



ANNUAL REPORT 2020

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	60
Report of Auditor	67
Statements of Financial Position	73
Statements of Comprehensive Income	76
Statements of Changes in Shareholders' Equity	77
Statements of Cash Flows	79
Notes to Financial Statements	82



Message from Chairman of the Board of Directors

For the year 2020, one world explains it all “COVID 19”. But to me the appropriate word is “SURVIVAL FOR THE FITTEST”. This is a disaster on a global scale. Hopefully the availability of the vaccines can bring back normalcy again. Meanwhile, we will have to make do with the current situation.

Even with the COVID crisis, UMI by itself still manage to make a profit of around 24 million bahts but due to impairment of investment capital in one of our subsidiary, UMI ended up with the loss of 83 million bahts.

However, if you take into consideration, the existing economy crisis, I am proud to say that UMI is on the right track. If we can settle the problems of our subsidiary, then continuous profit results are achievable. Financially, UMI was quite strong in 2020 and will remain so in 2021. This was due to the fact that we had planner for economic downturn since the end of 2019 even before the arrival of COVID 19. Cost cutting, tightening of various budgets, reducing inventory and more aggressive marketing, all these measures were put in place from the beginning of 2020, right strategy at the right time. While other companies started to make business adjustment to the COVID crisis around mid-2020, UMI already had fully prepared for the difficult year since January 2020. Indeed we were very fortunate not to be caught off guard.

We are very confident that UMI can return to Profit again as soon as we settle the problems of our subsidiary. Hopefully this matter can be resolved by the end of 2021

A handwritten signature in black ink, consisting of stylized, flowing letters that appear to be 'S P' followed by a long horizontal stroke.

Captain Seranee Phenjati
Chairman of the Board of Directors

Message from Managing Director

Throughout the year 2020 until the present, all over the world has continued to face the situation of the COVID-19 virus epidemic. This is an important factor that affects the global economy facing a severe crisis. The economy was disrupted and slowed down, especially the overall picture of the Thai economy which was severely affected. In particular, tourism, which relies on income from foreign tourists up to 13 percent of the gross domestic product (GDP) as a result of international and domestic travel restrictions together with lock-down measures that caused department stores, service places and various shops to be shut down causing many businesses to not be able to operate normally. In addition, the export sector was adversely affected by the decrease in foreign demand, as well as the real estate sector where developers and entrepreneurs delayed launching and building new projects to drain old stocks. All these factors have an impact on the operations and performance of the Company as well.



Although the Company faces such circumstance and economic condition, that are challenging to operate its business. But the Company remains committed to operating and developing various strategies to adapt and adjust the business plan to keep up with the changes of the world. The Company still focuses on developing good quality products as a basis and develop the innovation of tiles for health and safety in order to meet the needs of a new lifestyle or New Normal that consumers care about and pay attention to health, hygiene and safety, both outside and inside the residence, such as ANTI - BACTERIA TILES; tiles that help inhibit bacteria, NEGATIVE ION TILES; tiles for better air, and ANTI SLIP TILES; special glazed tiles that help reduce the chance of accidents from slipping and falling. In addition, the Company is also expanding to other quality materials for covering the surface to increase choices for consumers. Moreover, technology is used in marketing to respond to new ways of life such as presenting products through various online channels and using of VR Exhibition (Virtual Reality Exhibition) or space simulation to exhibit innovation and products in the virtual environment, which results can be displayed on both a computer monitor and a smartphone as customers will be provided with a new experience in choose to view and to order products online with convenience, wherever they are.

In the midst of this situation, the Company is still aware of the CSR policy or corporate social and environmental responsibility of our organization, along with business operations such as creating a program to help doctors to overcome the COVID-19 crisis in order to donate funds for the purchase of medical equipment for the Chaipattana Foundation and hospitals in need in Saraburi Province including the preparation of cloth masks to give to customers, retail stores and related agencies. These actions are to deliver encouragement and help prevent the spread of disease and although the Company will have to face such circumstance and economic conditions in the future. The Company will continue to work hard to achieve the goals and to create operating results including better returns for shareholders The Company sincerely hopes for the support of all parties which are shareholders, business partners, customers and employees in the organization in joining together to drive the business through this crisis together and the Company would like to thank everyone on this occasion.



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."

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 Phunratnamala and Mr. Supoj Kaewmanee are Audit Committee, and each member of committee is independent, non-executive or non-employee of the company.

In the year 2020, there are 4 Audit Committee's meeting and 3 meetings with the company external auditors without any participating from the executives of the company.

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

The Audit Committee has examined the financial statement of the company as at December 31, 2020 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, 2020, and would like to recommend that Ms. Kannika Wipaturat 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; and/or Mr. Komin Linphrachaya certified public accountant registration no. 3675; and/or Mr. Mongkon Laoworapong certified public accountant registration no. 4722; and/or Ms. Kojchamon Sunhuan certified public accountant registration no. 11536 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, 2021. 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 23, 2021

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 2020 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 60,950 Square Meter per Day		
Registered Capital as at December 31, 2020	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 74.90 %

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
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 2020

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	2020	2019	2018	2017	2016
Total Assets (Million Baht)	3,101	3,077	3,351	3,409	3,755
Total Liabilities (Million Baht)	1,763	1,588	1,765	1,796	2,009
Shareholders'Equity (Million Baht)	1,337	1,489	1,586	1,613	1,746
Total Revenues (Million Baht)	2,322	2,414	2,388	2,486	2,793
Gross Profit (Million Baht)	548	543	500	552	671
Net Profit (Loss) (Million Baht)	(123)	(94)	(90)	(30)	90
Key Financial Ratios					
Number of Shares (Million Baht)	837	837	837	837	837
Net Profit Margin (%)	(5.30)	(3.87)	(3.77)	(1.21)	3.21
Return on Equity (%)	(9.21)	(6.29)	(5.68)	(1.87)	5.14
Return on Total Assets (%)	(3.97)	(3.04)	(2.68)	(0.88)	2.39
Debt to Equity Ratio (Times)	1.32	1.07	1.11	1.11	1.15
Book Value per Share (Baht)	1.60	1.78	1.90	1.93	2.09
Net Profit (Loss) per Share (Baht)	(0.08)	(0.08)	(0.09)	(0.03)	0.13

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 74.90 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 and Mosaic tiles

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

Product and Service	No.of Share	Revenues	2020 (MB)	%	2019 (MB)	%	2018 (MB)	%
The Union Mosaic Industry Public Co.,Ltd. Manufacturer of glazed mosaic, floor and wall tiles		Sale	1,828.26	98.77	1,950.65	98.57	1,942.72	97.29
		Others	22.72	1.23	28.24	1.43	54.04	2.71
		Total	1,850.98	100.00	1,978.90	100.00	1,996.76	100.00
		% to Tatal Revenues		68.97		69.18		71.08
UMI Property Co.,Ltd. Property Business	37.57%	Sale	36.08	98.94	40.03	96.47	37.73	98.05
		Others	0.39	1.06	1.47	3.53	0.75	1.95
		Total	36.47	100.00	41.49	100.00	38.48	100.00
		% to Tatal Revenues		1.36		1.45		1.37
Ruampat Ceramic Co.,Ltd. Distributor of ceramic tiles and others	49.00%	Sale	174.01	98.14	135.02	97.88	101.69	98.27
		Others	3.30	1.86	2.92	2.12	1.79	1.73
		Total	177.31	100.00	137.94	100.00	103.48	100.00
		% to Tatal Revenues		6.61		4.82		3.68
Cermas Co.,Ltd. Selling mineral and soil that used in ceramic tiles production.	24.90%	Sale	15.18	99.33	90.41	99.67	90.31	99.71
		Others	0.10	0.67	0.30	0.33	0.26	0.29
		Total	15.28	100.00	90.71	100.00	90.57	100.00
		% to Tatal Revenues		0.57		3.17		3.22
TT Ceramic Public Co.,Ltd. Manufacturer of Porcelain floor and Mosaic	74.90%	Sale	597.47	98.99	606.69	99.25	564.63	97.39
		Others	6.119	1.01	4.615	0.75	15.16	2.61
		Total	603.59	100.00	611.30	100.00	579.79	100.00
		% to Tatal Revenues		22.49		21.37		20.64
		Total Revenues	2,683.63	100.00	2,860.34	100.00	2,809.08	100.00
Increase (decrease) in income (Per cent)			(6.58%)		1.82%		(3.30%)	

4. Risk factors

Risk from Quality of Raw Materials

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

Risk from Out-dated Design

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

Financial risk

The company 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 16, 2020

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	65,923,200	7.881	
	Mr. Voravat Tantranont	1,898,750	0.227	Spouse of person no.3
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 criteria 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, 2020)

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: 65 years old

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

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

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

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

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

Training course in role and duty of directors: None

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

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

Other Position at Present

Listed Companies: None

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

2. Miss Paweena Laowiwatwong

Position	Chairman of the Executive Board of Directors (appointed as director on April 30 th 2019)
Date of Birth	June 22 nd , 1946 Age: 74 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">- Finance Manager, Bangkok Cigar Co., Ltd- Accounting Manager, 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:	4/4
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: 73 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: 4/4

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: 69 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: 4/4

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: 60 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 65,923,200 shares (7.881% of total shares, Buy during the year 7,140,000 share)

Hold by related persons at 1,898,750 shares (0.227% of total shares, Selling during the year 7,140,000 share)

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

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

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

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

Other Position at Present

Listed Companies: - None

Unlisted Companies: - Director, 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: 61 years old

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

Experience - Managing Director, Tantraphan Department Store (Chiangmai)

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

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

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

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

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

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

Other Position at Present

Listed Companies: - 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: 72 years old
Education Background	- Professional Certificate, Panichayakarn Pranakorn College - Mini-MBA, Thammasat University - Bachelor of Thai Traditional Medicine, Ramkhamhaeng University.
Experience	- An Expert in International Marine Service and Transport and Invited Lecturer to give lecture on the topic about Marine Transportation to various government agencies -To consult and be Special Adviser to various universities instructors on the subject of International Transportation Administration

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

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

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

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

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

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

Other Position at Present

Listed Companies: - None

Unlisted Companies: - Director, P.K.R. Group Co., Ltd
- Director, T.N. Co., Ltd
- Director, C.E.X. Transport Co., Ltd
- Director, Chiew Charn Chai Kha Mai Co., Ltd
- Director, Transmic Co., Ltd
- Director, Cermas Co., Ltd

8. Mr. Krit Phunratnamala

Position	Audit Committee, Independent Director (appointed as director on April 28, 2006)
Date of Birth	June 19, 1968 Age: 52 years old
Education Background	<ul style="list-style-type: none"> - Bachelor of Engineering, Chulalongkorn University - Master of Engineering, Imperial College, London - MBA, University of Florida, USA
Experience	<ul style="list-style-type: none"> - Managing Director, Thai Prosperity Advisory Co., Ltd - Director, Quality Houses Public Company Limited - Director, Diamond Building Products Public Company Limited - Managing Director, 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: 4/4	
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: 76 years old
Education Background	- Bachelor of Engineering, Chulalongkorn University - Advanced Management Program Graduate School of Business, Harvard University, USA
Experience	- The Siam Cement Public Company Limited
Number of Shares: No self-own shares (no trading during the year)	No shares hold by related persons (no trading during the year)
Training course in role and duty of directors: DAP From Thai Institute of Directors Association (IOD)	
Developing and training during the past year to enhance knowledge on working as director: None	
No. attended meeting/ No. total meeting: 4/4	
Other Position at Present	
Listed Companies:	- None
Unlisted Companies:	- Chairman of the Board of Directors, Cermas Co., Ltd - Director, T.T. Ceramic Public Co., Ltd

10. Mr. Somboon Uranukul

Position	Managing Director, Executive Director (appointed as director on April 29, 2015)
Date of Birth	December 12, 1960 Age: 60 years old
Education Background	- B.E. in Mechanical Engineering, King Mongkut's University, Thonburi (KMUTT) (King Mongkut's Institute of Technology, Thonburi) - Master of Industrial Engineering and Management, Asian Institute of Technology (AIT)
Experience	- Siam Cement Group
Number of Shares: No self-own shares (no trading during the year)	
	No shares hold by related persons (no trading during the year)
Training course in role and duty of directors: DAP From Thai Institute of Directors Association (IOD)	
Developing and training during the past year to enhance knowledge on working as director: None	
No. attended meeting/ No. total meeting: 4/4	
Other Position at Present	
Listed Companies:	- None
Unlisted Companies:	- Director, 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: 60 years old

Education Background

- 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 Law Society Council - Liquidator Mobil Oil Thailand Co.,Ltd. - Professional Lawyers 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: 4/4

Other Position at Present

Listed Companies:

- 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: 36 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: 4/4	
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. Krit Phunratnamala	Audit Committee	3/4
3.	Mr. Supoj Kaewmanee	Audit Committee	4/4

Both Mr. Krit Phunratnamala and Mr. Supoj Kaewmanee are the persons, who have knowledge and experience in auditing financial statement. In 2020, the Audit committee has held the joined meeting with the company's auditors 3 times during the year. If necessary, the audit committee shall consult with the independent advisors from outside and the expenses will be paid by the company.

Term of staying in the position: Audit Committee term of staying in the position is 3 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, 2020)

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 University, Thonburi (KMUTT)
(King Mongkut's Institute of Technology, Thonburi)
-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, 2020, the company has total employees as the followings:

	Male (Persons)	Female (Persons)	Total (Persons)
Head office employee	113	145	258
Factory employee	297	187	484
Total	410	332	742

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 2020 equal to 298,673,591 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 2020

(As at December 31, 2020)

Director of the Company	Meeting Allowance of Directors (Baht)	Meeting Allowance of Audit Committee (Baht)	Annual Bonus (Baht)	Total (Baht)
1. Captain Seranee Phenjati Chairman of the Board of Directors	480,000	-	-	480,000
2. Miss.Paweena Laowiwatwong Chairman of the Executive Board of Directors	240,000	-	-	240,000
3. Mrs. Nopparat Runguthaisiri Chairman of Audit Committee, Independent Director	240,000	60,000	-	300,000
4. Mr. Krit Phunratanamala Audit Committee, Independent Director	240,000	60,000	-	300,000
5. Mr.Supoj Kaewmanee (Joined April 30, 2019) Audit Committee, Independent Director	240,000	60,000	-	300,000
6. Mr. Sivaporn Dardarananda Independent Director	80,000	-	-	80,000
7. Mr. Marut Mangklabruks Executive Directors	240,000	-	-	240,000
8. Mr. Voravat Tantranont Executive Directors	240,000	-	-	240,000
9. Mr. Methawee Laowiwatwong Director	240,000	-	-	240,000
10. Mrs. Nipnant Tantranont Director	240,000	-	-	240,000
11. Mr. Somboon Uranukul Managing Director	240,000	-	-	240,000
12. Miss Pavarisa Phenjati Executive Director	240,000	-	-	240,000
Total (Baht)	2,960,000	180,000	-	3,140,000

Year 2020

Executive Board of Directors & Administrative Officers	Persons	Payment (Baht)
Monthly Salary And Bonus	10	29,138,640

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 911,386 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 2020, the Company held 1 shareholders' meeting as the Annual General Shareholders' Meeting for the year 2020 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 10, 2019 to December 31, 2019 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 450001:2018), 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 2020 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 2020, average hours in training is equally 2.36 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. 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 2020 there was accident at work 4 times compared to the year 2019 which had accident at work 2 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 59 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 2020 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 funds for the purchase of Covit 19 medical equipment to Nong Khae Hospital, Saraburi Hospital and Chaipattana Foundation.

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 111 million Baht per year; Ruamphat Ceramic Company Limited has borrowed loans from individuals and related companies for payment of goods at the amount of 3 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 13 million Baht
UMI Property Co., Ltd.	:	37.57 percent of its registered capital is owned by UMI. The company is in real estate business that owns Chamnan Phenjati Business Center. Up to 70 percent of 30 floors Chamnan Phenjati Business Center building space, has been sold. The remaining space of 30 percent is for rent. UMI has onwer three and a half floors of the building to be the company's office on the 27 th , 28 th , 29 th floors and half of the 30 th floor. And showroom at 1 st floor.
Inter-Company Transaction	:	UMI Property Co., Ltd. has borrowed money from Directors and the related company to use in debt restructuring with creditors, with an amount about 11 million Baht using interest rate equal to MLR and deposit rate of fixed account of leading commercial banks plus 2 percent per year.
T.T.Ceramic PLC.	:	A subsidiary of the Union Mosaic Industry Public Company Limited (UMI); UMI holds 74.90% of the registered capital and has management and related persons holding more than 10% of the shares. Its main business is manufacture and distribution of high quality porcelain tiles and mosaic tiles
Inter-Company Transaction	:	About 370 million Baht per year.

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

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

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 2020

The company and its subsidiaries have overall operating results for the year 2020 as follows: The group has sales and service income of 2,322 million baht, a decrease of 4% from the previous year, net loss of 98 million baht with additional losses 30 million baht. It comes from the situation of the Coronavirus 2019 (COVID-19) epidemic and the impact continues to be a major cause of the group's revenue decline from project customers due to the slowdown in real estate business from the closure of large building material stores (Modern Trade) by the Order of the Center for the Administration under the COVID-19 situation (Sor. Kor. Bor.). And it is also from the decline in export business following the global economic conditions including severe price competition. These incidents have a significant impact on the company's performance, although the operating strategy is constantly adjusted to accommodate various situations.

Operating income: The company main business is the manufacture and sale of floor tiles, wall tiles and porcelain tiles under the “Duragres” and “Cergres” brands with revenue from main products sold in the country, 87 percent, exported to foreign countries, 9 percent, and from other income 4 percent.

The Company's main income can be divided into 56% of floor tiles, 15% wall tiles, 25% porcelain tiles; 2% clay, rock and minerals; and 2% for real estate rentals.

2. Performance

The results of operations for the year 2020 of the Union Mosaic Industry Public Company Limited and its subsidiaries compared with the year 2019 for the year ended December 31, 2020 and 2019 are as follows:

(Unit: in million baht)

Details	2020	2019	Increase(Decrease)	
			Amount	Percent
-Revenue from sales	2,322	2,414	(92)	(4)
-Cost of goods sold	1,775	1,871	(96)	(5)
-Gross profit margin	548	543	5	1
-Other incomes	18	54	(36)	66
-Selling expense	297	342	(45)	(13)
-Administration expense	322	316	6	2
-Financial cost	83	37	46	124
-Profit before income taxes	(136)	(98)	(38)	39
-Income taxes	13	4	9	210
-Profit (loss) sharing for the year, attributable to the equity holders of the parent company	(98)	(69)	(30)	43

Revenue from sales in 2020 was 2,322 million baht, decreasing from the end of 2019 by 92 million baht or 4 percent from the average selling price per unit decreased due to high competition in price and decline in distribution channels. The revenue share from tiles divided into floor tiles 64%, wall tiles 15%, while imported tiles increased 10%, revenue from a subsidiary that has done business in trading 7%, a subsidiary operating a quarry and mineral business increased revenues of 2% and income from real estate by 2%.

However, the company has developed products, sales and marketing model to be more competitive when compared to the higher 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 adding back impairment of assets in a subsidiary company. Distribution costs decreased by 45 million baht due to the decrease in sales and promotion expenses by 32 million baht in response to the government's lockdown policy to prevent the spread of the coronavirus disease (COVID-19). Transportation costs decreased by 13 million baht and administrative expenses increased by 6 million baht, an increasing only the cost of turning off the kiln by 41 million baht for stock control. Financial costs increased by 46 million baht from the recognition of defaulted interest of a subsidiary. Income tax increased by 9 million baht from added assets invested in a subsidiary as a result, the net loss attributable to the shareholders of the parent company was 98 million baht, an increase in losses of 30 million baht.

3. Financial status analysis

The financial status of the company and its subsidiaries as of 31 December 2020, compared with 31 December 2019

(Unit: in million Baht)

Details	Consolidated Statements			
	31 Dec. 2020	31 Dec. 2019	Inc./(Dec.)	%
Assets				
Current assets	1,451	1,338	113	8.46
Property, plant and equipment – net	1,492	1,593	(101)	(6.34)
Other non-current assets	157	146	11	7.82
Total assets	3,101	3,077	24	0.77
Liabilities				
Current liabilities	1,357	1,180	177	15.01
Non-current liabilities	406	408	(2)	(0.44)
Total liabilities	1,763	1,588	175	11.04
Shareholders' equity				
Paid-up share capital	837	837	-	-
Parent company shareholders' equity	421	520	(99)	(19.12)
Non – controlling interest	80	132	(52)	(39.49)
Total shareholders' equity	1,337	1,489	(152)	(10.19)
Total liabilities and shareholders' equity	3,101	3,077	24	0.77

Assets

As of 31 December 2020, the total assets of the company and its subsidiaries amounted to 3,101 million baht, an increase of 24 million baht from the end of 2019 as follows:

Cash and cash equivalents increased by 40 million baht from receiving debt payment;

Accounts receivable and other receivables - net, increased by 155 million baht as follows:

(Unit: in million baht)

Details	2020	2019	Increase(Decrease)	%
Accounts receivable not yet due	426	329	96	62
Overdue receivables				
Less than 3 months	237	184	53	34
Over 3 months to 6 months	11	9	2	1
Over 6 months to 9 months	11	1	11	7
Over 9 months to 12 months	2	7	(5)	(3)
Over 12 months to 15 months	1	-	1	1
Over 15 months to 18 months	2	1	1	1
More than 18 months	13	22	(9)	(6)
Total accounts receivable	703	554	150	97
Allowance for doubtful accounts	(16)	(21)	5	3
Total accounts receivable and other receivables	687	533	155	100

The company has considered the quality of accounts receivable by analyzing each debtor in giving the credit term as well as closely and regularly tracking outstanding debt. An allowance for doubtful accounts for outstanding receivables of the year 2020 is set at 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 80 million baht due to the effort to control inventories by stopping production of some sizes that are slow-moving and promotions to release the products.

Property, plant and equipment-net decreased by 101 million baht from depreciation.

Other current assets increased by 11 million baht.

Liabilities and shareholders' equity

The total liabilities of the company and its subsidiaries as of December 31, 2020 were 1,763 million baht, an increase of 175 million baht or 11 percent came from short-term loans from financial institutions decreased by 29 million baht. Accounts payable increased by 167 million baht, it is debt not yet due. The provision of current liabilities increased by 61 million baht; from the recording of defaulted interest of a subsidiary. The lease liabilities increased by 26 million baht from the hire-purchase of assets. Long-term loan from financial institutions was at 15 million baht, resulting in a debt-to-equity ratio of 1.32 times.

Shareholders' equity at the end of the year 2020 was 1,337 million baht, a decrease of 152 million baht or 10 percent from the annual total comprehensive loss.

4. Liquidity and capital adequacy

Liquidity of the Company and its subsidiaries for the year ended 31 December 2020 had an increase in net cash of 40 million baht, with the beginning net cash carried from 2019 at the amount of 50 million baht. As a result, net cash at the end of the period decreased to 90 million baht. The cash details of each activity are as follows:

Details	(Unit: in million baht)
-Net cash provided by (used in) operation activities	198
-Net cash provided by (used in) investment activities	(76)
-Net cash came from (used in) financing activities	(82)
-Cash and cash equivalents increase (decrease) – net	40
-Cash and cash equivalents at the beginning date of period	50
-Cash and cash equivalents at the ending date of period	90

Net cash received from operations was 198 million baht; from interest payments of 27 million baht, account and other receivables increased by 158 million baht, inventories decreased by 80 million baht, account payable increased by 166 million baht, depreciation and amortization of 210 million baht, and cash paid for employee benefit liabilities of 24 million baht.

Net cash used from investing activities amounted to 76 million baht, it came from the amount of cash paid for purchasing equity securities, totaling 2 million baht, and at the amount of 70 million baht for investment in machinery and equipment; the amount of 2 million baht to produce newly developed products and vehicles.

Net cash used in financing activities of 82 million baht arising from repayment of short-term loan of 29 million baht, dividend payment of 2 million baht, cash payment to reduce debt incurred from finance lease of 20 million baht. Interest payment amounted of 14 million baht and repayment of long-term loans from financial institutions at the amount of 15 million baht.

Financial ratios and profit per share of the company and subsidiaries

Financial ratio and profit per share	Unit	2020	2019	2018
Liquidity ratio				
Current ratio	Times	1.07	1.13	0.90
Quick ratio	Times	0.59	0.52	0.42
Account receivable turnover	Days	108	80	83
Inventory turnover	Days	133	141	144
Account payable turnover	Days	90	53	63
Financial ratio				
Debt to equity ratio	Times	1.32	1.07	1.11
Profitability ratio				
Gross profit margin	%	24%	22%	21%
Net profit margin	%	(5%)	(4%)	(4%)
Return on assets	%	(4%)	(3%)	(3%)
Return on equity	%	(9%)	(6%)	(6%)
Profit per share				
Profit per share	Baht/Share	(0.12)	(0.08)	(0.09)

Liquidity ratio

Current ratio in 2020, compared to 2019, was at 1.07 times and 1.13 times, slightly decreased from the previous year. The quick ratio was 0.59 times and 0.52 times.

Account receivable turnover was increased to 108 days from 80 days because the debtors are negotiating to make late payment due to liquidity problems as the result of coronavirus epidemic.

Inventory turnover decreased to 133 days compared with 141 days in the previous year due to inventory control by setting as one of the policy in working and having the promotion to release products.

Financial Ratio

Debt to equity ratio in 2020 increased compared to the previous year at 1.32 times and 1.07 times due to the increase in debt not yet due. While the shareholders' equity decreased from the loss.

Profitability ratio

Gross profit margin in 2020 increased to 23 percent from 22 percent due to effective cost management.

Since the year 2020, the company's performance has suffered a loss of 0.12 baht per share, resulting in a negative return ratio compared to the year of 2019, an increase of loss by 0.04 baht per share from a loss of 0.08 baht per share.

5. Obligations and liabilities that may arise

Obligations and contingent liabilities that may arise as of December 31, 2020 amounted to 26 million baht, which was the liability under operating lease from 1-5 years of 5 million baht according to the lease classification under the terms of the financial lease agreement in accordance with Financial Reporting Standard No. 16 regarding lease agreements.

6. Factors that may affect future operations

Effects of the Coronavirus 2019 (COVID-19) epidemic situation have caused change in business environment. The company has assessed factors affecting the operations in the future, which is expected to have long-term effects and has reviewed the goals and plans to be consistent with the situation, to prevent the interruption of operations that can be summarized as follows.

1. The company has planned human resource development to create satisfaction for customers with continuous development of labor skills and personnel skills to be able to perform work efficiently. There is a set of procedures, guidelines for better implementation with operational guidelines and procedures for conducting business. A clear policy is set together with: good vision; management planning; job progress tracking; quality inspection of the results obtained; measures to reduce employee turnover and continuing to control of business management.
2. Capital management is carried out by preparing cash projections to be used in managing current assets to ensure adequate liquidity and low financial costs.
3. Provide efficient production and management of raw materials that can be sufficient for production in order to get a low cost as to be competitive in the market.
4. Set up important long-term operating strategies of the company to maintain competitiveness by developing new products to increase differences; develop distribution channels to be strong both domestic and abroad. The company still adhere to the sustainable development approach along with creating Brand Awareness for both new and existing customers, increasing product access channels and increasing opportunities to sell products by open up booth in trade shows to promote products using join activities with dealers; and prepare advertising media to be outstanding and competitive to support the sales of products, in the events such as product fairs, seminars, monthly activities to promote marketing and developing new products.

8. Remuneration of the Company's Auditors

The company's auditor for the year 2020 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, 2020, 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, 2020, 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.

*** /2

Liabilities under Debt Rehabilitation Plan in Subsidiary

Risk

As discussed in Note 19 to the financial statements, the Subsidiary has matured under the rehabilitation plan agreement since August 2020. Anyway the subsidiary has not repaid the whole amount in that month. And in the process of requesting new debt rehabilitation with financial institutions which in this part has a significant impact on basis for preparation and presentation of financial statements in subsidiary that the management has estimated that the subsidiary still uses the basis in continuous operations is appropriate.

Risk Responses of Auditor

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

- I read minute report and ask management of subsidiary for monitor the progress of negotiations debt rehabilitation with financial institutions.
- I asked the plan management has proposed to the financial institution and management's assessment of the feasibility and success of the new debt rehabilitation plan; and
- I have verified information that the independent appraiser has prepared to propose to negotiate a new debt rehabilitation plan with the financial institutions; and
- I have examined the events after the reporting period. Regarding the progress of the new debt rehabilitation plan.

Impairment of Assets in Subsidiary

Risk

As discussed in Note 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, 2020 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 Assets Investment in Subsidiary

Risk

As discussed in Note 9.2 to the financial statements, the Company might have an indication of impairment of assets, it has subsidiary such as investment in subsidiary loan to subsidiary Machine sales receivable includes Trade account receivable and Other account receivable with T.T.Ceramic Public Co., Ltd. due to having continuous loss on the subsidiary's operations. And the Maturities of the debt rehabilitation plan that the subsidiary has not repaid the whole amount. Because in the process of requesting new debt rehabilitation with financial institutions which in this part has a significant effect on the loss of subsidiary. Because the subsidiary has to estimate the liability for default interest record of around amount of Baht 10 - 12 million per month. The reason the default interest has an impact is that because the Company records the recoverable amount compared to the assets investment in the subsidiary by the book value method after adjustment (Adjust Net Book Value) 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 the greater of 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 assets investment in Subsidiary.

Deferred income tax assets

Risk

As discussed in Note 14 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.

*** /4

Emphasis of Matter

I draw attention to Note 2.1 to the financial statements, Due to the impact of the Coronavirus 2019 outbreak, the Group in preparing the financial information for the year ended December 31, 2020, the Company has adopted the Accounting Guidance on Temporary Relief Measures for Accounting Alternatives Dealing with The Impact of Coronavirus 2019 Pandemic issued by the Federation of Accounting Professions. My expressed a qualified opinions is not in respect of this matter.

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.
- 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.

*** / 6

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 23, 2021

THE UNION MOSAIC INDUSTRY PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

AS AT DECEMBER 31, 2020

ASSETS

(Unit : Baht)					
	<i>Notes</i>	<i>Consolidated</i>		<i>Separate</i>	
		<i>As at</i>	<i>As at</i>	<i>As at</i>	<i>As at</i>
		<i>December 31, 2020</i>	<i>December 31, 2019</i>	<i>December 31, 2020</i>	<i>December 31, 2019</i>
Current assets					
<i>Cash and cash equivalents</i>	5	90,115,156	49,804,251	65,438,515	20,558,873
<i>Trade and other current receivables</i>	6 , 30.1.1 , 30.1.3	686,914,382	531,544,409	612,190,638	466,259,803
Short - term loans	30.1.2	-	-	45,043,010	60,043,010
<i>Inventories</i>	7	645,571,265	725,201,091	438,139,016	491,773,732
<i>Other current financial assets</i>	8	24,425,534	22,253,405	-	-
<i>Other current assets</i>		4,208,779	9,250,845	154,296	4,936,911
Total current assets		1,451,235,116	1,338,054,001	1,160,965,475	1,043,572,329
Non-current assets					
<i>Investments in associates</i>	9.1	-	-	-	-
<i>Investments in subsidiaries</i>	9.2	-	-	168,795,167	247,124,388
<i>Trade and other non-current receivables</i>	30.1.4	-	-	-	49,102,081
<i>Investment property</i>	10	39,857,163	40,713,257	824,277	824,277
<i>Property, plant and equipment</i>	11	1,492,229,297	1,593,252,596	661,136,198	716,469,286
<i>Right-of-use assets</i>	12	20,039,190	-	14,970,919	-
<i>Intangible assets</i>	13	20,166,025	27,228,946	16,444,580	22,064,686
<i>Deferred tax assets</i>	14	2,985,750	2,985,750	24,753,476	23,862,401
<i>Non-current financial assets</i>		19,364,627	15,135,635	10,455,200	8,632,450
<i>Other non-current assets</i>					
- <i>Machine non-used in operation</i>	15.1	30,803,667	37,640,238	-	-
- <i>Constuction in progress and install assets</i>	15.2	-	-	-	-
- <i>Other non-current assets</i>	15.3	23,941,248	22,050,466	5,283,600	5,628,200
Total non-current assets		1,649,386,967	1,739,006,888	902,663,417	1,073,707,769
Total assets		3,100,622,083	3,077,060,889	2,063,628,892	2,117,280,098

THE UNION MOSAIC INDUSTRY PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION (CONT.)

AS AT DECEMBER 31, 2020

LIABILITIES

(Unit : Baht)					
	Notes	Consolidated		Separate	
		As at	As at	As at	As at
		December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
Current liabilities					
Bank overdrafts and short-term borrowings from financial institutions	16	64,529,474	94,007,369	63,801,832	94,007,369
Trade and other current payables	17	438,791,839	271,578,360	256,161,133	196,691,552
Current portion of long-term liabilities					
- Liabilities under debt rehabilitation plan	19	722,339,101	723,531,142	-	-
- Loans from financial institutions	20	37,336,427	60,537,749	37,275,000	59,820,000
- Loans from related parties	30.1.6	11,890,000	14,090,000	-	-
Corporate income taxes payable		855,711	1,354,755	-	-
Current provision for employee benefit	21	6,551,844	4,502,484	5,249,244	3,609,184
Other current provisions	19	61,068,383	4,918,395	-	-
Current portion of lease liabilities	22	13,216,192	3,076,004	7,610,866	1,926,793
Other current liabilities		598,879	2,499,186	-	-
Total current liabilities		1,357,177,850	1,180,095,444	370,098,075	356,054,898
Non-current liabilities					
Long-term borrowings					
- Liabilities under debt rehabilitation plan	19	-	-	-	-
- Loans from financial institutions	20	216,610,000	208,856,427	216,610,000	208,795,000
- Loans from related parties	30.1.6	3,500,000	2,000,000	-	-
Deferred tax liabilities	14	65,169,347	79,127,538	-	-
Non - Current provision for employee benefit	21	92,818,753	106,344,448	77,120,698	89,907,939
Lease liabilities	22	17,140,575	1,425,851	17,484,724	-
Other non-current liabilities		10,932,674	10,217,282	-	-
Total non-current liabilities		406,171,349	407,971,546	311,215,422	298,702,939
Total liabilities		1,763,349,199	1,588,066,990	681,313,497	654,757,837

THE UNION MOSAIC INDUSTRY PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION (CONT.)

AS AT DECEMBER 31, 2020

SHAREHOLDERS' EQUITY

(Unit : Baht)					
	Notes	Consolidated		Separate	
		As at	As at	As at	As at
		December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
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		144,729,449	242,953,857	281,514,823	363,544,439
Other components of shareholders' equity					
Total shareholders' equity of parent company		1,257,102,655	1,356,507,597	1,382,315,395	1,462,522,261
Non-controlling interests					
Total shareholders' equity		1,337,272,884	1,488,993,899	1,382,315,395	1,462,522,261
Total liabilities and shareholders' equity					
		3,100,622,083	3,077,060,889	2,063,628,892	2,117,280,098

THE UNION MOSAIC INDUSTRY PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF COMPREHENSIVE INCOME

F O R T H E Y E A R E N D E D D E C E M B E R 3 1 , 2 0 2 0

(Unit : Baht)					
	Notes	Consolidated		Separate	
		2020	2019	2020	2019
<i>Revenues from sales</i>	30.2	2,322,348,840	2,413,888,164	1,828,256,947	1,950,653,165
<i>Cost of sales</i>	30.2	(1,774,527,738)	(1,871,006,254)	(1,421,134,934)	(1,547,631,327)
<i>Gross (loss) profit</i>		547,821,102	542,881,910	407,122,013	403,021,838
<i>Other income</i>	30.2	18,235,162	54,244,683	22,719,947	28,243,127
<i>Distribution costs</i>		(297,151,594)	(341,738,527)	(229,090,106)	(274,538,558)
<i>Administrative expenses</i>	30.2	(290,073,891)	(286,478,664)	(232,057,775)	(180,263,293)
<i>Director and management benefit expenses</i>	30.2	(31,578,640)	(29,523,640)	(31,578,640)	(29,523,640)
<i>Total other income and expenses</i>		(600,568,963)	(603,496,148)	(470,006,574)	(456,082,364)
<i>Profit (loss) before financial costs and income tax expense</i>		(52,747,861)	(60,614,238)	(62,884,561)	(53,060,526)
<i>Finance costs</i>	30.2	(83,146,427)	(37,064,643)	(20,036,130)	(21,563,956)
<i>Profit (loss) before income tax expense</i>		(135,894,288)	(97,678,881)	(82,920,691)	(74,624,482)
<i>Income tax expense (revenue)</i>	27	12,924,023	4,163,448	891,075	15,477,209
<i>Profit (loss) for the year</i>		(122,970,265)	(93,515,433)	(82,029,616)	(59,147,273)
Other comprehensive income (loss)					
Components that will be reclassified to profit or loss					
<i>Gains (losses) on measuring available-for-sale investments</i>		1,826,350	(158,130)	1,822,750	(163,050)
Components that will not be reclassified to profit or loss					
Gain (losses) on remeasurement of Employee benefits are defined	21	-	(3,554,541)	-	-
Gain (loss) on revaluation of assets		-	2,089,824	-	-
<i>Total comprehensive income (loss) for the year</i>		(121,143,915)	(95,138,280)	(80,206,866)	(59,310,323)
<i>Profit (loss) for the years attributable to:</i>					
<i>Equity holders of the parent</i>		(98,224,408)	(68,679,098)	(82,029,616)	(59,147,273)
<i>Non-controlling interests</i>		(24,745,857)	(24,836,335)	-	-
		(122,970,265)	(93,515,433)	(82,029,616)	(59,147,273)
<i>Total comprehensive income (loss) attributable to:</i>					
<i>Equity holders of the parent</i>		(96,400,306)	(69,805,558)	(80,206,866)	(59,310,323)
<i>Non-controlling interests</i>		(24,743,609)	(25,332,722)	-	-
		(121,143,915)	(95,138,280)	(80,206,866)	(59,310,323)
<i>Basic earnings (loss) per share</i>					
<i>Net profit (loss) (Baht per Share)</i>	29	(0.12)	(0.08)	(0.10)	(0.07)
<i>Weighted average number of ordinary share (Share)</i>		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, 2020

(Unit : Baht)												
Consolidated												
Equity holders of the parent												
Retained earnings					Other components of shareholders' equity					Total other components of shareholders' equity		
Notes	Share capital	Premium on	Appropriated -	Unappropriated	Defined benefit	Revaluation	Surplus on change	Fair value changes	Total other	components of shareholders' equity	Non-controlling	Total
	issued and paid-up	ordinary shares	Legal reserve		plan actuarial	surplus of lands	in shareholding in subsidiary	on investments	components of shareholders' equity			
Beginning balance as at January 1, 2019	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	-	-	-	(71,045,711)	-	1,391,404	-	(161,201)	1,230,203	(69,815,508)	(25,322,772)	(95,138,280)
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
Total comprehensive income for the year	-	-	-	(98,224,408)	-	-	-	1,824,102	1,824,102	(96,400,306)	(24,743,609)	(121,143,915)
Changes in ownership interests in subsidiaries of controlling interests without a change in control	-	-	-	-	-	-	(3,004,636)	-	(3,004,636)	(3,004,636)	(25,995,364)	(29,000,000)
Dividend of non-controlling interest	23	-	-	-	-	-	-	-	-	-	(1,577,100)	(1,577,100)
Ending balance as at December 31, 2020	836,504,741	15,500,685	83,650,474	144,729,449	-	180,139,785	2,079,911	(5,502,390)	176,717,306	1,257,102,655	80,170,229	1,337,272,884

THE UNION MOSAIC INDUSTRY PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE YEAR ENDED DECEMBER 31, 2020

	(Unit : Baht)								
	Separate								
	Retained earnings				Other components of shareholders' equity				
	Share capital issued and paid-up	Premium on ordinary shares	Appropriated - Legal reserve	Unappropriated	Defined benefit plan actuarial gains (loss)	Fair value changes on investments	Revaluation surplus of lands	Total other components of shareholders' equity	Total
Beginning balance as at January 1, 2019	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
Total comprehensive income (loss) for the year	-	-	-	(82,029,616)	-	1,822,750	-	1,822,750	(80,206,866)
Ending balance as at December 31, 2020	836,504,741	15,500,685	83,650,474	281,514,823	-	(5,188,702)	170,333,374	165,144,672	1,382,315,395

THE UNION MOSAIC INDUSTRY PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2020

(Unit : Baht)					
		Consolidated		Separate	
	Notes	2020	2019	2020	2019
Cash flows from operating activities					
Profit (loss) before corporate income tax expense the year		(135,894,288)	(97,678,881)	(82,920,691)	(74,624,482)
Adjustment of profit (loss) on cash received (paid)					
Adjustment on financial cost		26,996,439	37,064,643	20,036,130	21,563,956
Adjustment on trade and other receivables (increase) decrease		(157,728,187)	50,433,394	(99,075,076)	63,754,386
Adjustment on inventories (increase) decrease		80,135,298	47,061,974	53,634,715	36,404,610
Adjustment on other assets (increase) decrease		(23,957,934)	(6,846,981)	5,127,216	(47,296)
Adjustment on trade and other payables increase (decrease)		166,435,936	(94,566,950)	59,216,073	(83,189,121)
Adjustment on other liabilities increase (decrease)		(7,164,596)	1,915,785	-	-
Depreciation, Depletion and Amotization	10 , 11, 12 , 13, 15.1	209,594,976	213,150,643	86,347,294	91,557,409
Adjustment on impairment loss on assets (reverse)	9.2	-	9,573,630	107,329,221	63,346,477
Adjustment on provisions liabilities (reverse)		68,284,444	37,492,197	8,324,758	30,245,916
Adjustment on unrealized loss (gain) on exchange rate		246,520	(2,446)	290,929	(82,506)
Adjustment on loss (gain) on fair value adjustment	8	(3,600)	(4,920)	-	-
Adjustment on bad debts and allowance for doubtful					
accounts (reverse)	6	3,206,490	(910,083)	3,049,753	147,075
Adjustment on loss from inventories devaluation (reverse)	7	(505,472)	(7,965,093)	-	(7,284,237)
Adjustment on loss (gain) on disposal of non-current assets					
- (Gain) loss from sold of property, plant and equipment	11	566,193	134,491	566,193	137,947
- (Gain) loss from written off intangible assets	13	349,583	-	(492)	-
Adjustment on cash generated from investments or borrowings		(588,043)	(907,478)	(7,856,582)	(8,150,996)
Net cash provided by (used in) operation activities		229,973,759	187,943,925	154,069,441	133,779,138
Dividends received		-	-	-	-
Interest expense		(7,038,721)	-	-	-
Interest income		588,043	907,478	7,333,682	8,782,896
Income tax expense refund (paid)		(1,915,019)	10,367,310	(840,852)	(1,577,467)
Cash received (paid) from other activities - Provision					
for employee benefits	21	(23,610,791)	(10,550,045)	(19,471,939)	(9,069,185)
Net cash provided by (used in) operation activities		197,997,271	188,668,668	141,090,332	131,915,382

THE UNION MOSAIC INDUSTRY PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CASH FLOWS (CONT.)

FOR THE YEAR ENDED DECEMBER 31, 2020

(Unit : Baht)					
	Notes	Consolidated		Separate	
		2020	2019	2020	2019
Cash flows from investing activities					
Cash paid for additional purchase in a subsidiary		-	-	(29,000,000)	-
Cash paid to purchase equity or debt securities of other entities	8	(2,164,929)	(1,706,472)	-	-
Cash received from the sale of property, plant and equipment	11	1,280,895	6,031,142	1,280,895	6,027,684
Cash paid for purchase of property, plant and equipment	11	(69,536,426)	(32,411,087)	(3,083,683)	(14,650,483)
Cash received from the sale of intangible assets	13	134,508	-	135,000	-
Cash paid for purchase intangible assets	13	(1,215,000)	(1,108,000)	(1,080,000)	(1,108,000)
Cash paid for purchase of other-long term assets		(1,890,782)	-	-	-
Dividends received	9.2	-	-	522,900	522,900
Cash received (paid) other investing activities - Financial assets		(2,406,242)	-	-	1,232,011
Cash paid for advance payments and loans to other persons or related parties	30.1.2	-	-	(5,000,000)	(5,000,000)
Cash received from advance payment and loans to other persons or related parties	30.1.2	-	-	20,000,000	2,000,000
Net cash provided by (used in) investing activities		(75,797,976)	(29,194,417)	(16,224,888)	(10,975,888)
Cash flows from financing activities					
Cash received from borrowings		-	312,162,949	-	312,162,949
Cash paid for payment of short-term borrowings		(29,477,895)	(67,330,818)	(30,205,537)	(50,213,838)
Cash paid for repayment of long-term loans classified as short-term					
- Debt restructuring plan	19	(1,192,041)	-	-	-
Cash paid for long-term loans	20	(15,447,749)	-	(14,730,000)	-
Cash received from borrowings from other persons or related parties	30.1.6	2,000,000	-	-	-
Cash paid for repayment of long-term loans from other persons or related parties	30.1.6	(2,700,000)	-	-	-
Cash paid for redemption of debentures		-	(347,500,000)	-	(347,500,000)
Cash paid for liabilities under financial leasing	22	(19,580,121)	(3,195,207)	(15,014,135)	(2,358,540)
Cash paid for dividend		(1,577,100)	(1,577,100)	-	-
Interest expense		(13,913,484)	(41,272,670)	(20,036,130)	(25,771,983)
Net cash provided by (used in) financing activities		(81,888,390)	(148,712,846)	(79,985,802)	(113,681,412)

THE UNION MOSAIC INDUSTRY PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CASH FLOWS (CONT.)

FOR THE YEAR ENDED DECEMBER 31, 2020

(Unit : Baht)				
<i>Notes</i>	Consolidated		Separate	
	2020	2019	2020	2019
<i>Net increase (decrease) in cash and cash equivalents</i>	40,310,905	10,761,405	44,879,642	7,258,082
<i>Cash and cash equivalents, at beginning of the year</i>	49,804,251	39,042,846	20,558,873	13,300,791
<i>Cash and cash equivalents, at ending of the year</i>	90,115,156	49,804,251	65,438,515	20,558,873
<i>Supplemental disclosures of cash flows information :</i>				
<p>1. For the purpose of preparing the statement of cash flows, cash and cash equivalents items include cash on hand and cash at banks and short-term investment in promissory notes which are due within 3 months.</p> <p>2. During the year 2020, the company purchased 4 vehicles by entering into financial lease agreements in the amount of Baht 13.94 million.</p> <p>3. During the year 2020, the company has reclassified office rental contracts into liabilities under leases on January 1, 2020. As part of the standardization process, Leases, for the first time.</p> <p>The financial lease in the consolidated financial statements amount of Baht 32.01 million and the separate financial statements amount of Baht 23.37 million, respectively. (Note 2.4.2)</p> <p>4. During the year 2019, a subsidiary company has purchased 1 vehicle by entering into a financial lease agreement in amount of Baht 2.33 million.</p>				

THE UNION MOSAIC INDUSTRY PUBLIC COMPANY LIMITED AND SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020

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.

Branch : 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 Coronavirus disease 2019 Pandemic

The Coronavirus disease 2019 pandemic is continuing to evolve, resulting in an economic slowdown and adversely impacting most businesses and industries. This situation may bring uncertainties and have an impact on the environment in which the group operates. The Company's management has continuously monitored ongoing developments and assessed the financial impact in respect of the valuation of assets, provisions and contingent liabilities, and has used estimates and judgement in respect of various issues as the situation has evolved.

2.2 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.

THE UNION MOSAIC INDUSTRY PUBLIC COMPANY LIMITED AND SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020

2.3 Principles of consolidation

The consolidated financial statements include the financial statements of the Union Mosaic Industry Public Company Limited and subsidiaries which are under its control with more than 50 percent voting rights as follows:

	Type of Business	Head office	Percentage of holding (% of share capital)	
			As at December 31, 2020	As at December 31, 2019
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	74.90	66.58

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

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

Total assets of the subsidiaries as at December 31, 2020 and 2019, and Total revenue of subsidiaries for the years ended December 31, 2020 and 2019. 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,	
	2020	2019	2020	2019
Cermas Co ., Ltd.	2.19	2.24	2.09	3.17
UMI Property Co ., Ltd.	2.33	2.25	1.34	1.45
Ruampat Ceramic Co ., Ltd.	2.15	1.82	6.51	4.82
T.T. Ceramic Public Co ., Ltd.	30.28	30.49	22.15	21.37

THE UNION MOSAIC INDUSTRY PUBLIC COMPANY LIMITED AND SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020

Non-controlling interest

Details of non-wholly owned subsidiaries which have material non-controlling interests as at December 31, 2020 and 2019, are as follows;

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	
	2020	2019	2020	2019	2020	2019	2020	2019
	(%)	(%)						
Cermas Co., Ltd.	75.10	75.10	46.17	47.21	0.57	(2.77)	1.58	1.58
UMI Property Co., Ltd.	62.43	62.43	30.85	28.07	2.14	(3.14)	-	-
Ruampat Ceramic Co., Ltd.	51.00	51.00	8.30	8.87	1.07	(1.08)	-	-
T.T. Ceramic Public Co., Ltd.	25.10	33.42	(5.14)	48.34	(28.53)	(17.85)	-	-

THE UNION MOSAIC INDUSTRY PUBLIC COMPANY LIMITED AND SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020

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, 2020 and 2019, are as follows;

		(Unit: Million Baht)							
		Cermas Co., Ltd.		UMI Property Co., Ltd.		Ruampat Ceramic Co., Ltd.		T.T. Ceramic Public Co., Ltd.	
		2020	2019	2020	2019	2020	2019	2020	2019
Condensed statement of financial position									
As at December 31,									
Current assets		51.13	54.87	37.49	34.19	67.53	58.59	281.11	310.18
Non-current assets		20.45	20.31	38.87	41.20	2.80	2.37	709.96	711.45
Current liabilities		7.16	9.11	1.20	1.74	39.82	44.05	1,052.81	904.99
Non-current liabilities		2.57	2.88	25.74	27.65	13.50	2.00	27.44	80.53
Equity attributable to owners of the Company		61.85	63.19	49.42	46.00	17.01	14.91	(89.18)	36.11
Condensed statement of profit or loss and other comprehensive income									
For the year ended December 31,									
Revenues		56.99	90.71	36.47	41.49	177.31	137.94	603.59	611.30
Expenses		(56.23)	(87.02)	(33.05)	(36.46)	(175.21)	(135.82)	(728.89)	(712.67)
Profit (loss) for the year		0.76	3.69	3.42	5.03	2.10	2.12	(125.30)	(101.37)

THE UNION MOSAIC INDUSTRY PUBLIC COMPANY LIMITED AND SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020

		(Unit: Million Baht)							
		Cermas Co ., Ltd.		UMI Property Co ., Ltd.		Ruampat Ceramic Co ., Ltd.		T.T. Ceramic Public Co ., Ltd.	
		2020	2019	2020	2019	2020	2019	2020	2019
Condensed statement of cash flows									
Dividends paid to non-controlling interests		(1.58)	(1.58)	-	-	-	-	-	-
Net cash inflow (outflow) from operation activities		(3.12)	17.89	6.01	4.17	(8.95)	0.84	100.21	37.63
Net cash inflow (outflow) from investing activities		(2.98)	(6.11)	(0.14)	(0.35)	(0.59)	(0.01)	(64.88)	(12.57)
Net cash inflow (outflow) from financing activities		(2.00)	(2.58)	(3.23)	(6.44)	6.48	4.98	(31.37)	(33.96)
Net cash inflow (outflow)		(8.10)	9.20	2.64	(2.62)	(3.06)	5.81	3.96	(8.90)

2.4 New financial reporting standards

2.4.1 Financial reporting standards that became effective in the current year

During the year, the Company and its subsidiaries have adopted the revised (revised 2019) and new 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. 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:

Financial reporting standards related to 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.

Thai Financial Reporting Standard No. 9, Financial Instruments does not have any significant impact on the Company's financial statements.

Thai Financial Reporting Standards No. 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 recognise 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 Company 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 January 1, 2020 and the comparative information was not restated.

The impact due to changes in accounting policy was reported in Note 2.4.2

Accounting Treatment Guidance on “Temporary relief measures on accounting alternatives in response to the impact of the COVID-19 situation”

The Federation of Accounting Professions announced Accounting Treatment Guidance on “Temporary relief measures on accounting alternatives in response to the impact of the COVID-19 situation”. Its objectives are to alleviate some of the impact of applying certain financial reporting standards, and to provide clarification about accounting treatments during the period of uncertainty relating to this situation.

On April 22, 2020, the Accounting Treatment Guidance was announced in the Royal Gazette and it is effective for the financial statements prepared for reporting periods ending between January 1, 2020 and December 31, 2020.

The Company and its subsidiaries have elected to apply the following temporary relief measures on accounting alternatives:

- Not to take into account forward-looking information when determining expected credit losses, in cases where the Company and its subsidiaries uses a simplified approach to determine expected credit losses.
- Choose to measure the value of investments in non-marketable equity securities at fair value as at January 1, 2020.
- Not to consider the COVID-19 situation as an indication that an asset may be impaired in accordance with TAS 36, Impairment of Assets.

The management is in the process of prepared estimate from disuse for the temporary relief the ending after December 31, 2020.

2.4.2 Impact of first time adoption of new accounting standards

The impact of first-time adoption of new accounting standards on the consolidated and separate statement of financial position as at January 1, 2020 are as follows:

Thai Financial Reporting Standards No. 16 Leases

During the year 2020 the Company has adopting Thai Financial Reporting Standards No. 16 Leases. In case the Company is the lessee, leases are recognised as a right-of-use asset and a lease liability at the commencement date.

Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the statement of income over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is measured at cost, which is initially measured at the present value of the lease payments.

The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

The lease liability is initially measured at the present value of the lease payments. The lease payments are discounted using the interest rate implicit in the lease, if that can be readily determined. If that rate cannot be readily determined, the Company uses the Company's incremental borrowing rate.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as expense in the statement of income.

The Company has chosen to adjust the cumulative effect of the change by adjusting with the retained earnings as at January 1, 2020. And not retroactively adjusting the previous financial statements for comparison.

In order to comply with accounting standard No. 16, the Company recorded the effect of changes in accounting policies by adjusting the beginning retained earnings, as follows:

	(Unit : Baht)		
	Consolidated financial statements		
	As at December 31, 2019	TFRS 16	As at January 1, 2020
Statement of financial position			
Assets			
Non-current assets			
Right-of-use assets	-	32,014,022	32,014,022

THE UNION MOSAIC INDUSTRY PUBLIC COMPANY LIMITED AND SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020

	(Unit : Baht)		
	Consolidated financial statements		
	As at December 31, 2019	TFRS 16	As at January 1, 2020
Liabilities and equity			
Current liabilities			
Current portion of lease liabilities	3,076,004	11,564,934	14,640,938
Non-current liabilities			
Lease liabilities	1,425,851	20,449,088	21,874,939

	(Unit : Baht)		
	Separate financial statements		
	As at December 31, 2019	TFRS 16	As at January 1, 2020
Statement of financial position			
Assets			
Non-current assets			
Right-of-use assets	-	23,368,138	23,368,138
Liabilities and equity			
Current liabilities			
Current portion of lease liabilities	1,926,794	8,910,065	10,836,859
Non-current liabilities			
Lease liabilities	-	14,458,073	14,458,073

On adoption of TFRS 16 for the first-time, the group of the Company recognised lease liabilities in relation to leases which had previously been classified as operating leases under the principles of TAS 17 Leases. These lease liabilities were measured at the present value of the remaining lease payments, discounted using the Company's incremental borrowing rates. The Company's weighted average incremental borrowing rate applied to the lease liabilities on January 1, 2020 was range between 4.55 percent.

For leases previously classified as finance leases applying TAS 17, the Company recognised the carrying amount of the lease asset and lease liability immediately before adoption of TFRS 16 as the carrying amount of the right-of-use asset and the lease liability at the date of initial application.

THE UNION MOSAIC INDUSTRY PUBLIC COMPANY LIMITED AND SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020

	(Unit : Baht)	
	Consolidated	Separate financial
	financial statements	statements
Operating lease commitments disclosed as at December 31, 2019	54,819,347	29,490,285
(Less) Short-term leases recognised on a straight-line basis as expense	-	-
(Less) Low value leases recognised on a straight-line basis as expense	(399,142)	-
(Less) Contracts reassessed as service agreements	(19,630,605)	(4,302,485)
	34,789,600	25,187,800
(Less) Deferred interest expenses	(2,775,578)	(1,819,662)
Additional lease liabilities from TFRS 16 adoption	32,014,022	23,368,138
Finance lease liabilities as at December 31, 2019	4,501,855	1,926,794
Lease liabilities as at January 1, 2020	36,515,877	25,294,932
Consist of:		
Current lease liabilities	14,640,938	10,836,859
Non-current lease liabilities	21,874,939	14,458,073
	36,515,877	25,294,932

The recognised right-of-use assets relate to the following types of assets:

	(Unit : Baht)			
	Consolidated		Separate	
	As at	As at	As at	As at
	December 31,	January 1,	December 31,	January 1,
	2020	2020	2020	2020
Building and building improvement	-	-	-	702,565
Vehicles	20,039,190	32,014,022	14,970,919	22,665,573
Total right-of-use assets	20,039,190	32,014,022	14,970,919	23,368,138

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.

Revenue arrangements with multiple deliverables are allocated between the element in proportion to the delivered products and the obligations to be performed in providing services that are included in the contract using the basis of standalone selling prices of different products or services as obligated in the contract.

Interest income and other income is recognized as accrual basis.

Expense is recognized as accrual basis.

Trade accounts receivable

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

Allowance for doubtful accounts

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

Inventory Valuation

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

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

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

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

THE UNION MOSAIC INDUSTRY PUBLIC COMPANY LIMITED AND SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020

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

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

Leases

At inception of contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group assesses the lease term for the non-cancellable period as stipulated in lease contract or the remaining period of active leases together with any period covered by an option to extend the lease if it is reasonably certain to be exercised or any periods covered by an option to terminate the lease if it is reasonably certain not to be exercise by considering the effect of changes in technology and/or the other circumstance relating to the extension of the lease term.

1. The Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. At the commencement date of the lease (i.e. the date the underlying asset is available for use), the Group recognises right-of-use assets representing the right to use the underlying assets and lease liabilities based on lease liabilities based on lease payments.

(a) Right of use assets

Right-of-use assets are measured at cost, less any accumulated depreciation, any accumulated impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities initially recognised, initial direct costs incurred, and lease payments made at or before the commencement date of the lease less any lease incentives received.

The cost of right-of-use assets also includes an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

Depreciation of right-of-use assets are calculated by reference to their costs on a straight-line basis over the shorter of their estimated useful lives and the lease term, as follows:

Warehouse building	1	years
Vehicles	3 - 6	years
Raw material loader	1	years

(b) Lease liabilities

Lease liabilities are measured at the present value of the lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable, and amounts expected to be payable under residual value guarantees. Moreover, the lease payments include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising an option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate, which is determined by referring to the government bond yield adjusted with risk premium depending on the lease term, at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

(c) Short-term leases and leases of low-value assets

A lease that has a lease term less than or equal to 12 months from commencement date or a lease of low-value assets is recognised as expenses on a straight-line basis over the lease term.

2. The Group as a lessor

Operating leases

A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset to a lessee. Lease receivables from operating leases is recognised as income in profit or loss on a straight-line basis over the lease term. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying assets and recognised as an expense over the lease term on the same basis as the lease income

Sub lease

In sublease transactions for which an underlying asset is subleased by the Group to a third party, and the head lease between the head lessor and the Group remains in effect, the Group classifies the sublease as a finance lease or an operating lease with reference to the right-of-use asset arising from the head lease, rather than with reference to the underlying asset that is the subject of the lease.

If the Group enters into two or more contracts at or near the same time with the same counterparty, these contracts are leases and they are negotiated as a package with an overall commercial objective, the Group combines the contracts and accounts for them as a single contract.

Intangible assets

On the date of acquisition, intangible assets are measured at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and any accumulated if any impairment losses.

Intangible assets with finite lives are amortized on a systematic basis over the economic useful life and tested for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method of such intangible assets are reviewed at least at each financial year end. The amortization expense is charged to the income statement.

A summary of the intangible assets with finite useful lives is as follows:

Programs	3 - 5 years
----------	-------------

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".

THE UNION MOSAIC INDUSTRY PUBLIC COMPANY LIMITED AND SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020

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.

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 and Company takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The 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 financial statements in conformity with financial reporting standards at times requires management to make subjective judgments and estimates regarding matters that are inherently uncertain. These judgments and estimates affect reported amounts and disclosures and actual results could differ from these estimates. Significant judgments and estimates are as follow:

Revenue from contracts with customers

Identification of performance obligations

In identifying performance obligations, the management is required to use judgement regarding whether each promise to deliver goods or services is considered distinct, taking into consideration terms and conditions of the arrangement. In other words, if a good or service is separately identifiable from other promises in the contract and if the customer can benefit from it, it is accounted for separately.

Determination of timing of revenue recognition

In determining the timing of revenue recognition, the management is required to use judgement regarding whether performance obligations are satisfied over time or at a point in time, taking into consideration terms and conditions of the arrangement. The Group recognises revenue over time in the following circumstances:

- The customer simultaneously receives and consumes the benefits provided by the entity's performance as the entity performs
- The entity's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- The entity's performance does not create an asset with an alternative use to the entity and the entity has an enforceable right to payment for performance completed to date

Where the above criteria are not met, revenue is recognised at a point in time. Where revenue is recognised at a point in time, the management is required to determine when the performance obligation under the contract is satisfied.

Leases

Determining the lease term with extension and termination options - The Group as a lessee

In determining the lease term, the management is required to exercise judgment in assessing whether the Group is reasonably certain to exercise the option to extend or terminate the lease, considering all relevant factors and circumstances that create an economic incentive for the Group to exercise either the extension or termination option. After the commencement date,

the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to extend or to terminate.

Lease classification - The Group as a lessor

In determining whether a lease is to be classified as an operating lease or finance lease, the management is required to exercise judgement as to whether significant risk and rewards of ownership of the leased asset has been transferred, taking into consideration terms and conditions of the arrangement.

Fair value of financial instruments

In determining the fair value of financial instruments recognised in the statement of financial position that are not actively traded and for which quoted market prices are not readily available, the management exercise judgement, using a variety of valuation techniques and models. The input to these models is taken from observable markets, and includes consideration of credit risk, liquidity, correlation and longer-term volatility of financial instruments. Change in assumptions about these factors could affect the fair value recognised in the statement of financial position and disclosures of fair value hierarchy.

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 of property, plant and equipment and right-of-use assets and amortisation of intangible assets

In determining depreciation of plant and equipment and right-of-use assets and amortisation of intangible assets, the management is required to make estimates of the useful lives and residual values (if any) and to review useful lives and residual values when there are any changes.

In addition, the property, plant and equipment, right-of-use assets and intangibles assets are subject to impairment if there is an indication they may be impaired, and impairment losses are recorded in the period when it is determined that their recoverable amount is lower than the carrying amount.

Indications include significant falls in the market value of assets or the future economic benefits of assets, significant changes in the overall business strategy impacting to the future utilization of assets, significant negative industry or economic trends, significant loss of market share, and significant unfavourable regulatory and court decisions that impact the business.

The impairment analysis of property, plant and equipment, right-of-use assets and intangible assets requires management to make subjective judgments concerning estimates of cash flows to be generated by the assets or the cash generating units and to choose a suitable discount rate in order to determine the present value of those cash flows. The cash flow estimates are based on currently available information about the operations and require management to make judgments regarding future market conditions and future revenues and expenses relevant to the assets or the cash generating units subject to the review.

THE UNION MOSAIC INDUSTRY PUBLIC COMPANY LIMITED AND SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020

Events and factors that may significantly affect the estimates include, among others, competitive forces, changes in revenue growth trends, cost structures, changes in discount rates and specific industry or market sector conditions.

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 21 The discount rate and Salary increase.

THE UNION MOSAIC INDUSTRY PUBLIC COMPANY LIMITED AND SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020

5. CASH AND CASH EQUIVALENTS

Consist of:

	(Unit : Baht)			
	Consolidated		Separate	
	As at	As at	As at	As at
	December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
Cash on hand	107,800	71,435	-	-
Cash in bank - current	18,708,545	24,083,924	16,253,460	10,364,760
Cash in bank - saving	70,764,146	24,421,491	48,650,390	8,966,713
Checks due date not raise some money	534,665	1,227,401	534,665	1,227,400
Total	<u>90,115,156</u>	<u>49,804,251</u>	<u>65,438,515</u>	<u>20,558,873</u>

6. 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,
	2020	2019	2020	2019
Trade accounts receivable				
- Related parties	9,252,722	100,705	26,323,806	28,707,477
- Others	603,124,893	524,781,591	506,801,188	429,663,950
Total Trade accounts receivable	612,377,615	524,882,296	533,124,994	458,371,427
<u>Less</u> Allowance for doubtful	<u>(15,688,369)</u>	<u>(20,968,928)</u>	<u>(4,005,523)</u>	<u>(9,442,819)</u>
Trade accounts receivable - net	596,689,246	503,913,368	529,119,471	448,928,608
Other accounts receivable	90,700,136	28,696,986	83,546,167	18,397,140
<u>Less</u> Allowance for doubtful	<u>(475,000)</u>	<u>(1,065,945)</u>	<u>(475,000)</u>	<u>(1,065,945)</u>
Other accounts receivable - net	90,225,136	27,631,041	83,071,167	17,331,195
Total trade accounts and other accounts receivable - net	<u>686,914,382</u>	<u>531,544,409</u>	<u>612,190,638</u>	<u>466,259,803</u>

THE UNION MOSAIC INDUSTRY PUBLIC COMPANY LIMITED AND SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020

As at December 31, 2020 and 2019, accounts receivable classified by aging are as follows:

(Unit : Baht)				
	Consolidated		Separate	
	As at December 31, 2020	As at December 31, 2019	As at December 31, 2020	As at December 31, 2019
Related parties				
Undue	4,618,399	100,705	6,085,007	6,562,527
Overdue				
Less than 3 months	4,634,323	-	5,829,633	8,301,322
Over 3 months to 6 months	-	-	5,862,709	10,468,478
Over 6 months to 9 months	-	-	8,501,715	3,375,150
Over 9 months to 12 months	-	-	44,742	-
Total related parties	9,252,722	100,705	26,323,806	28,707,477
Others company				
Undue	330,302,194	300,480,689	296,977,141	267,248,424
Overdue				
Less than 3 months	232,538,021	184,245,179	188,403,073	148,410,104
Over 3 months to 6 months	11,291,040	9,389,980	8,780,777	2,984,987
Over 6 months to 9 months	11,131,019	531,508	10,353,036	351,449
Over 9 months to 12 months	1,761,554	7,064,655	490,579	39,464
Over 12 months to 15 months	958,331	-	488,655	-
Over 15 months to 18 months	1,989,700	1,123,292	88,931	1,123,292
Over 18 months	13,153,034	21,946,288	1,218,996	9,506,230
Total other accounts	603,124,893	524,781,591	506,801,188	429,663,950
Total trade accounts receivable	612,377,615	524,882,296	533,124,994	458,371,427
Allowance for doubtful accounts	(15,688,369)	(20,968,928)	(4,005,523)	(9,442,819)

THE UNION MOSAIC INDUSTRY PUBLIC COMPANY LIMITED AND SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020

Allowance for doubtful trade 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,
	2020	2019	2020	2019
Beginning balance	(20,968,928)	(21,879,011)	(9,442,819)	(9,295,744)
Increase	(8,374,355)	(147,075)	(3,049,753)	(147,075)
Decrease	5,167,865	1,057,158	-	-
Write-off bad debts	8,487,049	-	8,487,049	-
Ending balance	(15,688,369)	(20,968,928)	(4,005,523)	(9,442,819)

Allowance for doubtful other 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,
	2020	2019	2020	2019
Beginning balance	(1,065,945)	(1,065,945)	(1,065,945)	(1,065,945)
Write-off bad debts	590,945	-	590,945	-
Ending balance	(475,000)	(1,065,945)	(475,000)	(1,065,945)

As at December 31, 2020, the Company has write-off bad debts in the amount of Baht 9.08 million due to two debtors close their business and have completed the liquidation. The Company write-off bad debts according to the portion not receiving payment and such expense not able to use tax benefits.

As at December 31, 2020, the Company reversed the allowance for doubtful accounts in the amount of Baht 5.17 million due to debt repayment from such debtor. (As at December 31, 2019, the Company reversed allowance for doubtful accounts amounting to Baht 1.06 million due to debt repayment from such debtor).

THE UNION MOSAIC INDUSTRY PUBLIC COMPANY LIMITED AND SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020

7. INVENTORIES

As at December 31, 2020, and 2019 consist of:

	(Unit : Baht)			
	Consolidated		Separate	
	As at	As at	As at	As at
	December 31,	December 31,	December 31,	December 31,
	2020	2019	2020	2019
Finished goods	549,854,764	654,764,087	379,270,301	439,671,122
Work in process	12,063,581	4,354,778	153,083	112,640
Raw materials	41,546,106	34,518,421	15,730,846	17,774,761
Spare part and supplies	29,353,741	31,666,669	13,539,284	17,167,933
Goods in transit	17,005,761	4,607,535	17,005,761	4,607,535
Other	17,013,660	17,061,421	16,888,965	16,888,965
Total	666,837,613	746,972,911	442,588,240	496,222,956
Less allowance for declining in value of inventory	(21,266,348)	(21,771,820)	(4,449,224)	(4,449,224)
Net	645,571,265	725,201,091	438,139,016	491,773,732

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

	(Unit : Baht)			
	Consolidated		Separate	
	As at	As at	As at	As at
	December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
Beginning balance	(21,771,820)	(29,736,913)	(4,449,224)	(11,733,461)
Increase	(916,858)	(5,311,973)	-	-
Decrease	1,422,330	13,277,066	-	7,284,237
Ending balance	(21,266,348)	(21,771,820)	(4,449,224)	(4,449,224)

As at December 31, 2020, the group of the Company has reversed the allowance of inventory amount of Baht 1.42 million. Due to the sold of inventory. (As at December 31, 2019, the group of the Company has reversed the allowance of inventory amount of Baht 13.28 million. And in separate financial statements amount of Baht 7.28 million. Due to the sold of inventory.)

THE UNION MOSAIC INDUSTRY PUBLIC COMPANY LIMITED AND SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020

REAL ESTATE HELD FOR SALE

As at December 31, 2020 and 2019, the Company had remaining condominium of 6 unit in amount of Baht 16.89 million and 6 unit in amount of Baht 16.89 million, respectively.

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

8. OTHER CURRENT FINANCIAL ASSETS

Consist of:

	(Unit : Baht)			
	Consolidated		Separate	
	As at December 31, 2020	As at December 31, 2019	As at December 31, 2020	As at December 31, 2019
Fixed deposit				
(Over 3 months to 1 year)	24,417,014	22,253,405	-	-
Investment in equity instrument	8,520	-	-	-
Total	24,425,534	22,253,405	-	-

During the year ended December 31, 2020 and 2019, the other current financial assets have movement as follow:

	(Unit : Baht)			
	Consolidated		Separate	
	As at December 31, 2020	As at December 31, 2019	As at December 31, 2020	As at December 31, 2019
Beginning balance	22,253,405	20,580,849	-	-
Additions during the year	2,168,529	1,667,636	-	-
Gain (Loss) on fair value adjustment	3,600	4,920	-	-
Ending balance	24,425,534	22,253,405	-	-

The Consolidated

As at December 31, 2020, investment in a listed security has cost of Baht 1.48 million and market price of Baht 0.00 million.
(As at December 31, 2019, investment in a listed security has cost of Baht 1.48 million and market price of Baht 0.00 million).

THE UNION MOSAIC INDUSTRY PUBLIC COMPANY LIMITED AND SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020

9. INVESTMENTS

Consist of:

9.1 Investments in associated

(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	2020	2019	2020	2019
<u>Non-marketable securities</u>							
Tekno Cer S.R.L. Co., Ltd.*	Raw material	20,000,000	45.00%				
	Supply	(Lir)		192,600	192,600	192,600	192,600
Duragres Co., Ltd.	Consumer products	25,000,000 (Baht)	40.00%	10,000,000	10,000,000	10,000,000	10,000,000
Total				10,192,600	10,192,600	10,192,600	10,192,600
<u>Less</u> 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 (Thousand Baht)		Holding Portion		Relationship	Separate			
							Cost Method		Dividends income	
		As at December 31, 2020	As at December 31, 2019	As at December 31, 2020	As at December 31, 2019		As at December 31, 2020	As at December 31, 2019	As at December 31, 2020	As at December 31, 2019
Company's name	Type of Business									
<u>Subsidiaries</u>										
T.T. Ceramic Plc Co., Ltd.	Manufacturer and Ceramic Agent	600,809	600,809	74.90%	66.58%	The same Shareholder and director	429,000,000	429,000,000	-	-
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							499,878,000	499,878,000	522,900	522,900
<u>Less</u> Allowance for impairment investment							(331,082,833)	(223,753,612)	-	-
Net							168,795,167	247,124,388	522,900	522,900

During the year 2020, the Company was considering the impairment of investment in a subsidiary because a subsidiary suffered a loss from continuing operations. The amount expected to be recovered when calculating the proportion of impairment in amounting of Baht 107.33 million.

THE UNION MOSAIC INDUSTRY PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2020

According to 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. Which the proportion increased from 8.32 percent to 74.90 percent. The company was registered with the Department of Business Development, Ministry of Commerce on January 14, 2020. The transaction resulted the company changed in shareholders' equity, which the controlling interests is unchanged. By recording the loss in the statement of changes in shareholders' equity in amount of Baht 3.01 million.

During the year 2019, the company was considering the impairment of investment in a subsidiary because a subsidiary has new property valuation during the year. Which cause impairment in machinery. In addition, the subsidiary has continuously suffered losses from operations. Resulting in the recoverable value when calculated in proportion to impairment amounting of Baht 63.35 million.

9.3 Other long-term investment presented as long-term investment in equity securities. Considered as general investment. Consist of:

Company's name	Type of Business	Paid-up Capital		(Unit : Baht)	
		portion (Baht)	Holding portion	Consolidated / Separate	
				Cost Method	
				As at December 31, 2020	As at December 31, 2019
<u>Other Company</u>					
Surf Dynamics Co., Ltd.	Water Sport equipment	14,000,000	14.28%	2,000,000	2,000,000

THE UNION MOSAIC INDUSTRY PUBLIC COMPANY LIMITED AND SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020

10. INVESTMENT PROPERTY

As at December 31, 2020 and 2019, the Company and a subsidiary's investment property, presented at cost. And office building are depreciated by straight line method as the useful life, and partly has been used as collateral for short-term loans from financial institutions. (Note 16)

Investment property consist of:

	(Unit : Baht)			
	Consolidated		Separate	
	As at	As at	As at	As at
	December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
Land	824,277	824,277	824,277	824,277
Office building - net	39,032,886	39,888,980	-	-
Total	39,857,163	40,713,257	824,277	824,277

Depreciation of office building units for the year ended December 31, 2020 and 2019, amount of Baht 0.86 million and Baht 0.86 million, respectively.

THE UNION MOSAIC INDUSTRY PUBLIC COMPANY LIMITED AND SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020

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			In (Out)	December	December 31,			(In) Out	December	December 31,	December 31,
	31, 2019				31, 2020	2019				31, 2020	2019	2020
<u>Appraise value</u>												
Land of plant - at cost	123,086	-	-	-	123,086	-	-	-	-	-	123,086	123,086
Appraisal surplus of land of plant	260,453	-	-	-	260,453	-	-	-	-	-	260,453	260,453
Improvement of land of plant	62,694	-	-	-	62,694	-	-	-	-	-	62,694	62,694
Land of plant-appraise value	446,233	-	-	-	446,233	-	-	-	-	-	446,233	446,233
Cost												
Condominium units	443,046	-	-	-	443,046	(366,431)	(1,696)	-	-	(368,127)	76,615	74,919
Plant and construction	1,595,596	128	-	-	1,595,724	(1,130,782)	(38,507)	-	-	(1,169,289)	464,814	426,435
Building the publication added	281,805	-	-	-	281,805	(151,726)	(40,265)	-	-	(191,991)	130,079	89,814
Office improvement and fixture	83,132	327	-	-	83,459	(81,674)	(820)	-	-	(82,494)	1,458	965
Machinery	4,129,258	64,979	-	1,835	4,196,072	(3,463,062)	(92,367)	-	-	(3,555,429)	666,196	640,643
Tools and office equipment	235,204	983	(244)	227	236,170	(233,198)	(2,244)	244	-	(235,198)	2,006	972
Furniture and office equipment	124,932	950	(2,564)	-	123,318	(118,846)	(1,624)	2,564	-	(117,906)	6,086	5,412
Vehicles	42,691	13,942	(5,420)	-	51,213	(32,216)	(4,931)	3,573	-	(33,574)	10,475	17,639
Machinery and equipment in process	2,258	2,168	-	(2,262)	2,164	-	-	-	-	-	2,258	2,164
Total	7,384,155	83,477	(8,228)	(200)*	7,459,204	(5,577,935)	(182,454)	6,381	-	(5,754,008)	1,806,220	1,705,196
Less Allowance for impairment building and machine											(212,967)	(212,967)
Property, plant and equipment-net											1,593,253	1,492,229

Depreciation for the year ended 2020, amount of Baht 182.45 Million. (Baht 91.86 million included in cost of sales, and Baht 90.59 million included in selling and administrative expenses).

Note * It is a transfer transaction during installation to intangible assets (Note 13).

THE UNION MOSAIC INDUSTRY PUBLIC COMPANY LIMITED AND SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020

	Consolidated (Thousand Baht)											
	Cost					Accumulated Depreciation					Net-Book Value	
	As at	Increase	Decrease	Transferre	As at	As at	Increase	Decrease	Transferred	As at	As at	As at
	December			d In (Out)	December 31,	December 31,			(In) Out	December	December 31,	December 31,
	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	446,233
<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	-	(118,846)	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 Allowance for impairment building and machine</u>											(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).

THE UNION MOSAIC INDUSTRY PUBLIC COMPANY LIMITED AND SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020

	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,	
	2019				2020	2019				2020	2019	2020
<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	879,040	-	-	-	879,040	(754,208)	(12,720)	-	-	(766,928)	124,832	112,112
Office improvement and fixture	45,043	-	-	-	45,043	(44,095)	(478)	-	-	(44,573)	948	470
Machinery	2,684,303	290	-	333	2,684,926	(2,453,651)	(50,290)	-	-	(2,503,941)	230,652	180,985
Tools and office equipment	204,638	45	(244)	227	204,666	(201,130)	(1,715)	244	-	(202,601)	3,508	2,065
Furniture and office equipment	116,280	597	(2,564)	-	114,313	(112,519)	(1,529)	2,564	-	(111,484)	3,761	2,829
Vehicles	30,703	13,942	(5,420)	-	39,225	(24,503)	(3,579)	3,573	-	(24,509)	6,200	14,716
Machinery and equipment in process	226	2,151	-	(760)	1,617	-	-	-	-	-	226	1,617
Total	4,306,575	17,025	(8,228)	(200)*	4,315,172	(3,590,106)	(70,311)	6,381	-	(3,654,036)	716,469	661,136
<u>Less Allowance for impairment asset</u>											-	-
Property, plant and equipment-net											716,469	661,136

Depreciation for the year ended 2020, amount of Baht 70.31 Million. (Baht 54.37 million included in cost of sales, and Baht 15.94 million included in selling and administrative expenses)

Note * It is a transfer transaction during installation to intangible assets (Note 13).

THE UNION MOSAIC INDUSTRY PUBLIC COMPANY LIMITED AND SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020

	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,
	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)

THE UNION MOSAIC INDUSTRY PUBLIC COMPANY LIMITED AND SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020

	(Unit : Baht)			
	Consolidated statements of comprehensive income for the years ended December 31,		Separate statements of comprehensive income for the years ended December 31,	
	2020	2019	2020	2019
Depreciation	182,454,176	195,282,615	70,311,220	84,852,367

During the year 2020, the Company was sold assets to related parties at the net book value in amount of Baht 1.10 million, which the loss from the disposal of assets in amount of Baht 0.77 million. And the Company was sold assets to other parties at the net book value in amount of Baht 0.74 million, which the gain from the disposal of assets in amount of Baht 0.20 million. Which has been recorded all of amount in the financial statements of comprehensive income.

During the year 2019, the subsidiary company has re-evaluated the assets 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. The fair value is in the second level of the hierarchy of fair value (Note 4).

During the year 2019, the Company was sold assets to other 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, 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. Which has been recorded in the statement of comprehensive income.

As at December 31, 2020 and 2019, 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 180.14 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. The fair value is in the second level of the hierarchy of fair value (Note 4).

As at December 31, 2020 and 2019, the Company has land, building and machineries which measured by cost in the consolidated financial statements amount of Baht 3,787.37 million and Baht 3,775.21 million, respectively, and the separate financial statements in amount of Baht 1,810.34 million and Baht 1,810.34 million, respectively, which in the net from accumulated depreciation and provision for impairment in the consolidated financial statements amount of Baht 814.73 million and Baht 949.56 million, respectively, and the separate financial statements amount of Baht 217.05 million and Baht 257.66 million, respectively, which has mortgaged as collateral bank overdrafts and short-term and long-term loans from financial institution. (Note 16 and 20)

THE UNION MOSAIC INDUSTRY PUBLIC COMPANY LIMITED AND SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020

As at December 31, 2020 and 2019, the Company has fixed assets and condominiums, which are land of condominiums and condominiums. Those are stated at cost less accumulated depreciation, which has fully depreciated but still use, are as follows:

	(Unit : Baht)			
	Consolidated		Separate	
	As at	As at	As at	As at
	December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
Machinery	1,755,191,079	1,731,373,242	1,714,894,080	1,691,323,072
Plant and construction	664,501,994	664,501,994	636,579,495	636,579,495
Tools and Office Equipment	350,593,762	347,165,075	303,818,888	301,057,237
Office Building	67,917,456	67,189,903	42,948,251	42,498,201
Vehicles	20,383,574	21,077,775	15,246,821	15,941,022

12. RIGHT-OF-USE ASSETS

The book value of right-of-use assets according to the land lease agreement, building and equipment and the movement transactions for the year ended December 31, 2020 and 2019 as follow:

	(Unit : Baht))		
	Consolidated		
	Building and Improvement	Vehicles	Total
Cost			
Adjustment from adoption of TFRS 16 on January 1, 2020 (Note 2.4.2)	-	32,014,022	32,014,022
Increase	-	873,256	873,256
Change of conditions / Amortization	-	(1,393,781)	(1,393,781)
As at December 31, 2020	-	31,493,497	31,493,497
Accumulated depreciation			
As at December 31, 2019		-	-
Depreciation	-	(11,454,307)	(11,454,307)
As at December 31, 2020	-	(11,454,307)	(11,454,307)

THE UNION MOSAIC INDUSTRY PUBLIC COMPANY LIMITED AND SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020

	(Unit : Baht))		
	Consolidated		
	Building and Improvement	Vehicles	Total
Net book value			
As at December 31, 2019	-	-	-
As at December 31, 2020	-	20,039,190	20,039,190

	(Unit : Baht))		
	Separate		
	Building and Improvement	Vehicles	Total
Cost			
Adjustment from adoption of TFRS 16 on January 1, 2020 (Note 2.4.2)	702,565	22,665,573	23,368,138
Increase	-	873,256	873,256
Change of conditions / Amortization	(702,565)	(1,661,591)	(2,364,156)
As at December 31, 2020	-	21,877,238	21,877,238
Accumulated depreciation			
As at December 31, 2019	-	-	-
Depreciation	(702,565)	(8,567,910)	(9,270,475)
Depreciation - Change of conditions / Amortization	702,565	1,661,591	2,364,156
As at December 31, 2020	-	(6,906,319)	(6,906,319)
Net book value			
As at December 31, 2019	-	-	-
As at December 31, 2020	-	14,970,919	14,970,919

THE UNION MOSAIC INDUSTRY PUBLIC COMPANY LIMITED AND SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020

As at December 31, 2020 the company has the contract affect the record of the right to use assets as follows:

The company has entered into buildings lease agreements with a related company. The building a period of 1 year start January 1, 2020 to December 31, 2020 amount payment Baht 0.06 million per month. The management intends to renew the contract for the one year. And from the consider the building improvements that will be beneficial for 5 years so the company record right of use assets and liabilities under lease agreements for a period of 5 years.

The company has entered into vehicles lease agreements with an unrelated company a period of 6 years start July 2, 2015 to September 30, 2025. The company record right of use assets and liabilities under lease agreements by according to the period above.

13. INTANGIBLE ASSETS

As at December 31, 2020 consist of :

	(Unit : Baht)			
	Consolidated			
	January 1, 2020	Increase	Decrease	December 31, 2020
Computer software	70,087,567	1,215,000	(484,583)	71,017,984
<u>Less</u> Accumulated amortization	(42,858,621)	(7,993,830)	492	(50,851,959)
Net	<u>27,228,946</u>	<u>(6,778,830)</u>	<u>(484,091)</u>	<u>20,166,025</u>

Amortization expenses included in the statement of comprehensive income for the years ended December 31, 2020 and 2019 amount of Baht 7.99 million and Baht 8.59 million, respective.

During the year 2020, The company has received software of electronic tax invoice from Machinery and equipment in process in amount of Baht 0.2 million. (Note 11)

During the year 2020, a subsidiary was written off intangible assets at the net book value in the consolidated financial statements in amount of Baht 0.35 million which the gain (loss) from written off intangible assets in amount of Baht 0.35 million, the company has been recorded in the financial statements of comprehensive income.

THE UNION MOSAIC INDUSTRY PUBLIC COMPANY LIMITED AND SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020

	(Unit: Baht)			
	Separate			
	January 1, 2020	Increase	Decrease	Transfer in (Transfer out) December 31, 2020
Computer software	50,848,893	1,080,000	(135,000)	200,000
Less Accumulated amortization	(28,784,207)	(6,765,598)	492	-
Net	22,064,686	(5,685,598)	(134,508)	200,000

Amortization expenses included in the statement of comprehensive income for the years ended December 31, 2020 and 2019 amount of Baht 6.77 million and Baht 6.71 million, respective.

During the year 2020, The company has received software of electronic tax invoice from Machinery and equipment in process in amount of Baht 0.2 million. (Note 11)

During the year 2020, the Company was sold assets to related parties at the net book value in amount of Baht 0.13 million. And the gain from the disposal of assets in amount of Baht 0.0005 million. Which has been recorded in separate financial statements of comprehensive income.

14. DEFERRED TAX ASSETS AND DEFERRED TAX LIABILITIES

As at December 31, 2020 and 2019, the deferred tax assets and deferred tax liabilities are as follows:

	(Unit : Baht)			
	Consolidated		Separate	
	December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
Total	2,985,750	2,985,750	24,753,476	23,862,401
Off set of tax	-	-	-	-
Net deferred tax assets	2,985,750	2,985,750	24,753,476	23,862,401

THE UNION MOSAIC INDUSTRY PUBLIC COMPANY LIMITED AND SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020

	(Unit : Baht)			
	Consolidated		Separate	
	December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
Total	65,169,347	79,127,538	-	-
Off set of tax	-	-	-	-
Net deferred tax liabilities	65,169,347	79,127,538	-	-

The movement on the deferred income tax is as follows:

	(Unit : Baht)			
	Consolidated		Separate	
	2020	2019	2020	2019
Deferred tax assets				
Beginning	2,985,750	2,985,750	23,862,401	8,385,192
Income tax recognized in statement of comprehensive income	-	-	891,075	15,477,209
Ending	2,985,750	2,985,750	24,753,476	23,862,401
Deferred tax liabilities				
Beginning	79,127,538	84,672,058	-	-
Income tax recognized in shareholders' equity	-	522,456	-	-
Income tax recognized in statement of comprehensive income	(13,958,191)	(6,066,976)	-	-
Ending	65,169,347	79,127,538	-	-
Income tax recognized in statement of comprehensive income	(13,958,191)	(6,066,976)	891,075	15,477,209

THE UNION MOSAIC INDUSTRY PUBLIC COMPANY LIMITED AND SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020

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

	(Unit : Baht)		
	Consolidated		
	(Charged) / credited to:		
	Other		
January 1,		comprehensive	December 31,
2020	Profit or loss	income / Equity	2020
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:		
	Other		
January 1,		comprehensive	December 31,
2020	Profit or loss	income / Equity	2020
Deferred tax liabilities			
Deficit brought forward not more than 5 years	-	4,303,099	4,303,099
Allowance for doubtful account – receivable	2,101,753	(1,205,648)	896,105
Provision obsolete stock	889,845	-	889,845
Accumulated employees benefit	18,703,424	(3,097,451)	15,605,973
Difference in depreciation for tax and accounting	(20,380,324)	5,905,279	(14,475,045)
Appraisal surplus of Land-Factory	(46,265,534)	-	(46,265,534)
Gain on a bargain purchase	(34,176,702)	8,052,912	(26,123,790)
Total	(79,127,538)	13,958,191	(65,169,347)

THE UNION MOSAIC INDUSTRY PUBLIC COMPANY LIMITED AND SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020

	(Unit : Baht)		
	Consolidated		
	(Charged) / credited to:		
	Other		
	January 1,	comprehensive	December 31,
	2019	Profit or loss	income / Equity
			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:		
	Other		
	January 1,	comprehensive	December 31,
	2019	Profit or loss	income / Equity
			2019
Deferred tax liabilities			
Allowance for doubtful account – receivable	2,072,338	29,415	2,101,753
Provision obsolete stock	2,346,692	(1,456,847)	889,845
Impairment of assets	-	-	-
Accumulated employees benefit	14,468,078	4,235,346	18,703,424
Difference in depreciation for tax and accounting	(26,408,844)	6,028,520	(20,380,324)
Appraisal surplus of Land-Factory	(45,743,078)	-	(46,265,534)
Gain on a bargain purchase	(31,407,244)	(2,769,458)	(34,176,702)
Total	(84,672,058)	6,066,976	(79,127,538)

THE UNION MOSAIC INDUSTRY PUBLIC COMPANY LIMITED AND SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020

	(Unit : Baht)		
	Separate		
	(Charged) / credited to:		
	Other		
	January 1,	comprehensive	December 31,
	2020	Profit or loss	income / Equity
			2020
Deferred tax asset (liabilities)			
Deficit brought forward not more than 5 years	-	4,303,099	-
			4,303,099
Allowance for doubtful account - Receivable	2,101,753	(1,205,648)	-
			896,105
Provision obsolete stock	889,845	-	-
			889,845
Accumulated employees benefit	18,703,425	(2,229,437)	-
			16,473,988
Allowance for impairment of investments	44,750,721	23,061	-
			44,773,782
Appraisal surplus of Land-Factory	(42,583,343)	-	-
			(42,583,343)
Total	23,862,401	891,075	-
			24,753,476

	(Unit : Baht)		
	Separate		
	(Charged) / credited to:		
	Other		
	January 1,	comprehensive	December 31,
	2019	Profit or loss	income / Equity
			2019
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

THE UNION MOSAIC INDUSTRY PUBLIC COMPANY LIMITED AND SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020

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

	(Unit : Baht)			
	Consolidated		Separate	
	December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
Deficit brought forward not more than 5 years	64,152,127	59,710,078	-	-
Allowance for doubtful account - Receivable	2,336,569	2,305,222	-	-
Allowance for impairment of assets	62,077,540	85,654,475	-	-
Allowance for impairment of investments	-	-	21,442,784	-
Allowance for inventories	3,363,425	3,464,519	-	-
Unrealized gain (loss) from available-for-sale investments	294,296	295,016	-	-
Accumulated employees benefit	3,896,131	3,436,629	-	-
Total	<u>13,612,088</u>	<u>154,865,939</u>	<u>21,442,784</u>	<u>-</u>

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.

THE UNION MOSAIC INDUSTRY PUBLIC COMPANY LIMITED AND SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020

15. OTHER NON-CURRENT ASSETS

15.1 Assets not used in operations

	(Unit : Baht)
	Consolidated
	Assets not used in operation
Cost	
As at January 1, 2019	182,391,172
Increase	-
As at December 31, 2019	182,391,172
Increase	-
As at December 31, 2020	182,391,172
<u>Less</u> Accumulated depreciation	
As at January 1, 2019	(120,947,935)
Depreciation	(8,421,367)
As at December 31, 2019	(129,369,302)
Depreciation	(6,836,571)
As at December 31, 2020	(136,205,873)
<u>Less</u> Allowance impairment	
As at December 31, 2019	(15,381,632)
As at December 31, 2020	(15,381,632)
Net book value as at December 31, 2019	37,640,238
Net book value as at December 31, 2020	30,803,667

As at December 31, 2020 and 2019, A subsidiary has pledged its machine non-used in operation, machinery and equipment (Before deducting machinery impairment) amounting to approximately of Baht 42.08 million and Baht 49.84 million, respectively. And all unused machinery has been mortgaged / pledged to financial institutions to guarantee credit of the company.(Note 19)

As at December 31, 2020 and 2019 , The fair value of machine use by Appraiser's report based on cost-value analysis method. The fair value is in the second level of the hierarchy of fair value (Note 4).

THE UNION MOSAIC INDUSTRY PUBLIC COMPANY LIMITED AND SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020

15.2 Assets under construction and installation

As at December 31, 2020 and 2019 Consist of:

	(Unit : Baht)	
	Consolidated	
	As at	As at
	December 31, 2020	December 31, 2019
Cost	198,738,492	198,738,492
<u>Less</u> Allowance impairment	(198,738,492)	(198,738,492)
Net book value	-	-

As at December 31, 2020 and 2019, 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.

15.3 Other non-current assets

As at December 31, 2020 and 2019 Consist of:

	(Unit : Baht)			
	Consolidated		Separate	
	As at	As at	As at	As at
	December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
Guarantee and deposit	16,832,150	17,191,000	543,600	888,200
Land for sale	4,740,000	4,740,000	4,740,000	4,740,000
Others	2,369,098	119,466	-	-
Total	23,941,248	22,050,466	5,283,600	5,628,200

As at December 31, 2020 and 2019 the fixed deposits of subsidiaries companies are used as collateral for bank overdrafts and loans from banks (Note 16) and bank's issuance of letter of guarantee to the Metropolitan Power Authority for electricity usage. (Note 16) of subsidiaries

As at December 31, 2020 and 2019, 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 5.09 million and Baht 2.4 million respectively.

THE UNION MOSAIC INDUSTRY PUBLIC COMPANY LIMITED AND SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020

16. 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, 2020	December 31, 2019	December 31, 2020	December 31, 2019
Bank overdrafts	727,642	16,635,780	-	16,635,780
Trust Receipt	63,801,832	77,371,589	63,801,832	77,371,589
Total	64,529,474	94,007,369	63,801,832	94,007,369

The company paid interest for the bank overdraft for the year of 2020 at the rate of MOR -2.25% per annum.

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

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 15).

17. TRADE AND OTHER CURRENT PAYABLE

Consist of:

	(Unit : Baht)			
	Consolidated		Separate	
	As at	As at	As at	As at
	December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
Trade accounts payables	254,078,193	155,051,162	187,807,058	128,574,449
Other - accounts payables	184,713,646	116,527,198	68,354,075	68,117,103
Total	438,791,839	271,578,360	256,161,133	196,691,552

THE UNION MOSAIC INDUSTRY PUBLIC COMPANY LIMITED AND SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020

Other account payables consist of:

	(Unit : Baht)			
	Consolidated		Separate	
	As at December 31, 2020	As at December 31, 2019	As at December 31, 2020	As at December 31, 2019
Advance payment for goods	1,599,421	892,070	1,366,036	589,311
Accrued sales promotion	1,855,387	5,072,945	1,855,388	5,072,945
Accrued transportation	23,375,574	16,779,513	6,424,781	4,800,000
Accrued expense - other	157,883,264	93,782,670	58,707,870	57,654,847
Total	184,713,646	116,527,198	68,354,075	68,117,103

18. 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
Repurchase Debentures						(500)
Less Debentures issuing expenses						-
Net						-

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

THE UNION MOSAIC INDUSTRY PUBLIC COMPANY LIMITED AND SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020

19. 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.		

THE UNION MOSAIC INDUSTRY PUBLIC COMPANY LIMITED AND SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020

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.

THE UNION MOSAIC INDUSTRY PUBLIC COMPANY LIMITED AND SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020

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.

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, 2020 and December 31, 2019, a subsidiary’s debts under restructuring plan are as follow:

	(Unit : Baht)	
	Consolidated	
	December 31, 2020	December 31, 2019
Liabilities under debt restructuring plan	722,339,101	723,531,142
<u>Less</u> due within one year	<u>(722,339,101)</u>	<u>(723,531,142)</u>
Liabilities under debt restructuring plan	<u>-</u>	<u>-</u>

Debts under restructuring plan of the subsidiary are secured by the assets of the 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 percent to 1 percent per annum with the EXIM bank and OCBC bank. At present, the subsidiary 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. The 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 percent or approximately amount of Baht 0.4 million from the original payment at the rate of 5 percent of approximately amount of Baht 1.9 million.

On June 28, 2018, the subsidiary was approved to change the repayment schedule with the specific group of bank 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.

THE UNION MOSAIC INDUSTRY PUBLIC COMPANY LIMITED AND SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020

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. And the remaining 4 percent will include repayment in the period 78 instead (February 2019).

As at December 31, 2020, 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 follow the new repayment schedule in the group of financial institution creditors. The subsidiary therefore recorded the provision for payment of non-compliance with the amount of Baht 61.07 million (default interest rate of 18 - 25 percent per year). Currently, the subsidiary is in the process of requesting to negotiate with the financial institution.

20. LOANS FROM FINANCIAL INSTITUTIONS

As at December 31, 2020 and 2019, loans from financial institutions are as follow:

	(Unit : Baht)			
	Consolidated		Separate	
	As at December 31, 2020	As at December 31, 2019	As at December 31, 2020	As at December 31, 2019
Loans from banks	253,946,427	269,394,176	253,885,000	268,615,000
<u>Less</u> Portion due within one year	(37,336,427)	(60,537,749)	(37,275,000)	(59,820,000)
Net	216,610,000	208,856,427	216,610,000	208,795,000

Movements in the long-term loans account for the year ended December 31, 2020 are summarized below.

	(Unit : Baht)	
	Consolidated	Separate
Balance as at January 1, 2020	269,394,176	268,615,000
Repayment	(15,447,749)	(14,730,000)
Balance as at December 31, 2020	253,946,427	253,885,000

On October 7, 2020, The Company has received the memorandum with TMB Bank Public Company Limited about requesting for relaxation of conditions for repayment of debt according measures to assist customers affected by Coronavirus disease 2019 with the agreement to repay as follows:

1. Since October 2020 to December 2020, the Company commits to repay only interest according interest rate stipulated in loan agreement in monthly installments.
2. Since January 2021 to March 2021, the Company commits to repay principal amount 1,252,500 baht per month.
3. Since April 2021 to June 2021, the Company commits to repay principal amount 2,505,000 baht per month.

THE UNION MOSAIC INDUSTRY PUBLIC COMPANY LIMITED AND SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020

4. Since July 2021 to September 2021, the Company commits to repay principal amount 3,757,500 baht per month.
5. Since October 2021 to August 2021, the Company commits to repay principal amount 5,010,500 baht per month.

However, the Bank has used a guarantee condition. Conditions for maintaining financial ratios and the original interest rates and agreed to extend the repayment period from the original ending June 30, 2024 to August 30, 2025.

On 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 percent per annum (interest rate of MLR which at the time of entering into this agreement, the bank announced the rate of 6.775 percent per annum).

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

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 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 not obtaining prior written consent from the bank.

THE UNION MOSAIC INDUSTRY PUBLIC COMPANY LIMITED AND SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020

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 drawdown. Due within the last working day of the month. Repayment of principal commencing from the first month of drawdown and all repayment within 5 years from the first drawdown date.

21. 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 December 31, 2020	As at December 31, 2019	As at December 31, 2020	As at December 31, 2019
Provision for employee benefits - beginning	110,846,932	85,268,633	93,517,123	72,340,392
<u>Add</u> Actuarial gains (losses) not yet recognized in the statement of financial position	-	3,554,541	-	-
Recognized amount	12,134,456	32,573,803	8,324,758	30,245,916
<u>Less</u> liability decrease from actual paid	(23,610,791)	(10,550,045)	(19,471,939)	(9,069,185)
Provision for employee benefits - ending	99,370,597	110,846,932	82,369,942	93,517,123
Present value of unfunded obligation as at December 31,	99,370,597	110,846,932	82,369,942	93,517,123
Current service cost	6,937,657	7,389,725	5,373,471	5,510,056
Interest cost	3,419,114	3,452,226	2,951,287	2,898,036
Past service cost	-	21,731,852	-	21,837,824
Actuarial gains (losses) not yet recognized in period	1,777,685	-	-	-
Total – recognized in the statement of income	12,134,456	32,573,803	8,324,758	30,245,916
Provision for employee benefit	99,370,597	110,846,932	82,369,942	93,517,123
<u>Less</u> Due within one year	(6,551,844)	(4,502,484)	(5,249,244)	(3,609,184)
Provision for employee benefit - Net	92,818,753	106,344,448	77,120,698	89,907,939

THE UNION MOSAIC INDUSTRY PUBLIC COMPANY LIMITED AND SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020

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

	Consolidated		Separate	
	As at December 31, 2020	As at December 31, 2019	As at December 31, 2020	As at December 31, 2019
Discount rate (%)	2.55 - 3.30	2.55 - 3.30	2.87 - 3.30	2.87 - 3.30
Salary increase rate (%)	4.83 - 5.84	4.83 - 4.99	4.89 - 4.99	4.89 - 4.99
Turnover Rate (%)	0 - 28	0 - 28	0 - 28	0 - 28
Retirement age (years)	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, 2020 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	(4,280,373)	4,539,067	(3,704,195)	3,928,290
Salary increase rate	5,509,792	(5,218,856)	4,758,249	(4,506,331)
Turnover rate	(5,935,678)	6,281,938	(5,085,757)	5,409,774

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, 2020, the maturity analyses of undiscounted cash flows of benefit payments are as follows:

	(Unit : Baht)	
	Consolidated	Separate
Within 1 year	7,530,293	5,297,637
Over 1 but less than 5 years	49,812,598	41,461,844
Over 5 years	104,460,264	88,322,340

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 UNION MOSAIC INDUSTRY PUBLIC COMPANY LIMITED AND SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020

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.

22. FINANCIAL LIABILITIES

As at December 31, 2020 and 2019, are as follows:

(Unit : Baht)						
Consolidated						
	Current portion		Long-term		Total	
	As at December 31, 2020	As at December 31, 2019	As at December 31, 2020	As at December 31, 2019	As at December 31, 2020	As at December 31, 2019
Financial liabilities	13,608,811	3,235,702	20,312,611	1,494,189	33,921,422	4,729,891
<u>Less</u> Interest under financial liabilities	(392,619)	(159,698)	(3,172,036)	(68,338)	(3,564,655)	(228,036)
Financial liabilities	<u>13,216,192</u>	<u>3,076,004</u>	<u>17,140,575</u>	<u>1,425,851</u>	<u>30,356,767</u>	<u>4,501,855</u>

(Unit : Baht)						
Separate						
	Current portion		Long-term		Total	
	As at December 31, 2020	As at December 31, 2019	As at December 31, 2020	As at December 31, 2019	As at December 31, 2020	As at December 31, 2019
Financial liabilities	8,908,808	1,988,805	19,359,699	-	28,268,507	1,988,805
<u>Less</u> Interest under financial liabilities	(1,297,942)	(62,012)	(1,874,975)	-	(3,172,917)	(62,012)
Financial liabilities	<u>7,610,866</u>	<u>1,926,793</u>	<u>17,484,724</u>	<u>-</u>	<u>25,095,590</u>	<u>1,926,793</u>

THE UNION MOSAIC INDUSTRY PUBLIC COMPANY LIMITED AND SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020

	(Unit : Baht)			
	Consolidated		Separate	
	As at December 31, 2020		As at December 31, 2019	
	2020	2019	2020	2019
Due within 1 year	13,608,811	3,235,702	8,908,808	1,988,805
Due over 1 year but less than 5 years	20,312,611	1,494,189	19,359,699	-
	33,921,422	4,729,891	28,268,507	1,988,805
<u>Less</u> Future finance charges on hire purchase	<u>(3,564,655)</u>	<u>(228,036)</u>	<u>(3,172,917)</u>	<u>(62,012)</u>
Present value of financial liabilities	30,356,767	4,501,855	25,095,590	1,926,793

23. DIVIDEND

During the year of 2020, according to the resolution of the Board of Directors No. 1/2020, on February 26, 2020, it was resolved to stop paying dividends.

During the year of 2020, a subsidiaries company declared a dividend of Baht 10.00 per share. Total amount of Baht 2.10 million.

During the year of 2019, 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.

THE UNION MOSAIC INDUSTRY PUBLIC COMPANY LIMITED AND SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020

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,	
	2020	2019	2020	2019
Salary and wages and other employee benefits	456.88	468.98	295.79	324.24
Depreciation and amortization expenses	209.59	213.15	86.35	91.56
Rental expenses	7.34	18.51	2.55	11.31
Electricity and water expenses	126.05	135.36	82.93	89.62
Natural gas expenses	234.96	311.42	166.32	222.80
Transportation expenses	150.26	160.29	119.91	133.40
Grinding and chamfering expenses	0.95	2.57	-	-
Raw materials and consumables used	381.86	348.89	277.79	233.45
Changes in inventories of finished goods and work	98.34	40.86	60.36	26.58
Loss (reversal) of the devaluation of inventories	(0.51)	(7.97)	-	(7.28)
Doubtful debts (reversal)	3.21	(0.91)	3.05	0.15
Loss on impairment of assets	-	9.57	-	-

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 UNION MOSAIC INDUSTRY PUBLIC COMPANY LIMITED AND SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020

The Company and its subsidiary have contributed to provident fund for the years ended December 31, 2020 and 2019 were as follows:

	(Unit : Baht)			
	Consolidated		Separate	
	2020	2019	2020	2019
For the years ended December 31,	29,042,980	27,758,779	28,337,777	26,991,209

27. INCOME TAX

Income tax recognized in profit or loss

For the years ended December 31, 2020 and 2019, income tax expense consisted of the following:

	(Unit : Baht)			
	For the year ended December 31			
	Consolidated		Separate	
	2020	2019	2020	2019
Income tax :				
Income tax for the year	(1,034,168)	(1,903,528)	-	-
Deferred tax :				
Relating to origination and reversal of temporary differences	13,958,191	6,066,976	891,075	15,477,209
Income (expenses) tax in statements of comprehensive income	12,924,023	4,163,448	891,075	15,447,209

Income tax recognized directly in equity

	(Unit : Baht)			
	Separate			
	Rate (%)	2020	Rate (%)	2019
Profit (loss) before income tax expense		(82,920,691)		(74,642,482)
Income tax using the corporation tax rate	20	(16,584,138)	20	(14,924,896)
Income not subject to tax		-		-
Expenses not deductible for tax purposes		16,584,138		14,924,896
Total		-		-

THE UNION MOSAIC INDUSTRY PUBLIC COMPANY LIMITED AND SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020

For the years ended December 31, 2020 and 2019, the Company has corporate income tax as follows;

	(Unit : Baht)	
	2020	2019
Net profit	(82,920,691)	(59,147,273)
Income tax	-	(15,477,209)
Profit (loss) before corporate income tax	(82,920,691)	(74,624,482)
<u>Plus (less) Add back expenses</u>	131,069,586	-
Add back income	(26,529,740)	74,624,482
Tax losses recorded deferred tax assets	(21,619,155)	-
Tax profit	-	-
Corporate income tax rate	20%	20%
Tax consequences :		
Deferred tax liabilities (assets)	891,075	15,477,209
Expenses (income) in the statement of comprehensive income	891,075	15,477,209

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

Movements during the year are as follows:

	(Unit : Baht)			
	Consolidated		Separate	
	As at	As at	As at	As at
	December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
Beginning of the year	(7,326,492)	(7,165,291)	(7,011,452)	(6,848,402)
Changes during the year	1,824,102	(161,201)	1,822,750	(163,050)
Ended of the year	(5,502,390)	(7,326,492)	(5,188,702)	(7,011,452)

THE UNION MOSAIC INDUSTRY PUBLIC COMPANY LIMITED AND SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020

29. BASIC EARNINGS (LOSS) PER SHARE

The calculation of basic earnings per share for the years ended December 31, 2020 and 2019 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	
	2020	2019	2020	2019
Profit (loss) attributable to equity holders of the Company (Thousand Baht)	<u>(98,224)</u>	<u>(68,679)</u>	<u>(82,030)</u>	<u>(59,147)</u>
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	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Weighted average number of ordinary shares (Thousand shares)	<u>836,505</u>	<u>836,505</u>	<u>836,505</u>	<u>836,505</u>
Basic earning (loss) per share (Baht : share)	<u>(0.12)</u>	<u>(0.08)</u>	<u>(0.10)</u>	<u>(0.07)</u>

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 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 Consultant Limited Partnership	Management of the Company and director of subsidiary
Mr. Pichit Pholpanichrasamee	Director of subsidiary

THE UNION MOSAIC INDUSTRY PUBLIC COMPANY LIMITED AND SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020

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 percent per annum
Short-term loans to related parties	Interest rate 6.00 - 7.50 percent per annum
Sale of asset	
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.	In Year 2019, January to August charged at rate 4 percent of sale. September onward, will be charged according to *****
Interest income	
T.T.Ceramic Public Co., Ltd.	7.5 percent 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

THE UNION MOSAIC INDUSTRY PUBLIC COMPANY LIMITED AND SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020

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) ***** , *****
Information system maintenance	
T.T.Ceramic Public Co., Ltd.	Per agreement (Baht 50,000 per month) *****
Other information system maintenance	
T.T.Ceramic Public Co., Ltd.	Per agreement (Baht 54,503.34 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 Consultant Limited Partnership	Per agreement (Baht 95,000 per month) Ended June 30, 2020
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 percent 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 percent (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.

THE UNION MOSAIC INDUSTRY PUBLIC COMPANY LIMITED AND SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020

*** The Company has entered into Management fee 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 Management fee 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 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, 2020 to December 31, 2020).

*****The Company has entered into Other information system maintenance fee agreement with the parent company, charged by the rate of Baht 54,503.34 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, 2020 to December 31, 2020).

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

1. Cost of personnel in the support agency	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 fee	11 percent of actual cost by area

THE UNION MOSAIC INDUSTRY PUBLIC COMPANY LIMITED AND SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020

6. Phone bill	1,200 Baht per month
7. Computer rental fee	17,850 Baht per month

The agreement is for the period between September 1, 2019 to December 31, 2019 since the date specified in the agreement. If due by the Company has not cancel the contract. This agreement shall be considered effective continuously until the other party has terminated the contract in writing to the other party at least 30 days in advance.

***** The company agreed to enter into a contract with the subsidiary 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 agreement is for a period of 1 year from September 1, 2019 to December 31, 2020.

30.1 As at December 31, 2020 and 2019, the Company has transactions with its related parties as follows:

	(Unit : Baht)			
	Consolidated		Separate	
	As at	As at	As at	As at
	December 31,	December 31,	December 31,	December 31,
	2020	2019	2020	2019
30.1.1 Trade Account Receivable				
Trade Account Receivable				
<u>Subsidiaries company</u>				
Ruampat Ceramic Co., Ltd.	-	-	23,358,885	25,848,225
T.T. Ceramic Public Co., Ltd.	-	-	2,964,921	2,859,252
<u>Related parties</u>				
Imex International Co., Ltd.	9,252,722	100,705	-	-
Total	9,252,722	100,705	26,323,806	28,707,477
30.1.2 Accounts receivable on loans to related parties				
T.T. Ceramic Public Co., Ltd.	-	-	35,043,010	55,043,010
Ruampat Ceramic Co., Ltd.	-	-	10,000,000	5,000,000
Total	-	-	45,043,010	60,043,010

THE UNION MOSAIC INDUSTRY PUBLIC COMPANY LIMITED AND SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020

(Unit : Baht)				
	Consolidated		Separate	
	As at	As at	As at	As at
	December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
Short-term loans to related parties have movement during the years as follows:				
Beginning balance of the year	-	-	60,043,010	60,043,010
Increase during the year	-	-	5,000,000	-
Decrease during the year	-	-	(20,000,000)	-
Ending balance of the year	-	-	45,043,010	60,043,010
30.1.3 Other current receivables				
T.T. Ceramic Public Co., Ltd.	-	-	49,102,081	-
30.1.4 Other non - current receivables				
T.T. Ceramic Public Co., Ltd.	-	-	-	49,102,081
30.1.5 Account Payable				
<u>Subsidiaries company</u>				
Cermas Co., Ltd.	-	-	1,932,420	462,401
T.T. Ceramic Public Co., Ltd.	-	-	43,850,477	45,128,058
Ruampat Ceramic Co., Ltd.	-	-	418,429	313,938
<u>Related parties</u>				
Imex International Co., Ltd.	-	58,850	-	58,850
Total	-	58,850	46,201,326	45,963,247
30.1.6 Long-term borrowings from related parties				
Consist of:				
Long-term borrowings from				
director	15,390,000	16,090,000	-	-

THE UNION MOSAIC INDUSTRY PUBLIC COMPANY LIMITED AND SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020

(Unit : Baht)

	Consolidated		Separate	
	As at December 31, 2020	As at December 31, 2019	As at December 31, 2020	As at December 31, 2019
Movement during the year of long-term borrowing from related parties are as follows:				
Beginning balance of the				
year	16,090,000	19,290,000	-	-
Addition during of the year	2,000,000	2,000,000	-	-
Deduction during of the year	(2,700,000)	(5,200,000)	-	-
Ending balance of the year	15,390,000	16,090,000	-	-
Long-term borrowing from				
related parties	15,390,000	16,090,000	-	-
<u>Less</u> due within one year	(11,890,000)	(14,090,000)	-	-
Long-term loan from				
related parties - Net	3,500,000	2,000,000	-	-

As at December 31, 2020 and 2019, estimated liabilities under the employee benefit - management in consolidated financial statement and separate financial statement are amount of Baht 36.67 million and Baht 32.80 million, respectively.

As at December 31, 2020, the Company has short-term loans to a subsidiary (T.T. Ceramic Public Co., Ltd.) in amount of Baht 35.40 million. There is unsecured. The loan is repayable on demand and interest is rate 6.71 - 7.50 percent per annum.

As at December 31, 2020, the Company has short-term loans to a subsidiary (Ruampat Ceramic Co., Ltd.) in amount of Baht 10.00 million. There is unsecured. The loan is repayable on demand and interest is rate 6.00 percent per annum.

As at December 31, 2020, the Company has short-term loans for a subsidiary (Ruampat Ceramic Co., Ltd.) in amount of Baht 3.50 million. There is unsecured. The loan is repayable on demand and interest is rate 6.00 percent per annum.

As at December 31, 2020, the subsidiary has loans from related parties amount of Baht 11.89 million and unsecured. The repayment is due within 2 years from the date of the agreement on November 14, 1999 and the interest rate (Equal to the six-month fixed deposit rate of individual financial institutions per annum) + 2% per annum, Which the interest rate may change increase or decrease according to economic conditions.

THE UNION MOSAIC INDUSTRY PUBLIC COMPANY LIMITED AND SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020

As at December 31, 2020, The Company has other current receivables from related parties in amount of Baht 49.10 million. Due to sold of machinery for production of ceramic tiles to a subsidiary (T.T. Ceramic Public Co., Ltd.) under the agreement was being paid as follows:

1. The interest rate was 6.71 percent per annum (effective from date of the agreement).
2. The first interest payment and the interest rate was 5 percent (from 6.71 percent per annum) in March 2019 amount of Baht 1.52 million and will be paid every month until the principal payment was completed.
3. The remaining interest rate was 1.71 percent 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. And
4. Payment of principal 36 installments and the first payment in September 2020 was in the amount of Baht 1.36 million. On March 29, 2019, the company received the first interest amount of Baht 1.52 million.

As at December 31, 2020, T.T. Ceramic Public Company Limited did not repay the first prinipal in September amount of Bath 5.44 million resulting to reclassify to current liabilities. However, The company did not estimate the default interest because it was not specified in the agreement. Currently, the company is in the process of negotiating with T.T. Ceramic Public Company Limited.

30.2 Revenue and expense transactions with the related parties for the year ended December 31, 2020 and 2019 were as follows:

(Unit : Baht)				
	Consolidated		Separate	
	For the year ended		For the year ended	
	December 31,		December 31,	
	2020	2019	2020	2019
30.2.1 Sales of goods and service				
Ruampat Ceramic Co., Ltd.	-	-	22,780,295	34,176,128
T.T. Ceramic Public Co., Ltd.	-	-	46,553,280	39,323,664
Imex International Co., Ltd.	51,675,869	166,137	-	-
Total	51,675,869	166,137	69,333,575	73,499,792

THE UNION MOSAIC INDUSTRY PUBLIC COMPANY LIMITED AND SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020

(Unit : Baht)				
	Consolidated		Separate	
	For the year ended		For the year ended	
	December 31,		December 31,	
	2020	2019	2020	2019
30.2.2 Other income				
Cermas Co., Ltd.	-	-	320,584	372,185
Ruampat Ceramic Co., Ltd.	-	-	6,070,890	3,467,032
T.T. Ceramic Public Co., Ltd.	-	-	23,798,286	32,201,287
Total	-	-	30,189,760	36,040,504
30.2.3 Rental revenue				
Cermas Co., Ltd.	-	-	684,000	684,000
Ruampat Ceramic Co., Ltd.	-	-	1,639,320	1,399,320
T.T. Ceramic Public Co., Ltd.	-	-	411,840	137,280
Total	-	-	2,735,160	2,220,600
30.2.4 Sale management revenue				
T.T. Ceramic Public Co., Ltd.	-	-	1,907,368	9,386,880

The Company has entered into Sales management agreement with a subsidiary, charged by the rate of 2 percent 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 a subsidiary, charged by the rate of 4 percent (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.

The service fees are as follows:

1. Cost of personnel in the support agency	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 fee	11 percent of actual cost by area

THE UNION MOSAIC INDUSTRY PUBLIC COMPANY LIMITED AND SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020

6. Phone bill	1,200 Baht per month
7. Computer rental fee	17,850 Baht per month

The agreement is for the period between September 1, 2019 to December 31, 2019 since the date specified in the agreement. If due by the Company has not cancel the contract. This agreement shall be considered effective continuously until the other party has terminated the contract in writing to the other party at least 30 days in advance.

(Unit : Baht)

	Consolidated		Separate	
	For the year ended		For the year ended	
	December 31,		December 31,	
	2020	2019	2020	2019
30.2.5 Management fee				
T.T. Ceramic Public Co., Ltd.	-	-	122,520	-
30.2.6 Management fee income				
T.T. Ceramic Public Co., Ltd.	-	-	-	3,566,528
Ruampat Ceramic Co., Ltd.**	-	-	12,083,702	10,598,462
Total	-	-	12,083,702	14,164,990

*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.

30.2.7 Marketing Management Revenue

T.T. Ceramic Public Co., Ltd.	-	-	-	4,000,000
-------------------------------	---	---	---	-----------

The Company has entered into Marketing Management Revenue agreement with a subsidiary, charged by the rate of Baht 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.

THE UNION MOSAIC INDUSTRY PUBLIC COMPANY LIMITED AND SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020

	(Unit : Baht)			
	Consolidated		Separate	
	For the year ended		For the year ended	
	December 31,		December 31,	
	2020	2019	2020	2019
30.2.8 Other income				
T.T. Ceramic Public Co., Ltd.	-	-	9,780,000	9,780,000

The Company has entered into Other income agreement with a 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.

30.2.9 Information system income maintenance

T.T. Ceramic Public Co., Ltd.	-	-	600,000	600,000
-------------------------------	---	---	---------	---------

The Company has entered into Information system maintenance fee agreement with a subsidiary, 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 subsidiary. And charge the service fee according to the monthly amount shown in the agreement. The agreement period by one year (since January 1, 2020 to December 31, 2020)

30.2.10 Other information system maintenance income

T.T. Ceramic Public Co., Ltd.	-	-	654,040	619,720
-------------------------------	---	---	---------	---------

The Company has entered into Other information system maintenance fee agreement, charged by the rate of Baht 54,503.34 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 subsidiary. And charge the service fee according to the monthly amount shown in the agreement. The agreement period by one year (since January 1, 2020 to December 31, 2020).

30.2.11 Rights to use information system

T.T. Ceramic Public Co., Ltd.	-	-	135,000	-
-------------------------------	---	---	---------	---

THE UNION MOSAIC INDUSTRY PUBLIC COMPANY LIMITED AND SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020

		(Unit : Baht)	
		Consolidated	Separate
		For the year ended	For the year ended
		December 31,	December 31,
		2020	2019
		2020	2019
30.2.12 Interest income from account receivable under hire purchase machine			
T.T. Ceramic Public Co., Ltd.	-	-	-
			41,325
30.2.13 Interest income from loans			
T.T. Ceramic Public Co., Ltd.	-	-	3,371,552
			4,071,413
Ruampat Ceramic Co., Ltd.	-	-	538,525
			118,014
Total	-	-	3,910,077
			4,189,427
30.2.14 Interest income from installments for purchase of machinery			
T.T. Ceramic Public Co., Ltd.	-	-	3,303,776
			3,312,803
30.2.15 Purchase raw materials and goods			
Subsidiaries and related parties			
Cermas Co., Ltd.	-	-	10,761,515
			17,787,720
Ruampat Ceramic Co., Ltd.	-	-	37,407,552
			29,808,024
T.T. Ceramic Public Co., Ltd.	-	-	237,417,560
			278,135,925
Imex International Co., Ltd.	651,020	2,254,170	110,000
			2,254,170
Total	651,020	2,254,170	285,696,627
			327,985,839
30.2.16 Selling and administrative expenses			
Ruampat Ceramic Co., Ltd.	-	-	2,460,672
			2,639,218
T.T. Ceramic Public Co., Ltd.	-	-	5,250
			60,480
UMI Property Co., Ltd.	-	-	33,645
			33,645
Total	-	-	2,499,567
			2,733,343
30.2.17 Rental warehouse expenses			
T.T. Ceramic Public Co., Ltd.	-	-	720,000
			720,000

THE UNION MOSAIC INDUSTRY PUBLIC COMPANY LIMITED AND SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020

(Unit : Baht)

Consolidated		Separate	
For the year ended		For the year ended	
December 31,		December 31,	
2020	2019	2020	2019

30.2.18 Directors and management benefit expenses

Consolidated and separate

- Short - term benefit expenses for the year ended December 31, 2020 and 2019, amount of Baht 31.58 million and Baht 28.70 million and Baht 31.58 million and Baht 28.70 million, respectively.
- Long - term benefit expenses for the year ended December 31, 2020 and 2019, amount of Baht 0.85 million and Baht 0.20 million and Baht 0.85 million and Baht 0.20 million, respectively.

30.2.19 Consultant expenses

S & P Consultant

Limited Partnership	570,000	1,656,000	570,000	1,656,000
Mr. Pichit				
Pholpanichrasamee	390,000	480,000	390,000	480,000
Total	960,000	2,136,000	960,000	2,136,000

- S & P Consultant Limited Partnership's contract expired June 30, 2020

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, 2020 and 2019 by segments

THE UNION MOSAIC INDUSTRY PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2020

	(Unit : Million Baht)							
	Consolidated financial statements for the year ended December 31,							
	Floor and wall tile business							
	Local		Export		Others		Total	
	2020	2019	2020	2019	2020	2019	2020	2019
Sales - net	2,088	2,117	127	158	107	139	2,322	2,414
<u>Less</u> cost of sales	(1,607)	(1,656)	(103)	(129)	(64)	(86)	(1,774)	(1,871)
Gross profit (loss)	<u>481</u>	<u>461</u>	<u>24</u>	<u>29</u>	<u>43</u>	<u>53</u>	548	543
Other income							18	54
Cost of distribution							(297)	(342)
Administrative expenses							(290)	(287)
Management benefit expenses							(32)	(29)
Finance costs							(83)	(37)
Income tax expenses							13	4
Profit (loss) for the year							<u>(123)</u>	<u>(94)</u>
Profit (loss) for the year, Equity holders of the parent							(98)	(69)
Profit (loss) for the year, Non-Controlling interests of the subsidiaries							<u>(25)</u>	<u>(25)</u>
							<u>(123)</u>	<u>(94)</u>
Assets as at December 31, 2020 and 2019 :								
Fixed assets							1,512	1,593
Other assets							1,589	1,484
Total assets							<u>3,101</u>	<u>3,077</u>

THE UNION MOSAIC INDUSTRY PUBLIC COMPANY LIMITED AND SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020

	(Unit : Million Baht)							
	Separate financial statements for the year ended December 31,							
	Floor and wall tile business							
	Local		Export		Others		Total	
	2020	2019	2020	2019	2020	2019	2020	2019
Sales - net	1,704	1,813	112	133	12	5	1,828	1,951
<u>Less</u> cost of sales	(1,316)	(1,433)	(93)	(111)	(12)	(4)	(1,421)	(1,548)
Gross profit (loss)	<u>388</u>	<u>380</u>	<u>19</u>	<u>22</u>	<u>-</u>	<u>1</u>	407	403
Other income							23	28
Cost of distribution							(229)	(274)
Administrative expenses							(232)	(180)
Management benefit expenses							(32)	(29)
Finance costs							(20)	(22)
Income tax expenses							<u>1</u>	<u>15</u>
Profit (loss) for the year							<u>(82)</u>	<u>(59)</u>
Assets as at December 31, 2020 and 2019 :								
Fixed assets							676	716
Other assets							<u>1,388</u>	<u>1,401</u>
Total assets							<u>2,064</u>	<u>2,117</u>

THE UNION MOSAIC INDUSTRY PUBLIC COMPANY LIMITED AND SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020

32. COMMITMENTS AND CONTINGENT LIABILITIES

32.1 Service contracts commitments

The Company has entered into several operating lease agreements in respect of the lease of office building space, vehicles, equipment, and service agreements. The terms of the agreements are generally between 1 to 5 years.

As at December 31, 2020, the Company has the future minimum payments required under the non-cancellable service contracts are as follows:

	(Unit : Thousand Baht)			
	Consolidated		Separate	
	As at	As at	As at	As at
	December 31,	December 31,	December 31,	December 31,
	2020	2019	2020	2019
Operating lease commitments				
Within 1 year	-	9,520	-	8,823
More than 1 to 3 years	-	21,403	-	12,100
More than 3 to 5 years	-	4,264	-	4,265
Total	-	35,187	-	25,188
Service contracts commitments				
Within 1 year	2,373	17,351	2,301	2,022
More than 1 to 3 years	2,232	2,133	2,112	2,132
More than 3 to 5 years	57	148	57	148
Total	4,662	19,632	4,470	4,302

Commitments decreased from the end of the year due to the adoption of Financial Reporting Standard No.16, Lease, resulting in the reclassification of lease contracts in accordance with the financial lease criteria. The remaining commitments are service and operating lease agreements.

THE UNION MOSAIC INDUSTRY PUBLIC COMPANY LIMITED AND SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020

32.2 Contingency liabilities

As at December 31, 2020 and 2019, the Company and subsidiaries have commitments to bank as follows:

	(Unit : Million Baht)			
	Consolidated		Separate	
	As at December 31, 2020	As at December 31, 2019	As at December 31, 2020	As at December 31, 2019
Letter of Credit (Million USD)				
not used	0.73	0.49	0.73	0.49
Letters of Guarantee				
- Electricity Guarantee	16.01	12.40	10.00	10.00
- Gas Guarantee	16.00	16.00	-	-
- Other Guarantee	2.02	1.46	-	-
Credit Line of Baht 660 and 660 million in 2020 and 2019				
- Credit not used	365.85	313.81	365.85	313.81

33. DISCLOSURE AND PRESENTATION OF FINANCIAL INSTRUMENTS

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

a) Interest rate risk

Interest rate risk is the risk that future changes of interest rate in market will affect the operations and cash flows of company. The entity has a risk from significant interest rates about of deposit at financial institutions, loan, loans from financial institutions. Therefore, the company has risk about the future interest rate fluctuations.

THE UNION MOSAIC INDUSTRY PUBLIC COMPANY LIMITED AND SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020

As at December 31, 2020 and 2019 Significant Financial assets and liabilities can be classified at significant interest rates as follows:

(Unit : Million baht)

	Consolidated								
	Interest rate up/down according by market rate		Fixed interest rate		No interest rate		Total		Annual percentage interest rate
	As at December 31, 2020	As at December 31, 2019	As at December 31, 2020	As at December 31, 2019	As at December 31, 2020	As at December 31, 2019	As at December 31, 2020	As at December 31, 2019	
<u>Financial assets</u>									
Cash and cash equivalents	70.76	24.43	-	-	19.36	25.37	90.12	49.80	0.125 – 0.25
Trade and other current receivables	-	-	49.10	-	637.81	531.54	686.91	531.54	6.71
Current financial assets	-	-	-	-	24.43	22.25	24.43	22.25	-
Non - current financial assets	-	-	5.09	2.48	14.27	12.66	19.36	15.14	0.90
<u>Financial liabilities</u>									
Bank overdrafts and short-term borrowings from financial institutions)	63.80	94.01	-	-	0.73	-	64.53	94.01	2.25 – 6.87
Trade and other current payables	-	-	49.10	-	389.69	271.58	438.79	271.58	3.00 – 6.71
Current portion of long-term liabilities									
- Liabilities under debt rehabilitation plan	722.34	723.53	-	-	-	-	722.34	723.53	5.00 – 25.00
- Loans from financial institutions	37.28	59.82	-	-	0.06	0.72	37.34	60.54	4.50 – 5.00
Current portion of lease liabilities	-	-	13.22	3.08	-	-	13.22	3.08	0.41 – 6.71
Long – term loans									
- Liabilities under debt rehabilitation plan	-	-	-	-	-	-	-	-	-
- Loans from financial institutions	216.61	208.86	-	-	-	-	216.61	208.86	4.50 – 5.00
- Loan from related parties	-	-	13.50	7.00	1.89	9.09	15.39	16.09	0.41 – 6.71
Lease liabilities	-	-	8.65	1.43	8.49	-	17.14	1.43	0.41 – 0.83

THE UNION MOSAIC INDUSTRY PUBLIC COMPANY LIMITED AND SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020

b) Foreign currency exchange risk

As at December 31, 2020 and 2019, the Company has trade accounts receivable, trade 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, 2020	As at December 31, 2019
Accounts receivable in foreign currency	US Dollar	135,069.33	216,622.68
Accounts payable in foreign currencies	US Dollar	1,054,121.45	447,024.23
	EURO	85,032.34	42,908.58
	Pound Sterling	8.08	8.08
	YEN	74,000.00	176,000.00
Trust receipt	US Dollar	282,899.63	185,941.00
Forward contract	EURO	-	-
	US Dollar	-	164,757.07

c) Liquidity risk

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

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

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

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

e) 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.

THE UNION MOSAIC INDUSTRY PUBLIC COMPANY LIMITED AND SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020

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
	2020	2019	2020	2019	2020	2019	2020 2019
Financial assets measured at fair value							
Investment held as available for sale	8.45	6.63	-	-	-	-	8.45 6.63
Land	-	-	464.82	464.82	-	-	464.82 464.82
Builds	-	-	1,112.35	1,150.90	-	-	1,112.35 1,150.90
Machinery	-	-	269.08	309.62	-	-	269.08 309.62
Financial assets for which fair value are disclosed							
Investment properties	-	-	39.86	40.71	-	-	39.86 40.71
Other non – current assets	-	-	4.74	4.74	-	-	4.74 4.74

THE UNION MOSAIC INDUSTRY PUBLIC COMPANY LIMITED AND SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020

(Unit : Million Baht)								
	Separate							
	Level 1		Level 2		Level 3		Total	
	2020	2019	2020	2019	2020	2019	2020	2019
Financial assets measured at fair value								
Investment held as available for sale	8.45	6.63	-	-	-	-	8.45	6.63
Land	-	-	346.34	346.34	-	-	346.34	346.34
Builds	-	-	551.45	564.45	-	-	551.45	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, 2020 and 2019, debt to equity ratio in the consolidated financial statements is 1.32 : 1 and 1.07 : 1, respectively. (the separate financial statements: debt to equity ratio is 0.49 : 1 and 0.45 : 1 , respectively.)

35. Credit risk

Credit risk means the risk that the party of the one part will be unable to execute according to commitments, which is specified with financial instruments and it makes the party of other part damage in term of finance.

The Company has the credit risk related to account receivable which the company has several and various customers. However, The Company has a comprehensive loan policy which required guarantee for large loans, thus the Company expects no significant damage from collecting debt of such account receivable. The Company also estimate the allowance for doubtful accounts based on the management appraisal regarding the account receivables debt service ability in the past which the management believes it is sufficient.

36. EVENTS AFTER THE REPORTING PERIOD

On January 4, 2021, The subsidiary has issued promissory notes to the company amount 10,000,000 baht. Instead 2 original promissory notes, each amount 5,000,000 baht by repayment to the company with in December 31, 2021, and changed the interest rate from the 6.00% per annum to 5.50% annum. And interest repayment the last working day of the month.

On January 15, 2021, the company has promissory notes with related parties and other person. Due for repayment 5 issued amount 55,000,000 baht.

THE UNION MOSAIC INDUSTRY PUBLIC COMPANY LIMITED AND SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020

- Promissory notes due in 3 issued, the company repayment to the related parties amount 12,000,000 baht and other person 21,000,000 baht
- Promissory notes will due in 2 issued, the company issued new promissory notes instead of the old promissory notes to the other person amount 22,000,000 baht. Interest rate 4.5% per annum to 5.50% annum and interest repayment the quarterly. And promissory notes with in due payment on January 14, 2022

The Board of Directors' Meeting No. 1/2021 on February 23, 2021 resolved to approve to call and determine the date of the Annual General Meeting of Shareholders of the Company for the year 2021 on Friday April 30, 2021 at the Meeting Room, 27th Floor, Chamnan Phenjati Business Center Building.

37. APPROVAL OF THE FINANCIAL STATEMENTS

These financial statements were authorized for issue by the Company's Board of Director's on February 23, 2021.



THE UNION MOSAIC INDUSTRY PUBLIC COMPANY LIMITED

65 Chamnan Phenjati Business Center 29th Fl, Rama 9 Rd., Huaykwang Bangkok 10310

Tel : 0-2243-7007 Fax : 0-2243-7006

www.umi-tiles.com