimated to be utilized in the carry forward losses.

14. ASSETS NOT USED IN OPERATIONS

	(Unit : Baht)
	Consolidated
	Assets not used in operation
Cost	
As at December 1, 2018	207,633,116
Transfer in - To reclassify used in operation asset (Note 11)	182,391,172
Transfer out - To reclassify used in operation asset (Note 11)	(207,633,116)
As at December 31, 2018	182,391,172
Transfer in - To reclassify used in operation asset (Note 11)	-
Transfer out - To reclassify used in operation asset (Note 11)	-
As at December 31, 2019	182,391,172
<u>Less</u> Accumulated depreciation	
As at December 1, 2018	(107,844,085)
Depreciation	(2,920,504)
Transfer in - To reclassify used in operation asset (Note 11)	(118,027,431)
Transfer out - To reclassify used in operation asset (Note 11)	107,844,085
As at December 31, 2018	(120,947,935)
Depreciation	(8,421,367)
As at December 31, 2019	(129,369,302)
<u>Less</u> Allowance impairment	
As at December 31, 2018	(15,381,632)
As at December 31, 2019	(15,381,632)
Net book value as at December 31, 2019	37,640,238
Net book value as at December 31, 2018	46,061,605

As at December 31, 2019 and 2018, A subsidiary has pledged its machine non-used in operation, machinery and equipment (Before deducting machinery impairment) amounting to approximately of Baht 49.84 million and Baht 57.59 million, respectively. And all unused machinery has been mortgaged / pledged to financial institutions to guarantee credit of the company.

During the year of 2018, a subsidiary repaired the machinery which was not in use of back to work. The reclassifications Machine used in operation in note 11, As at December 31, 2017. The machine is not used was historical cost amounting to Baht 68.48 million and was allowance impairment amounting to Baht 68.48 million.

15. ASSETS UNDER CONSTRUCTION AND INSTALLATION

As at December 31, 2019 and 2018 Consist of:

	(Unit : Baht)	
	Consolidated	
	As at	As at
	December 31, 2019	December 31, 2018
Cost	198,738,492	198,738,492
<u>Less Allowance impairment</u>	<u>(198,738,492)</u>	<u>(198,738,492)</u>
Net book value	-	-

As at December 31, 2019 and 2018, a subsidiary was work in progress assets which have no the continuing construction plan by was historical cost amounting to Baht of 198.74 million and Baht 198.74 million, and was impairment amounting to Baht of 198.74 million and Baht 198.74 million, respectively.

16. OTHER NON-CURRENT ASSETS

Consist of:

	(Unit : Baht)			
	Consolidated		Separate	
	As at	As at	As at	As at
	December 31, 2019	December 31, 2018	December 31, 2019	December 31, 2018
Deposits with commitment	6,503,185	6,478,355	-	-
Guarantee and deposit	17,191,000	18,034,790	888,200	888,200
Land for sale	4,740,000	4,740,000	4,740,000	4,740,000
Others	119,466	238,661	-	-
Total	28,553,651	29,491,806	5,628,200	5,628,200

As at December 31, 2019 and 2018 the fixed deposits of subsidiaries companies are used as collateral for bank overdrafts and loans from banks (Note 17) and bank's issuance of letter of guarantee to the Metropolitan Power Authority for electricity usage. (Note 32.2) of subsidiaries

As at December 31, 2019 and 2018, a subsidiaries companies had marginal deposit of Baht 16 million and Baht 16 million respectively and guarantee the use of electricity with government agencies of Baht 2.4 million and Baht 2.4 million respectively.

17. BANK OVERDRAFTS AND SHORT – TERM BORROWINGS FROM FINANCIAL INSTITUTIONS

Consist of:

	(Unit : Baht)			
	Consolidated		Separate	
	As at	As at	As at	As at
	December 31, 2019	December 31, 2018	December 31, 2019	December 31, 2018
Bank overdrafts	16,635,780	2,162,843	16,635,780	-
Trust Receipt	77,371,589	101,364,631	77,371,589	101,364,631
Total	94,007,369	103,527,474	94,007,369	101,364,631

The company has paid interest for bank overdraft for the year 2019 at the interest rate of MOR-2.25% per year.

The subsidiaries pays interest on the overdraft in 2018 at the rate of MOR 4.00 - 4.25% per year.

Bank overdrafts and short-term loans from financial institutions were guaranteed by the mortgage of investment property (Note 10) and land, building and part of machineries as collateral (Note 11) and Bank deposits with the obligations of its subsidiaries (Note 16).

18. TRADE AND OTHER CURRENT PAYABLE

Consist of:

	(Unit : Baht)			
	Consolidated		Separate	
	As at	As at	As at	As at
	December 31, 2019	December 31, 2018	December 31, 2019	December 31, 2018
Trade accounts payables	155,051,162	250,482,844	128,574,449	205,347,223
Other - accounts payables	116,527,198	119,893,420	68,117,103	78,840,824
Total	271,578,360	370,376,264	196,691,552	284,188,047

Other account payables consist of:

	(Unit : Baht)			
	Consolidated		Separate	
	As at December 31, 2019	As at December 31, 2018	As at December 31, 2019	As at December 31, 2018
Advance payment for goods	892,070	1,327,248	589,311	863,692
Accrued sales promotion	5,072,945	1,143,888	5,072,945	1,143,888
Accrued transportation	16,779,513	15,570,289	4,800,000	4,000,000
Accrued expense - other	93,782,670	101,851,995	57,654,847	72,833,244
Total	116,527,198	119,893,420	68,117,103	78,840,824

19. DEBENTURES

As at December 31, 2019, the Company with having registered and bond holders representative debentures as follow:

Debenture No.	No. of units (Million unit)	Principle (Million Baht)	Interest rate per annum (% p.a.)	Term of interest payment	Maturity Date	Outstanding balance as at December 31, 2019 (in million Baht)
UMI197A	0.5	500	5.35%	Quarterly	July 15, 2019	500.00
Repurchase Debentures						(500.00)
<u>Less</u> Debentures issuing expenses						-
Net						-

On July 12, 2019, the company redeemed all of the debentures due.

20. LIABILITIES UNDER DEBT REHABILITATION PLAN

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

Debt allocation and capital structure

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

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

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

Capital increasing by debt to equity conversion

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

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

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

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

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

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

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

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

As at December 31, 2019 and 2018, a subsidiary's debts under restructuring plan are as follow:

	(Unit : Baht)	
	Consolidated	
	December 31, 2019	December 31, 2018
Liabilities under debt restructuring plan	723,531,142	734,602,022
<u>Less</u> due within one year	(723,531,142)	(734,602,022)
Liabilities under debt restructuring plan	-	-

The subsidiary is due for repayment of the whole loan in August 2020.

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

On February 27, 2017, the subsidiary was approved to re-schedule the repayment schedule with the creditors only in the banking sector. By reducing the principal repayment of each installment from every 6 months, it pays monthly instead. The payment period is still 2017 - 2020.

On February 22, 2018, the subsidiary requested for a grace period of repayment of principal and interest payment from 5% to 1% per annum with the EXIM bank and OCBC bank. At present, the Company is in the process of revising the debt repayment agreement, which is due within one year. Still classified according to the original payment schedule. The Company's management has assessed the indebtedness in the financial statements. The request for waiver of the payment period mentioned above.

During the year of 2018, a subsidiary did not pay according to the terms of the agreement on March 2018. a subsidiary paid

- Principal of approximately amount of Baht 2.5 million from the original principal repayment amount of Baht 2.9 million. and
- Payment of interest is only 1% or approximately amount of Baht 0.4 million from the original payment at the rate of 5% of approximately amount of Baht 1.9 million.

On June 28, 2018, the subsidiary company was approved to change the repayment schedule with the specific group of creditors. By paying the principal amount from the original of Baht 2.9 million to the remaining 2.5 million baht. The principal amount to be paid decreased by 0.4 million baht per month to be paid to the final installment of the debt

restructuring plan instead. As for the interest payment from the former at the rate of 5 percent in the period 67 - 77 (March 2018 - January 2019) for a period of 11 months, the payment will be made only at 1 percent. February 2019) instead

As at December 31, 2019, the subsidiary repaid the principal of August 2018 - July 2019. Also, since August 2019, the subsidiary has stopped paying the principal and interest that does not meet the new repayment schedule in the group of financial institution creditors., not in accordance with the new repayment schedule in the financial institution creditors group. The subsidiary therefore recorded the provision for payment of non-compliance with the amount of Baht 4.92 million (default interest rate of 18 - 25% per year). Number At present, the subsidiary is in the process of requesting to negotiate with the said financial institution.

21. LOANS FROM FINANCIAL INSTITUTIONS

Consist of:

	(Unit : Baht)			
	Consolidated		Separate	
	As at December 31, 2019	As at December 31, 2018	As at December 31, 2019	As at December 31, 2018
Loans from banks	269,394,176	1,462,433	268,615,000	-
<u>Less</u> Portion due within one year	(60,537,749)	(683,257)	(59,820,000)	-
Net	<u>208,856,427</u>	<u>779,176</u>	<u>208,795,000</u>	<u>-</u>

Movements in the long-term loans account for the year ended December 31, 2019 are summarized below.

	(Unit : Baht)	
	Consolidated	Separate
Balance as at January 1, 2019	1,462,433	-
Addition loan	300,000,000	300,000,000
Repayment	(32,068,257)	(31,385,000)
Balance as at December 31, 2019	<u>269,394,176</u>	<u>268,615,000</u>

As at June 27, 2019, the Company entered into a loan agreement with a local financial institution in the amount of baht 300 million and has mortgaged the land with buildings and machinery as additional collateral from the original (Note 11). The Company received the whole amount of loan.

Interest of long-term loans is charged at the rate of MLR-Margin of 1.775% per annum (interest rate of MLR which at the time of entering into this agreement, the bank announced the rate of 6.775% per annum).

Land including buildings and machinery (Note 11) were registered as collateral for loans from the banks.

From the date of signing this agreement onwards until the loan applicant completes debt payment with the bank. The applicant agrees to maintain the financial proportion according to the separate financial statements as follows:

- Maintain debt to equity ratio from the year 2019 to the year 2024, not more than 1 time
- Maintain financial ratios from the year 2019 to the year 2024 not less than 1.20 times

From the date of signing this agreement onwards until the loan applicant completes debt payment with the bank. The applicant agrees to do not do the following.

- Loan to related persons and the directors of the loan applicants in an amount of more than 60,000,000 baht, depending on the financial statements of the applicant (According to the separate financial statements as of December 31, 2018).
- Sale, pay, transfer, rent, pledge, mortgage, incur over obligation or cause any responsibility or condition on the building, UMI1 factory, and the machinery of the UMI1 factory, which causes other people to have rights over the assets of the applicant and no matter what unless given to the bank or given prior written consent from the bank.
- Guaranteed debt of other companies regardless of debt one type or many types, that are currently available or will be rebuilt in the future with any lender and / or lender unless given to the bank or receiving a prior written consent from the bank.
- Invest in a joint venture and / or business as a partnership and any other company in the amount of more than Baht 315,000,000, unless receiving prior written consent from the bank.

The applicant agrees to pay interest separately on a monthly basis. From the first drawdown date onwards and repay the principal in monthly installments equal amount per month. An amount equal to 1.67 percent of the amount of the loan drawn down. Due within the last working day of the month. Repayment of principal commencing from the first month of drawdown and complete all repayment within 5 years from the first draw down date.

22. PROVISION FOR EMPLOYEE BENEFIT

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

	(Unit : Baht)			
	Consolidated		Separate	
	As at	As at	As at	As at
	December 31,	December 31,	December 31,	December 31,
	2019	2018	2019	2018
Provision for employee benefits - beginning	85,268,633	91,791,416	72,340,392	78,619,089
<u>Add</u> Actuarial gains (losses) not yet recognized in the statement of financial position	3,554,541	-	-	-
Recognized amount	32,573,803	10,311,371	30,245,916	8,667,535
<u>Less</u> liability decrease from actual paid	(10,550,045)	(16,834,154)	(9,069,185)	(14,946,232)
Provision for employee benefits - ending	110,846,932	85,268,633	93,517,123	72,340,392
Present value of unfunded obligation as at December 31,	110,846,932	85,268,633	93,517,123	72,340,392
Current service cost	7,389,725	7,090,052	5,510,056	5,772,027
Interest cost	3,452,226	3,221,319	2,898,036	2,895,508
Past service cost	21,731,852	-	21,837,824	-
Total – recognized in the statement of income	32,573,803	10,311,371	30,245,916	8,667,535
Provision for employee benefit	110,846,932	85,268,633	93,517,123	72,340,392
<u>Less</u> Due within one year	(4,502,484)	(6,587,272)	(3,609,184)	(6,021,732)
Provision for employee benefit - Net	106,344,448	78,681,361	89,907,939	66,318,660

The key assumptions in actuarial valuation used in the calculation of employee benefit obligations are as follows:

	Consolidated		Separate	
	As at December 31, 2019	As at December 31, 2018	As at December 31, 2019	As at December 31, 2018
Discount rate (%)	2.66 - 3.30	2.87 - 4.80	2.87 - 3.30	2.87 - 3.30
Salary increase rate (%)	4.83 - 4.99	4.89 - 6.19	4.89 - 4.99	4.89 - 4.99
Turnover Rate (%)	0 - 28	0 - 28	0 - 28	0 - 28
Retirement age (years old)	55 - 60	55 - 60	60	60

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligations as at December 31, 2019 are summarized below:

(Unit : Baht)

	Change of the present value of the employee benefit obligations increase (decrease)			
	Consolidated		Separate	
	Increase 0.5%	Decrease 0.5%	Increase 0.5%	Decrease 0.5%
Discount rate	4,442,871	(4,720,420)	3,853,277	(4,094,411)
Salary increase rate	(5,141,110)	4,878,028	(4,455,934)	4,227,372
Turnover rate	5,519,420	(5,859,370)	4,770,974	(5,064,739)

The sensitivity analysis presented above may not be representative of the actual change in employee benefit obligations as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

As at December 31, 2019, the maturity analyses of undiscounted cash flows of benefit payments are as follows:

(Unit : Baht)

	Consolidated	Separate
Within 1 year	13,509,856	11,453,740
Over 1 and up to 5 years	35,235,665	26,766,258
Over 5 years	125,118,644	108,140,130

On April 5, 2019, The Labor Protection Act (No. 7) B.E. 2562 was announced in the Royal Gazette. This stipulates additional legal severance pay rates for employees who have worked for an uninterrupted period of twenty years or more, with such employees entitled to receive not less than 400 days' compensation at the latest wage rate. The law is effective from May 5, 2019 that the change is considered a project amendment for the post-employment benefits plan. The Company will record the effect of change by recognizing the past service cost immediately in the income statement in the period which

the law is effective. At present, The company recognizing service cost in the consolidated and separate statements of comprehensive income amounting of Baht 23.12 million and amounting of Baht 21.84 million, respectively.

23. DIVIDEND

During the year of 2019, according to the resolution of the Board of Directors No. 1/2019, on February 26, 2019, it was resolved to stop paying dividends.

During the year of 2019, a subsidiaries company declared a dividend of Baht 10.00 per share. Total amount of Baht 2.10 million.

During the year of 2018, a subsidiaries company declared a dividend of Baht 10.00 per share. Total amount of Baht 2.10 million.

24. LEGAL RESERVE

Under the Public Limited Companies Act., the Company is required to set aside to a legal reserve at least 5% of its net profit after deducting accumulated deficit brought forward (if any), until the reserve reaches 10% of its registered share capital. The legal reserve is not available for dividend payment.

25. EXPENSES BY NATURE

Significant expenses by nature as follows:

	(Unit : Million Baht)			
	Consolidated		Separate	
	For the years ended December 31,		For the years ended December 31,	
	2019	2018	2019	2018
Salary and wages and other employee benefits	468.98	473.11	324.24	326.00
Depreciation and amortization expenses	213.15	214.85	91.56	107.78
Rental expenses	18.51	19.78	11.31	12.34
Electricity and water expenses	135.36	140.51	89.62	98.49
Natural gas expenses	311.42	332.62	222.80	254.18
Transportation expenses	160.29	176.58	133.40	144.32
Grinding and chamfering expenses	2.57	5.72	-	-
Raw materials and consumables used	348.89	443.35	233.45	325.34
Changes in inventories of finished goods and work	40.86	(35.40)	26.58	(30.76)
Loss (reversal) of the devaluation of inventories	(7.97)	1.23	(7.28)	(1.37)
Doubtful debts (reversal)	(0.91)	(1.76)	0.15	0.46
Loss on impairment of assets	9.57	19.65	-	-

26. PROVIDENT FUND

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

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

The Company and its subsidiary have contributed to provident fund for the years ended December 31, 2019 and 2018 were as follows:

	(Unit : Baht)			
	Consolidated		Separate	
	2019	2018	2019	2018
For the years ended December 31,	27,758,779	26,978,564	26,991,209	26,204,426

27. INCOME TAX

Income tax recognized in profit or loss

For the years ended December 31, 2019 and 2018, income tax expense consisted of the following:

	(Unit : Baht)			
	For the year ended December 31			
	Consolidated		Separate	
	2019	2018	2019	2018
Income tax :				
Income tax for the year	1,903,528	2,887,637	-	-
Deferred tax :				
Relating to origination and reversal of temporary differences	(6,066,976)	(5,357,149)	(15,477,209)	3,354,764
Income tax in statements of comprehensive income	(4,163,448)	(2,469,512)	(15,447,209)	3,354,764

Income tax recognized directly in equity

	(Unit : Baht)			
	Separate			
	Rate (%)	2019	Rate (%)	2018
Profit before income tax expense		(74,642,482)		(38,164,534)
Income tax using the corporation tax rate	20	(14,924,896)	20	(7,632,907)
Income not subject to tax		-		-
Expenses not deductible for tax purposes		14,924,896		7,632,907
Total		-		-

For the years ended December 31, 2019 and 2018, the Company has corporate income tax as follows;

	(Unit : Baht)	
	2019	2018
Net profit	(59,147,273)	(41,519,298)
Income tax expense	(15,477,209)	(3,354,764)
Profit before corporate income tax	(74,624,482)	(44,874,062)
<u>Plus (less) add back expenses</u>	-	-
Add back income	74,624,482	44,874,062
Tax profit	-	-
Income tax rate	20%	20%

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

Movements during the years are as follows:

	(Unit : Baht)			
	Consolidated		Separate	
	As at	As at	As at	As at
	December 31, 2019	December 31, 2018	December 31, 2019	December 31, 2018
Beginning of the year	(7,165,291)	(2,471,845)	(6,848,402)	(2,138,902)
Changes during the year	(161,201)	(4,693,446)	(163,050)	(4,709,500)
Ended of the year	(7,326,492)	(7,165,291)	(7,011,452)	(6,848,402)

29. BASIC EARNINGS (LOSS) PER SHARE

The calculation of basic earnings per share for the years ended December 31, 2019 and 2018 was based on the profit for the year attributable to equity holders of the Company and the weighted average number of ordinary shares outstanding during the years as follows:

	For the year ended December 31,			
	Consolidated		Separate	
	2019	2018	2019	2018
Profit (loss) attributable to equity holders of the Company (Thousand Baht)	(68,679)	(77,101)	(59,147)	(41,519)
Number of ordinary shares outstanding at				
January 1, (Thousand shares)	836,505	836,505	836,505	836,505
Effect of shares issued on the years	-	-	-	-
Weighted average number of ordinary shares (Thousand shares)	836,505	836,505	836,505	836,505
Basic earning (loss) per share (Baht : share)	(0.08)	(0.09)	(0.07)	(0.05)

30. TRANSACTIONS WITH RELATED PARTIES

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

Relationship

Company	Relationship
Cermas Co., Ltd.	Subsidiaries company
UMI Property Co.,Ltd.	Subsidiaries company
Ruampat Ceramic Co., Ltd.	Subsidiaries company
T.T.Ceramic Public Co., Ltd.	Subsidiaries company
T.N. Co., Ltd.	Related company
Imex International Co.,Ltd.	Related company
S & P Corporate Communications of Salt Limited.	Management of the Company and director of subsidiary
Mr. Pichit Pholpanichrasamee	Director of subsidiary

Pricing Policy

Related Transactions	Pricing Basis
Purchase of raw material and finished goods	
Cermas Co.,Ltd.	Cost plus margin
T.T. Ceramic Public Co. Ltd.	As determined by the parent company, and competitive price in the market
Imex International Co.,Ltd.	The agreed price upon
Sales of finished goods	
Ruampat Ceramic Co., Ltd.	Cost plus margin
T.T.Ceramic Public Co., Ltd.	Cost plus margin
Imex International Co.,Ltd.	Cost plus margin
Other non - current receivables	
T.T.Ceramic Public Co., Ltd.	Interest rate 6.71% per annum
Short-term loans from related parties	Interest rate 6.71-7.50% per annum
Asset sale	
T.T.Ceramic Public Co., Ltd.	Based on actual costs
Rental income	Per agreement (basis by area), which approximately market price.
T.T.Ceramic Public Co., Ltd.	Rental rate of Baht 34,320 per month.
Ruampat Ceramic Co., Ltd.	Rental rate of Baht 116,610 per month.
Cermas Co., Ltd.	Rental rate of Baht 57,000 per month.
Sales management	
T.T.Ceramic Public Co., Ltd.	January to August charged at rate 4% of sale
	September onward, will be charged according to *****
Interest income	
T.T.Ceramic Public Co., Ltd.	7.5% per annum
Management fee income	
T.T.Ceramic Public Co., Ltd.	Per agreement (Baht 350,000 per month)
	*** ,*****
Ruampat Ceramic Co., Ltd.	Per agreement and invoice

Related Transactions	Pricing Basis
Marketing Management Revenue	
T.T.Ceramic Public Co., Ltd.	Per agreement (Baht 500,000 per month) **** , *****
Other Income	
T.T.Ceramic Public Co., Ltd.	Per agreement (Baht 815,000 per month) **** , *****
Maintenance information system	
T.T.Ceramic Public Co., Ltd.	Per agreement (Baht 50,000 per month) *****
Maintenance other information system	
T.T.Ceramic Public Co., Ltd.	Per agreement (Baht 51,643.33 per month) *****
Expense	
Rental expense	
T.T.Ceramic Public Co., Ltd.	Per agreement (Rental rate of Baht 60,000 per month.)
Consultant expenses	
S & P Corporate Communications of Salt Limited	Per agreement (Baht 149,000 per month)
Mr. Pichit Pholpanichrasamee	Baht 40,000 per month
Director remuneration expenses	As approved in the shareholders' meeting.
Management remuneration are a meeting premium paid to directors, salaries and benefit for the management directors.	

*The Company has entered into Rental agreement with the parent company, the rate of Baht 60,000 per month. The agreement period by one year (since January 1 to December 31) and renew by one year each if no ask for the cancellation.

**The Company has entered into Sales management agreement with the parent company, charged by the rate of 2% of sales by the parent company. The agreement period by one year (since January 1 to December 31) and renew by one year each if no ask for the cancellation. In 2019, the Company has new Sales management agreement with the parent company, charged by the rate of 4% (from 2%) of sales by the parent company. The agreement period by one year (since January 1, 2019 to December 30, 2019) and renew by one year each if no ask for the cancellation. On September 1, 2019, the company terminated the contract and entered into a new service contract.

*** The Company has entered into Sales management agreement with the parent company, charged by the rate of Baht 211,666.66 per month. The agreement period by one year (since January 1 to December 31) and renew by one year each if no ask for the cancellation. In 2019, the Company has new Sales management agreement with the parent company, charged by the rate of Baht 350,000 per month (from the rate of Baht 211,666.66 per month). The

agreement period by one year (since January 1, 2019 to December 31, 2019) and renew by one year each if no ask for the cancellation. On September 1, 2019, the company terminated the contract and entered into a new service contract.

****The Company has entered into marketing management agreement with the parent company, charged by the rate of Baht 500,000 per month. The agreement period by one year (since January 1 to December 31) and renew by one year each if no ask for the cancellation. On September 1, 2019, the company terminated the contract and entered into a new service contract.

*****The Company has entered into other expense agreement with the parent company, charged by the rate of Baht 625,000 per month. The agreement period by one year (since January 1 to December 31) and renew by one year each if no ask for the cancellation. In 2019, the Company has new other expense agreement with the parent company, charged by the rate of Baht 815,000 per month (from the rate of Baht 625,000 per month) On September 1, 2019, the company terminated the contract and entered into a new service contract.

*****The Company has entered into Information system maintenance fee agreement with the parent company, charged by the rate of Baht 50,000 per month. By allowing the parent company to proceed because the information system developer charges a full service fee to the parent company and The parent company therefore allocates service fees in proportion to the company. And charge the service fee according to the monthly amount shown in the contract. The agreement period by one year (since January 1, 2019 to December 31, 2019).

*****The Company has entered into Information system maintenance other fee agreement with the parent company, charged by the rate of Baht 51,643.33 per month. By allowing the parent company to proceed because the information system developer charges a full service fee to the parent company and The parent company therefore allocates service fees in proportion to the company. And charge the service fee according to the monthly amount shown in the contract. The agreement period by one year (since January 1, 2019 to December 31, 2019).

*****The company entered into a service contract with the parent company. The service fees are set as follows:

- | | |
|---|----------------------------|
| 1. The cost of personnel in the support agency is 815,000 baht per month. | |
| 2. Car rental fee | 111,400 baht per month |
| 3. Gasoline cost | Actual rate |
| 4. Parking fee | 6,200 baht per month |
| 5. Utility bills, | 11% of actual cost by area |
| 6. Phone fee | 1,200 baht per month |
| 7. Computer rental fee | 17,850 baht per month |

The contract is for a period of 1 year from September 1, 2019 to December 31, 2019. The contract can be renewed for 1 year at a time if no contract is terminated.

***** The company agreed to enter into a contract with the parent company to rent a part of the apartment number 65/227, Floor 28A, total area of 88 square meters of Chamnan Phenjat Building. With a rental rate of baht 34,320 per month. The contract is for a period of 1 year from September 1, 2019 to August 31, 2020.

30.1 As at December 31, 2019 and 2018 the Company has transactions with its related parties as follows:

30.1.1 Account receivable

(Unit : Baht)				
	Consolidated		Separate	
	As at December 31, 2019	As at December 31, 2018	As at December 31, 2019	As at December 31, 2018
Trade Account Receivable				
<u>Subsidiaries companies</u>				
Ruampat Ceramic Co., Ltd.	-	-	25,848,225	32,945,736
T.T.Ceramic Public Co., Ltd.	-	-	2,859,252	1,403,139
<u>Related parties</u>				
Imex International Co., Ltd.	100,705	582,792	-	-
Total	100,705	582,792	28,707,477	34,348,875

30.1.2 Account Receivable under hire - purchase agreement – subsidiaries company.

As at December 31, 2019 and 2018, the Company had receivables under hire purchase agreements with related parties.

(Unit : Baht)					
	Due within one year		Due over than one year		Total
	December 31, 2019	December 31, 2018	December 31, 2019	December 31, 2018	December 31, 2019 December 31, 2018
Account receivable under					
hire - purchase agreement	-	1,273,336	-	-	- 1,273,336
<u>Less Deferred interest</u>	-	(41,325)	-	-	- (41,325)
Account receivable under hire - purchase					
agreement - net	-	1,232,011	-	-	- 1,232,011

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

	(Unit : Baht)	
	As at	As at
	December 31, 2019	December 31, 2018
Due within one year	-	1,273,336
Due over than one year but not over than five years	-	-
	-	1,273,336
<u>Less</u> Future financial expenses	-	(41,325)
Present value of receivable	-	1,232,011

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

	(Unit : Baht)			
	Consolidated		Separate	
	As at	As at	As at	As at
	December 31,	December 31,	December 31,	December 31,
	2019	2018	2019	2018
30.1.3 Accounts receivable on loans to related parties				
T.T.Ceramic Public Co., Ltd.	-	-	55,043,010	55,043,010
Ruampat Ceramic Co., Ltd.	-	-	5,000,000	2,000,000
Total	-	-	60,043,010	57,043,010
30.1.4 Other non - current receivables				
T.T.Ceramic Public Co., Ltd.	-	-	49,102,081	49,102,081
30.1.5 Account Payable				
<u>Subsidiaries company</u>				
Cermas Co., Ltd.	-	-	462,401	1,892,126
T.T.Ceramic Public Co., Ltd.	-	-	45,128,058	31,557,874
Ruampat Ceramic Co., Ltd.	-	-	313,938	412,592
<u>Related parties</u>				
Imex International Co., Ltd.	58,850	617,782	58,850	617,782
Total	58,850	617,782	45,963,247	34,480,374

(Unit : Baht)

	Consolidated		Separate	
	As at December 31, 2019	As at December 31, 2018	As at December 31, 2019	As at December 31, 2018
30.1.6 Long-term loan from related parties				
Consist of				
Short-term loan from director	16,090,000	19,290,000	-	-
Movement during the year of Long-term loan from related parties as follows:				
Beginning balance of the year	19,290,000	24,490,000	-	-
Addition during of the year	2,000,000	-	-	-
Deduction during of the year	(5,200,000)	(5,200,000)	-	-
Ending balance of the year	16,090,000	19,290,000	-	-

As at December 31, 2019 and 2018, estimated liabilities under the employee benefit project - management of Baht 32.80 million and Baht 28.89 million, respectively.

As at December 31, 2019, a subsidiary (T.T. Ceramic Public Co., Ltd.) has short-term loans related parties amount of Baht 55.04 million. There is unsecured. The loan is repayable on demand and interest is rate 6.71-7.5% per annum.

As at December 31, 2019, The Company provided short-term loans to its subsidiary (T.T. Ceramic Public Co., Ltd.) amount of Baht 49.10 million. As a result of purchase machinery for production of ceramic tiles from The union mosaic industry public company limited under the contract was being paid as follows:

1. The interest rate was 6.71% per annum (effective from date of the agreement).
2. The first interest payment and the interest rate was 5% (from 6.71% per annum) in March 2019 amount of Baht 1.52 million and will be paid every month until full payment.
3. The remaining interest rate was 1.71% per annum starting the first payment in September 2020 amount of Baht 1.72 million and will be continued to pay every month until the principal payment was completed.
4. Payment of principal 36 equal installment and the first payment in September 2020 was in the amount of Baht 1.36 million.

On March 29, 2019, the company receive the first interest amount of Baht 1.52 million.

30.2 Revenue and expense transactions with the related parties for the year ended December 31, 2019 and 2018 were as follows:

	(Unit : Baht)			
	Consolidated		Separate	
	For the year ended December 31,		For the year ended December 31,	
	2019	2018	2019	2018
30.2.1 Sales-goods and service				
Ruampat Ceramic Co., Ltd.	-	-	34,176,128	46,474,435
T.T.Ceramic Public Co., Ltd.	-	-	39,323,664	42,043,460
Imex International Co.,Ltd.	166,137	7,519,379	-	-
Total	166,137	7,519,379	73,499,792	88,517,895
30.2.2 Other income				
Cermas Co., Ltd.	-	-	372,185	370,774
Ruampat Ceramic Co., Ltd.	-	-	3,467,032	2,319,858
T.T.Ceramic Public Co., Ltd.	-	-	32,201,287	16,269,258
Imex International Co.,Ltd.	-	59,004	-	-
Total	-	59,004	36,040,504	18,959,890
30.2.3 Rental revenue				
Cermas Co., Ltd.	-	-	684,000	684,000
Ruampat Ceramic Co., Ltd.	-	-	1,399,320	1,280,760
T.T. Ceramic Public Co.,Ltd.	-	-	137,280	-
Total	-	-	2,220,600	1,964,760
30.2.4 Sale management revenue				
T.T. Ceramic Public Co.,Ltd.	-	-	9,386,880	6,781,814

The Company has entered into Sales management agreement with the subsidiary, charged by the rate of 2% of sales by the parent company. The agreement period by one year (since January 1 to December 31) and renew by one year each if no ask for the cancellation. In 2019 The Company has new Sales management agreement with the subsidiary, charged by the rate of 4% (from 2 percent) of sales by the parent company. The agreement period by one year (since January 1, 2019 to December 30, 2019) and renew by one year each if no ask for the cancellation. On September 1, 2019, the company terminated the contract and entered into a new service contract.

(Unit : Baht)

	Consolidated		Separate	
	For the year ended December 31,		For the year ended December 31,	
	2019	2018	2019	2018
30.2.5 Management fee income				
T.T. Ceramic Public Co., Ltd.*	-	-	3,566,528	2,540,000
Ruampat Ceramic Co., Ltd.**	-	-	10,598,462	11,097,444
Total	-	-	14,164,990	13,637,444

*The Company has entered into Sales management agreement with the subsidiary (T.T. Ceramic Public Co., Ltd.), charged by the rate of Baht 211,666.67 per month of process by the parent company. The agreement period by one year (since January 1 to December 31) and renew by one year each if no ask for the cancellation. In 2019 The Company has new Sales management agreement with the subsidiary, charged by the rate of Baht 350,000 per month (from the rate of Baht 211,666.67 per month). The agreement period by one year (since January 1, 2019 to December 31, 2019) and renew by one year each if no ask for the cancellation. On September 1, 2019, the company terminated the contract and entered into a new service contract.

**The Company has entered into Sales management agreement with the subsidiary (Ruampat Ceramic Co., Ltd.), charged by the billing note per month of process by the parent company. The agreement period by one year (since January 1 to December 31) and renew by one year each if no ask for the cancellation.

30.2.6 Marketing Management Revenue

T.T. Ceramic Public Co., Ltd.	-	-	4,000,000	6,000,000
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The Company has entered into Marketing Management Revenue agreement with the subsidiary, charged by the rate of 500,000 per month of process by the parent company. The agreement period by one year (since January 1 to December 31) and renew by one year each if no ask for the cancellation. On September 1, 2019, the company terminated the contract and entered into a new service contract.

30.2.7 Other income

T.T. Ceramic Public Co., Ltd.	-	-	9,780,000	7,500,000
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The Company has entered into Other income agreement with the subsidiary, charged by the rate of 625,000 per month of process by the parent company. The agreement period by one year (since January 1 to December 31) and renew by one year each if no ask for the cancellation. In 2019 The Company has new other expense agreement with the subsidiary, charged by the rate of Baht 815,000 per month (from the rate of Baht 625,000 per month) On September 1, 2019, the company terminated the contract and entered into a new service contract.

(Unit : Baht)

	Consolidated		Separate	
	For the year ended December 31,		For the year ended December 31,	
	2019	2018	2019	2018
30.2.8 Maintenance information system				
T.T. Ceramic Public Co., Ltd.	-	-	600,000	-

The Company has entered into Information system maintenance fee agreement with the parent company, charged by the rate of Baht 50,000 per month. By allowing the parent company to proceed because the information system developer charges a full service fee to the parent company therefore allocates service fees in proportion to the company. And charge the service fee according to the monthly amount shown in the contract. The agreement period by one year (since January 1, 2019 to December 31, 2019).

30.2.9 Maintenance other information system

T.T. Ceramic Public Co., Ltd.	-	-	619,720	-
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The Company has entered into Information system maintenance other fee agreement with the parent company, charged by the rate of Baht 51,643.33 per month. By allowing the parent company to proceed because the information system developer charges a full service fee to the parent company therefore allocates service fees in proportion to the company. And charge the service fee according to the monthly amount shown in the contract. The agreement period by one year (since January 1, 2019 to December 31, 2019).

30.2.10 Interest income from account receivable under hire purchase machine

T.T. Ceramic Public Co., Ltd.	-	-	41,325	362,353
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30.2.11 Interest income from Receivables loan

T.T. Ceramic Public Co., Ltd.	-	-	4,071,413	4,072,214
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30.2.12 Interest income from installments, purchase of machinery

T.T. Ceramic Public Co., Ltd.	-	-	3,312,803	1,218,606
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(Unit : Baht)

	Consolidated		Separate	
	For the year ended December 31,		For the year ended December 31,	
	2019	2018	2019	2018
30.2.13 Purchase-raw materials and goods				
Subsidiaries and related parties				
Cermas Co., Ltd.	-	-	17,787,720	19,853,263
Ruampat Ceramic Co., Ltd.	-	-	29,808,024	5,238,950
T.T.Ceramic Public Co., Ltd.	-	-	278,135,925	225,785,900
Imex International Co., Ltd.	2,254,170	1,027,172	2,254,170	1,027,172
Total	2,254,170	1,027,172	327,985,839	251,905,285
30.2.14 Selling and administrative expenses				
Ruampat Ceramic Co., Ltd.	-	-	2,639,218	1,333,333
T.T.Ceramic Public Co., Ltd.	-	-	60,480	375,288
UMI Property Co., Ltd.	-	-	33,645	33,645
Total	-	-	2,733,343	1,742,266
30.2.15 Rental warehouse income				
T.T. Ceramic Public Co., Ltd.	-	-	720,000	720,000
30.2.16 Directors and management benefit expenses				
Consolidated and separate				
- Short - term benefit expenses for the year ended December 31, 2019 and 2018, amount of Baht 28.70 million and Baht 34.41 million and Baht 28.70 million and Baht 34.41 million, respectively.				
- Long - term benefit expenses for the year ended December 31, 2019 and 2018, amount of Baht 0.20 million and Baht 0.19 million and Baht 0.20 million and Baht 0.19 million, respectively.				
30.2.17 Consultant expenses				
S & P Corporate Communications of				
Salt Limited.	1,656,000	1,788,000	1,656,000	1,788,000
Mr. Pichit Pholpanichrasamee	480,000	480,000	480,000	480,000
Total	2,136,000	2,268,000	2,136,000	2,268,000

31. SEGMENT FINANCIAL INFORMATION

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

The company and subsidiaries' business operations involve 2 principle segments: (1) Import floor tiles and wall tiles (2) Export floor tiles and wall tiles. Segment performance is considered by revenue and gross profit, and its also measured based on the group operating profit or loss, on a basic consistent with that used to measure operating profit or loss in the financial statements. Below is the revenue and gross profit of the company and subsidiaries for the year ended December 31, 2019 and 2018 by segments

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(Unit : Million Baht)

	Consolidated financial statements for the year ended December 31,							
	Floor and wall tile business							
	Local		Export		Others		Total	
	2019	2018	2019	2018	2019	2018	2019	2018
Sales - net	2,117	2,085	158	159	139	144	2,414	2,388
Less cost of sales	(1,656)	(1,671)	(129)	(128)	(86)	(88)	(1,871)	(1,887)
Gross profit (loss)	461	414	29	31	53	56	543	501
Other income							54	29
Cost of distribution							(342)	(362)
Administrative expenses							(287)	(192)
Management benefit expenses							(29)	(27)
Finance costs							(37)	(41)
Income tax expenses							4	2
Profit (loss) for the year							(94)	(90)
Profit (loss) for the year, Equity holders of the parent							(69)	(77)
Profit (loss) for the year, Non-Controlling interests of the subsidiaries							(25)	(13)
							(94)	(90)
Assets as at December 31, 2019 and 2018 :								
Fixed assets							1,593	1,770
Other assets							1,484	1,581
Total assets							3,077	3,351

(Unit : Million Baht)

Separate financial statements for the year ended December 31,								
Floor and wall tile business								
Local		Export		Others		Total		
2019	2018	2019	2018	2019	2018	2019	2018	
Sales - net	1,813	1,793	133	137	5	13	1,951	1,943
Less cost of sales	(1,433)	(1,471)	(111)	(111)	(4)	(12)	(1,548)	(1,594)
Gross profit (loss)	380	322	22	26	1	1	403	349
Other income							28	54
Cost of distribution							(274)	(290)
Administrative expenses							(180)	(96)
Management benefit expenses							(29)	(27)
Finance costs							(22)	(28)
Income tax expenses							15	(3)
Profit (loss) for the year							(59)	(41)
Assets as at December 31, 2019 and 2018 :								
Fixed assets							716	793
Other assets							1,401	1,538
Total assets							2,117	2,331

32. COMMITMENTS AND CONTINGENT LIABILITIES

32.1 Commitments

	(Unit : Thousand Baht)			
	Consolidated		Separate	
	As at	As at	As at	As at
	December 31,	December 31,	December 31,	December 31,
	2019	2018	2019	2018
Operating lease commitments				
Within 1 year	29,055	18,655	8,646	14,164
More than 1 to 3 years	16,040	16,184	11,648	12,014
More than 3 to 5 years	4,603	4,224	3,919	4,224
	<u>49,698</u>	<u>39,063</u>	<u>24,213</u>	<u>30,402</u>

The Company has commitments under operating leases Forklift truck with a company. The contract was three years. On April 1, 2016, the Company has agreed to renew the contract for 3 years. Since April 1, 2016 until March 31, 2019 and the contract renewing the term of 1 year. If no termination (Forklift truck rental paid to the said company for the years 2019 and 2018 amounted of baht 22.64 million and of Baht 22.64 million, respectively).

32.2 Contingency liabilities

As at December 31, 2019 and 2018, the Company and subsidiaries have commitments to bank as follows :

	(Unit : Million Baht)			
	Consolidated		Separate	
	As at	As at	As at	As at
	December 31,	December 31,	December 31,	December 31,
	2019	2018	2019	2018
Letter of Credit (Million USD) not used	0.49	0.47	0.49	0.47
Letters of Guarantee				
- Electricity Guarantee	12.40	12.40	10.00	10.00
- Gas Guarantee	16.00	16.00	-	-
- Other Guarantee	1.46	1.46	-	-
Credit Line of Baht 660 and 510 million in 2019 and 2018				
- Credit not used	313.81	368.21	313.81	368.21

33. DISCLOSURE AND PRESENTATION OF FINANCIAL INSTRUMENTS

The Company and subsidiaries have not policy to hold financial instrument for speculation and hedging.

a) Foreign currency exchange risk

As at December 31, 2019 and 2018, the Company has accounts receivable, accounts payable and trust receipt in foreign currency which were not hedged by forward exchange contracts or similar hedging instrument are as follow :

	Currency	As at December 31, 2019	As at December 31, 2018
Accounts receivable in foreign currencies	US Dollar	216,622.68	103,468.42
Accounts payable in foreign currencies	US Dollar	447,024.23	294,072.55
	EURO	42,908.58	202,874.35
	Pound Sterling	8.08	8.08
	YEN	176,000.00	-
Trust receipt	US Dollar	185,941.00	421,330.70
Forward contract	EURO	-	98,287.17
	US Dollar	164,757.07	436,133.48

b) Liquidity risk

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

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

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

For the financial assets shown in the statements of financial position at the book value deducted by allowance for doubtful account is maximum value of credit risk. For off-statement of financial position, the Company expects that the amount of credit risk is immaterial.

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

e) 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.

Fair values and the carrying values of financial assets and liabilities other than the aforementioned were as follows:

(Unit : Million Baht)							
	Consolidated						
	Level 1		Level 2		Level 3		Total
	2019	2018	2019	2018	2019	2018	2019 2018
Financial assets measured at fair value							
Investment held as available for sale	6.63	6.80	-	-	-	-	6.63 6.80
Land	-	-	464.82	486.69	-	-	464.82 486.69
Builds	-	-	1,150.90	1,174.98	-	-	1,150.90 1,174.98
Machinery	-	-	309.62	440.03	-	-	309.62 440.03
Financial assets for which fair value are disclosed							
Investment properties	-	-	40.71	41.57	-	-	40.71 41.57

(Unit : Million Baht)

	Separate							
	Level 1		Level 2		Level 3		Total	
	2019	2018	2019	2018	2019	2018	2019	2018
Financial assets measured at fair value								
Investment held as available for sale	6.63	6.80	-	-	-	-	6.63	6.80
Land	-	-	346.34	346.34	-	-	346.34	346.34
Builds	-	-	564.45	564.45	-	-	564.45	564.45

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

34. 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.

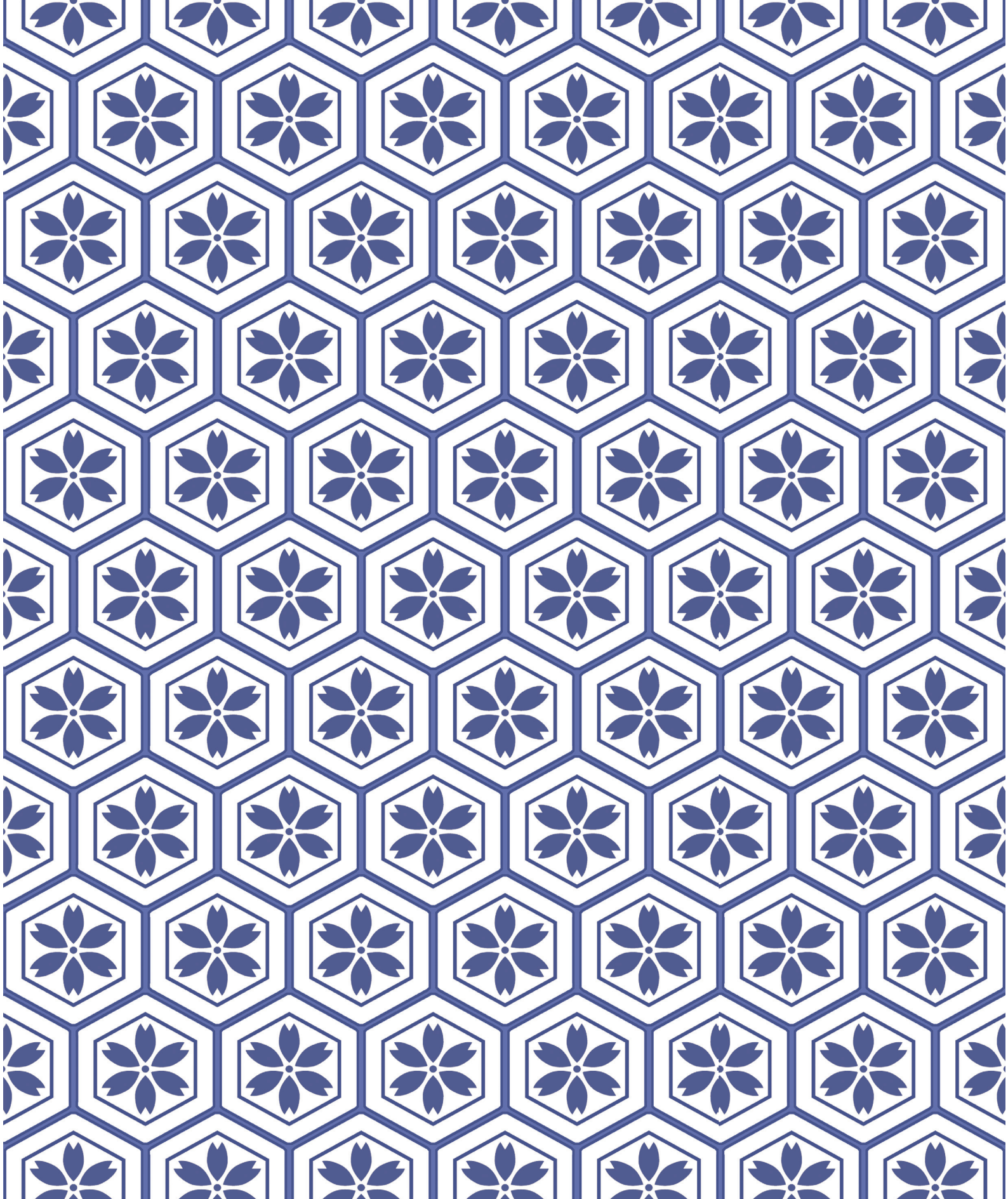
As at December 31, 2019, debt to equity ratio in the consolidated financial statements is 1.07 : 1 (the separate financial statements: debt to equity ratio is 0.45 : 1)

35. SUBSEQUENT EVENT

As at December 26, 2019, the Company entered into an agreement to purchase ordinary shares of T.T. Ceramic Public Company Limited in the amount of 50 million shares, at the price of Baht 0.58 per share, totaling Baht 29 million. Which the buyer will issue promissory notes dated January 4, 2020, in the amount of Baht 29 million to the seller. The payment is due on January 5, 2022. Due to the transfer of shares to the buyer 2 years before payment, the buyer agrees to pay interest to the seller at the rate of Baht 5.35 per year of the principal of Baht 29 million, from the date of entered into the agreement, for the seller with interest payments at the end of March, June, September and December of 2020 - 2022 by paying the first installment on March 31, 2020.

36. APPROVAL OF THE FINANCIAL STATEMENTS

These financial statements were authorized for issue by the Company's Board of Directors on February 26, 2020



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