

ANNUAL REPORT

2020

CONTENT

01	Message from Chairman	56	Management structure
16	Summary of Business Policy	64	Corporate Governance
20	Nature of Business	74	Sustainable Development Report
30	Risk Factors	94	Internal Controls
32	General information and other important information	99	Related Transaction
40	Shareholding Structure	103	Financial Highlight
46	Dividend Payment Policy	104	Summary of Operation Results and Financial Analysis

Message from Chairman

Dear Shareholders,

In 2020, it was a very successful year with a policy of producing high quality tiles. The company has launched a new products that are a large size of tiles, size 60x120 cm and 80x80 cm which can compete with imported tiles. It is cheaper and also variety of colorful patterns to suit with Thai taste. It can accommodate the needs of architects in any design, interior and exterior decoration. On the other hands, imported tiles are less of choices.

Another policy is development and optimization at all levels of production and personnel management. It resulting in a nearly 10% reduction in administrative cost. Compound with cheaper of fuel and oil price from the effect on COVID-19 outbreak. This resulted in a gross profit of 41.5%, net price of 18.6% and sales increased by 4.7% while the same industry were decrease in performance.

In response to shareholders who supporting us, together with the company achieved the highest operating results in 31 years. In this year, the management team is delighted to pay even higher dividends and thank you to all shareholders for always help to support the company operation.

Yours faithfully,



(Mr. Roongroj Saengsastra)

Chairman



Board of Directors

Mr. Roongroj Saengsastra

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

Gen.Yuthasak Sasiprapha

Independent Director and
Chairman of Audit Committee



Miss Cattleya Saengsastra

Executive Director and Company's Secretary



Mr. Chaiyasith Viriyamettakul

Director



Mr. Surasak Kosiyajinda

Independent Director & Audit Committee



Mr. Siripong Tinnarat

Independent Director & Audit Committee



Mr. Totsaporn Banyongwate

Independent Director & Audit Committee

Mr. Monrak Saengsastra
Executive Director and
Chief Business Development Officer



Mr. Maruth Saengsastra
Executive Director and
Chief Marketing Officer



Mr. Jaruwat Traithavil
Executive Director
Chairman of Risk Management Committee
Chief Production Officer



Mr. Chanin Suppapinyopong
Director
Chief Financial and Accounting Officer

Mr. Roongroj Saengsastra

Chairman / Chairman of Executive Director

Chairman of Corporate Governance Committee

Chairman of Nomination and Remuneration Committee

(Authorized)

Age : 70 years

Citizen : Thai

Highest Education : Bachelor of Accounting, Chulalongkorn University

Appointed : 26 January 1998

Year of directors membership-Dec 31,2020 : 22 years 11 months

% of Share Holding at Dec 30, 2020 :

DCC 1,600,000,000 shares or 19.515 percent of all voting shares.

(Including the share held by spouse and minor children)

DCC-W1: -0- Units (Including the share held by spouse and minor children)

Training : None

Family relationship among executives : Mr.Monrak Saengsastra and Mr.Maruth Saengsastra's father

Miss Cattleya Saengsastra's brother

Other Current Position: Listed Company 1 Company

1. Executive of Chairman / The Royal Ceramic Industry PLC

Other Current Position: Non Listed Company 2 Companies

1.Chairman of Tile Top Industry PLC. (Construction Materials)

2.Director of Royal Asia Brick and Tile Co., Ltd.(Clay Tiles) Stop business

A director or executive positions in other businesses that might cause conflicts :

Executive of Chairman / The Royal Ceramic Industry PLC.(Construction Materials)

Experience

2011-2014

Chairman of Pick and Pay Co., Ltd

Chairman of Muang Thong Ceramic Co., Ltd

Chairman of World Wide Ceramic Co., Ltd

Meeting Attendance Year 2020

Board of Directors 6/6 meetings

Board of the Corporate Governance Committee 2/2 meetings

Board of the Nomination and Remuneration Committee 2/2 meetings

AGM 2020 1/1 meeting

Illegal history within the past 10 years : None

Gen.Yuthasak Sasiprapha

Independent Director and Chairman of Audit Committee

(Not Authorized)

Age : 83 years

Citizen : Thai

Highest Education : The National Defence Course for Joint State-Private sectors #33

Army Command and General Staff College #48

Chulachomklao Royal Military Academy

Appointed : 21 April 2015

Year of directors membership-Dec 31,2020 : 5 years 8 months

% of Share Holding at Dec 30, 2020 : None (Including the share held by spouse and minor children)

Training : Director Accreditation Program (DAP) No.56/2006

Leader Program Capital Market Academy Class XI 2010

Family relationship among executives : None

Other Current Position: Listed Company : None

Other Current Position: Non Listed Company : None

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

Experience :

Jan 2012-Oct 2012 Deputy Prime Minister

Aug 2011-Jan 2012 Minister of Defence

ประวัติการเข้าร่วมประชุมในปี 2563 Meeting Attendance Year 2020

Board of Directors 6/6 meetings

Board of Audit Committee 4/4 meetings

AGM 2020 1/1 meeting

Illegal history within the past 10 years : None

Miss Cattleya Saengsastra

Executive Director and Company's Secretary
(Authorized)

Age : 72 years

Citizen : Thai

Highest Education : Bachelor degree Accounting (Honor), Chulalongkorn University

Management Development Program-J.J.Kellogg North Western University

Appointed : 26 January 1998

Year of directors membership-Dec 31,2020 : 22 years 11 months

% of Share Holding at Dec 30, 2020 :

DCC 183,000,000 shares or 2.232 percent of all voting shares.

(Including the share held by spouse and minor children)

DCC-W1 2,500,000 Units (Including the share held by spouse and minor children)

Training : Directors Accreditation Program (DAP) No.47/2005

Training from IOD: Company Secretary Program : None

Family relationship among executives : Mr. Roongroj Saengsastra's sister

Other Current Position: Listed Company : 2 Companies

1.Independent Director and Chairman of Audit Committee / S&P Syndicated PLC.

2.Company's Secretary / The Royal Ceramic Industry PLC. (Construction Materials)

Other Current Position: Non Listed Company 1 Company

1.Executive Director of Tile Top Industry PLC. (Construction Materials)

A director or executive positions in other businesses that might cause conflicts :

Company's Secretary / The Royal Ceramic Industry PLC.(Construction Materials)

Experience

2011-2014

Director of Pick and Pay Co., Ltd

Director of Muang Thong Ceramic Co., Ltd

Director of World Wide Ceramic Co., Ltd

Meeting Attendance Year 2020

Board of Directors 6/6 meetings

Board of the Corporate Governance Committee 2/2 meetings

AGM 2020 1/1 meeting

Illegal history within the past 10 years : None

Mr. Chaiyasith Viriyamettakul

Director
(Authorized)

Age : 71 years

Citizen : Thai

Highest Education : Bachelor of Engineering, Chulalongkorn University
National Defense College (NDC.4414)

Appointed : 26 January 1998

Year of directors membership-Dec 31,2020 : 22 years 11 months

% of Share Holding at Dec 30, 2020 :

DCC 496,500,000 shares or 6.056 percent of all voting shares.

(Including the share held by spouse and minor children)

DCC-W1 7,000,000 Units (Including the share held by spouse and minor children)

Training : Director Accreditation Program (DAP) No. 20/2004

Increasing Your Corporate Value through Effective Communication Year 2003

Risk Management

Capital Market Academy, Class 15 (15 CMA)

Family relationship among executives : None

Other Current Position: Listed Company : 4 Companies

1.Chairman / Chairman of Executive Director/ Vibhavadee Hospital PLC.

(Health Care Services)

2. Director/ Chiang Mai Ram Medical Business PLC. (Health Care Services)

3. Director/ Sikarin PLC. (Health Care Services)

4. Chairman / Chairman of Executive Director / Green Resources PLC. (Energy & Utilities)

Other Current Position: Non Listed Company : 2 Companies

1. Vice Chairman of BOD / Chaophya Hospital PLC.

2. Executive Director / Vibharam Co., Ltd and its Subsidiaries

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

Meeting Attendance Year 2020 :

Board of Directors 6/6 meetings

AGM 2020 1/1 meeting

Illegal history within the past 10 years : None

Mr. Surasak Kosiyajinda
Independent Director & Audit Committee
(Not Authorized)

Age : 77 years

Citizen : Thai

Highest Education : Bachelor of Law, Thammasart University

Appointed : 30 April 1998

Year of directors membership-Dec 31,2020 : 22 years 8 months

% of Share Holding at Dec 30, 2020 : None (Including the share held by spouse and minor children)

Training : Director Accreditation Program (DAP) No. 48/2005

Family relationship among executives : None

Other Current Position: Listed Company : 1 Company

1.Independent Director & Audit Committee / AJ Plast PLC.

Other Current Position: Non Listed Company : 1 Company

1. Director / United Food PLC.

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

Experience :

2011 – Present Own office at Jutturatham Law Office

Meeting Attendance Year 2020 :

Board of Directors 6/6 meetings

Board of Audit Committee 4/4 meetings

AGM 2020 1/1 meeting

Illegal history within the past 10 years : None

Mr. Siripong Tinnarat
Independent Director & Audit Committee
(Not Authorized)

Age : 71 years

Citizen : Thai

Highest Education : Master of Education (Education Administration)

Sukhothai Thammathirat Open University

Bachelor of Commerce, Chulalongkorn University

Appointed : 24 April 2017

Year of directors membership-Dec 31,2020 : 3 years 8 months

% of Share Holding at Dec 30, 2020 : None (Including the share held by spouse and minor children)

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

Family relationship among executives : None

Other Current Position: Listed Company : None

Other Current Position: Non Listed Company : 3 Companies

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

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

Experience : Licensee School / Maneeya Kindergarten School

Meeting Attendance Year 2020 :

Board of Directors 6/6 meetings

Board of Audit Committee 4/4 meetings

AGM 2020 1/1 meeting

Illegal history within the past 10 years : None

Mr. Totsaporn Banyongwate
Independent Director & Audit Committee
(Not Authorized)

Age : 70 years

Citizen : Thai

Highest Education : Bachelor of Engineering (Mechanical Engineering)
King Mongkut Technical University

Appointed : 24 April 2017

Year of directors membership-Dec 31,2020 : 3 years 8 months

% of Share Holding at Dec 30, 2020 :

DCC : 1,368,080 shares or 0.017 percent of all voting shares.

(Including the share held by spouse and minor children)

DCC-W1: -0- Units (Including the share held by spouse and minor children)

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

Family relationship among executives : None

Other Current Position: Listed Company : None

Other Current Position: Non Listed Company : 1 Company

1. Managing Director / CT Link Co.,Ltd.

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

Experience : Technical and Government Sales Manager / Dunlop (Thailand) Co.,Ltd.

Plant Manager / Thai Swedish Assembly Co.,Ltd.

Process Engineer / Bangchan General Assembly Co., Ltd.

Meeting Attendance Year 2020 :

Board of Directors 6/6 meetings

Board of Audit Committee 4/4 meetings

AGM 2020 1/1 meeting

Illegal history within the past 10 years : None

Mr. Monrak Saengsastra

Executive Director and Chief Business Development Officer
(Authorized)

Age : 45 years

Citizen : Thai

Highest Education : Master of Business Administration, Kasetsart University

Master of Art in International Economics Southern Methodist University (SMU)

Bachelor of Science in Business Computer Information Systems,

University of North Texas (UNT)

Appointed : 29 January 2013

Year of directors membership-Dec 31,2020 : 7 years 11 months

% of Share Holding at Dec 30, 2020 :

DCC : 925,000,000 shares or 11.282 percent of all voting shares.

(Including the share held by spouse and minor children)

DCC-W1: -0- Units (Including the share held by spouse and minor children)

Training : Director Accreditation Program (DAP) No.107/2014

Family relationship among executives :

Mr. Roongroj Saengsastra's son and Mr. Maruth Saengsastra's brother

Other Current Position: Listed Company : 1 Company

1. Executive Director and Chief Business Development at The Royal Ceramic Industry PLC.
(Construction Materials)

Other Current Position: Non Listed Company 2 Companies

1. Executive Director /Tile Top Industry PLC. (Construction Materials)
2. Director of Royal Asia Brick and Tile Co., Ltd. (Clay Tiles) Stop business

A director or executive positions in other businesses that might cause conflicts :

Executive Director and Chief Business Development at The Royal Ceramic Industry PLC.
(Construction Materials)

Experience :

2013 – 2017 Executive Director (Administration)/ Dynasty Ceramic PLC.
(Construction Materials) and
Tile Top Industry PLC. (Construction Materials)

Meeting Attendance Year 2020 :

Board of Directors 6/6 meetings
Board of the Corporate Governance Committee 2/2 meetings
Board of the Nomination and Remuneration Committee 2/2 meetings
Board of Risk Management Committee 2/2 meetings
AGM 2020 1/1 meeting

Illegal history within the past 10 years : None

Mr. Maruth Saengsastra

Executive Director and Chief Marketing Officer

(Authorized)

Age : 43 years

Citizen : Thai

Highest Education : M.S.Computer Science University of North Texas,USA

Appointed : 21 April 2015

Year of directors membership-Dec 31,2020 : 5 years 8 months

% of Share Holding at Dec 30, 2020 :

DCC : 925,000,000 shares or 11.282 percent of all voting shares.

(Including the share held by spouse and minor children)

DCC-W1: -0- Units (Including the share held by spouse and minor children)

Training : Director Accreditation Program (DAP) No.107/2014

CFO's Orientation Course Class 4 from SET

Family relationship among executives :

Mr. Roongroj Saengsastra's son and Mr. Monrak Saengsastra's brother

Other Current Position: Listed Company : 1 Company

1. Executive Director and Chief Marketing Officer at The Royal Ceramic Industry PLC.
(Construction Materials)

Other Current Position: Non Listed Company : 2 Companies

1. Executive Director /Tile Top Industry PLC. (Construction Materials)
2. Executive Director of Royal Asia Brick and Tile Co., Ltd. (Clay Tiles)Stop business

A director or executive positions in other businesses that might cause conflicts :

Executive Director and Chief Marketing Officer at The Royal Ceramic Industry PLC.
(Construction Materials)

Experience :

Jan 2020- Sep 2020 CFO at Dynasty Ceramic PLC. , Tile Top Industry PLC.

And Royal Ceramic Industry PLC.

2011 – 2017 Senior Executive Vice President (Marketing) at Dynasty Ceramic PLC.

And Tile Top Industry PLC.

2011 – 2020 Assistant Company Secretary and Investor Relation at Dynasty Ceramic PLC.

2011 -2015 Vice President Information Officer at Dynasty Ceramic PLC. and Tile Top Industry PLC.

Meeting Attendance Year 2020 :

Board of Directors 6/6 meetings

Board of the Corporate Governance Committee 2/2 meetings

Board of the Nomination and Remuneration Committee 2/2 meetings

Board of Risk Management Committee 2/2 meetings

AGM 2020 1/1 meeting

Illegal history within the past 10 years : None

Mr. Jaruwat Traithavil

Executive Director /

Chairman of Risk Management Committee / Chief Production Officer

(Authorized)

Age : 40 years

Citizen : Thai

คุณวุฒิการศึกษา :

Master of Engineering Project Management, University of Melbourne, Australia

Bachelor of Engineering (Honours), Australian National University, Australia

Bachelor of Information Technology, Australian National University, Australia

Appointed : 8 August 2017

Year of directors membership-Dec 31,2020 : 3 years 5 months

% of Share Holding at Dec 30, 2020 :

DCC : 11,200,000 shares or 0.137 percent of all voting shares.

(Including the share held by spouse and minor children)

DCC-W1: 3,200,000 Units (Including the share held by spouse and minor children)

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

Family relationship among executives : None

Other Current Position: Listed Company : 1 Company

1. Executive Director and Chief Production Officer at The Royal Ceramic Industry PLC.
(Construction Materials)

Other Current Position: Non Listed Company : 2 Companies

- 1.Executive Director /Tile Top Industry PLC. (Construction Materials)
2. Executive Director of Royal Asia Brick and Tile Co., Ltd. (Clay Tiles) Stop business

A director or executive positions in other businesses that might cause conflicts :

Executive Director and Chief Production Officer at The Royal Ceramic Industry PLC.
(Construction Materials)

Experience :

2010 – 2017 Vice President Production at Dynasty Ceramic PLC.

2009 – Present Vice President Production at Tile Top Industry PLC.

Meeting Attendance Year 2020 :

Board of Directors 6/6 meetings

Board of the Corporate Governance Committee 2/2 meetings

Board of the Nomination and Remuneration Committee 2/2 meetings

Board of Risk Management Committee 2/2 meetings

AGM 2020 1/1 meeting

Illegal history within the past 10 years : None

Mr.Chanin Suppapinyopong

Director

Chief Financial and Accounting Officer

(Authorized)

Age : 36 years

Citizen : Thai

Highest Education : Bachelor of Engineering (Electrical engineering) /Kasetsart University

Appointed : 4 November 2020

Year of directors membership-Dec 31,2020 : 2 months

% of Share Holding at Dec 30, 2020 :

DCC: -0- shares or -0- percent of all voting shares.

(Including the share held by spouse and minor children)

DCC-W1: -0- Units (Including the share held by spouse and minor children)

Training : Director Accreditation Program (DAP) No.178/2020

CFO's Orientation Course Class 4 from SET

Family relationship among executives : None

Other Current Position: Listed Company : 1 Company

1.CFO of The Royal Ceramic Industry PLC. (Construction Materials)

Other Current Position: Non Listed Company : None

A director or executive positions in other businesses that might cause conflicts :

CFO of The Royal Ceramic Industry PLC. (Construction Materials)

Experience :

2006- Present / Vice President IT / Dynasty Ceramic PLC

Meeting Attendance Year 2020 :

Board of Directors 1/1 meeting

Illegal history within the past 10 years : None



Vision

“The Leader of Tile Business
with Outlets throughout
Thailand ”

Mission

To Country

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

To customers

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

To Shareholders

To have high dividend payout.

To employees

To create stability for employees with Encourage employee involvement and creativity.

Improve employee skill with continuous training

Develop key capabilities Build corporate culture

Strengthen employee network and relationship

To suppliers

To operate business with fairness and integrity with suppliers.

To Corporate Social

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

Vision

Mission

DCC Group Values

DCCTTOP

Differentiation

Cost Leadership

Continuous Improvement

Total Management System

Trustworthy Product Quality

On Time Delivery

Profit, People, and Planet



ORGANIZATION STRUCTURE



Dynasty Ceramic PLC / DCC

Produces ceramic floor tiles and distributes all products to outlets and purchases all product from TTOP+RCI

The Royal Ceramic Industry PLC / RCI

Produces ceramic floor tiles, wall tiles and sells to Dynasty Ceramic PLC and Agents
(DCC's Subsidiary which DCC hold 91.87%)

Tile Top Industry PLC / TTOP

Produces ceramic floor tiles, wall tiles, and grout and sells all outputs to Dynasty Ceramic PLC.
(DCC's Subsidiary which DCC hold 96.83%)

The Royal Asia Brick And Tile Co Ltd
/ RABT (Cease operation)
RCI's Subsidiary which RCI hold 100%

Purchases sanitary ware and other related products from local factory for sales

Retail Sales to Outlets

Wholesales to Local Agents

Export



Nature of Business

Dynasty Ceramic Public Company Limited's core business is the manufacture and distribution of ceramic tiles. It buys all products produced by Tile Top Industry Public Co., Ltd. at a wholesale price for sale. The Company also purchases sanitary ware and products related to ceramic tiles such as stair components and tile grout. And buys products from The Royal Ceramic Industry Public Co., Ltd. for sale through outlets and its products are exported overseas to countries and regions including Brunei, Cambodia, Laos, Malaysia, the Maldives Indochina, Myanmar, New Zealand, Philippine etc.

The Company is held by Thai nationals 93.39% and 6.61 % by foreigners. (Register closed 30 December, 2020)

Our Brands

The ceramic tiles produced by the Company and its subsidiaries comprise under the trademark

Dynasty	Tiletop	Jaguar	Value
Mustang	chicken	birdie	ducky
swan	M	COSMO	ROVER
MONTE			

Product Types and Sizes

Floor Tile (Unit: CM)

Size 80x80	Size 60x120
Size 30x60 (Rectified) , 30x60 (Digital Rectified)	Size 60x60 , 60x60 (Digital)
Size 30x30 , 30x30 (Digital)	Size 40x40 , 40x40 (Digital)

Wall Tile (Unit: CM)

Size 20x30 , 20x30 (Digital)	Size 25x40 , 25x40 (Digital)
Size 30x50 , 30x50 (Digital)	

Grout (Produces by the subsidiary) under Top Stick Trademark

Brand of products (Trading goods)

Grout	under Weber Trademark
Tile Adhesive	under Top Stick Trademark and Davco Trademark)
Tile Trim	under Thai Standard Pipe Trademark and OD Trademark
Stair nose	under OD Trademark

Income Structure

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

Rental income, Gain on sales other investments , Income service system IT etc.

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

Type of Income	by	Y2020		Y2019		Y2018	
		MB	%	MB	%	MB	%
Domestic							
Sales from tiles	DCC + Purchases from subsidiaries	7,717	90	7,446	91	7,428	93
Sales from grout and others	DCC and Outlets	486	6	370	4	326	4
Total Sales - Domestic		8,203	96	7,816	95	7,754	97
Overseas							
Sales from tiles	DCC +TTOP	298	3	302	4	273	3
Sales from grout and others	DCC	0	0	0	0	0	0
Total Sales - Overseas		298	3	302	4	273	3
Total Sales		8,501	99	8,118	99	8,027	100
Others income		88	1	73	1	26	0
Total income		8,589	100	8,191	100	8,053	100

History and Important developments

August 1,1989	The Company was founded
January 3,1992	Listed on the Stock Exchange of Thailand
March 9,1994	Registered as a Public Company
January 1995	Registered capital was increased to 280 million baht, with capital paid-up at a par value of 10.0 baht per share at 272 million baht
At the end of 1997	The Shareholders and Directors of Tile Top Industry Public Co., Ltd, also a manufacturer of ceramic tiles with a factory located close to the Dynasty Ceramic Plant, bought 14.9 million ordinary shares of the company, or 54.82% of the paid-up capital, from the major shareholder which is a securities company. It has invested in more efficient machinery and developed quality and more colorful products. It has also adjusted marketing strategies to focus more on distribution to consumers.
At the end of 2000	The Company increased its registered capital to 408 million Baht, comprising 40.8 million shares with a par value of 10.0 Baht per share. The funds were to be utilized for the expansion of production capacity through the purchase of the entire ordinary shareholding in Tile Top Industry Public Co., Ltd from the original shareholders. As a result, the Company acquired the factory of Tile Top Industry Public Co., Ltd. The Company is currently the major shareholder in Tile Top Industry Public Co., Ltd with an equity stake of 96.83%, comprising 408 million shares with a par value of 1.0 Baht per share.
At the end of 2005	To operate a retail business in the form of factory outlets, for sale through its three subsidiaries, namely Pick and Pay Co. Ltd., Muang thong Ceramic Co. Ltd. and Worldwide Ceramic Co. Ltd, in which the Company invested an equity stake of over 97%. This enables the Company to get closer to its customers, know what they want and understand their ceramic tile purchasing trends. The Company used such information to improve its products and services, resulting in a rise in sales.
In the middle year 2014	The Company has conducted group restructuring by Entire Business Transfer from its three subsidiaries, namely Pick and Pay Co. Ltd., Muang thong Ceramic Co. Ltd. and World wide Ceramic Co. Ltd, in which the Company invested an equity stake of over 97%. As a result, Dynasty Ceramic is currently having only one subsidiary, Tile Top Industry Public Co., Ltd.
At the end 2014	An intention to increase stock liquidity, the Company has changes of number of ordinary of shares and the par value per share of the Company's ordinary shares to 4,080 million shares at Baht 0.10 each. The registered capital remains the same at 408,000,000 Baht.
In the middle year 2015	Shareholder's equity increased by registered capital from 408 million baht, to 652.8 baht from the stock dividend payment at the rate of 5 previous stock per 3 stock dividend. Total number of ordinary shares increased from 4,080 million shares to 6,528 million shares at Baht 0.10 each.
In the middle year 2016	Shareholder's equity decreased by registered capital from 652,800,000 baht to 652,799,395.80 baht equal Registered Paid-up Capital of ordinary shares 6,527,993,958 shares at Baht 0.10 each.
2017	According to the resolution of the Annual General Meeting of Shareholders for the year 2017 held on April 24, 2017 approved the Directors and Executives of the Company for 5 directors as the management of the Royal Ceramic Industry Public Company Limited, which is operated the same business type, effective on April 28, 2017 , after the resolution of the Annual General Meeting of Shareholders for the year 2017 of the Royal Ceramic Industry Public

Company Limited and approved to enter into a business management contract for one year (since May 2, 2017 to May 1, 2018) and was told to terminate the contract before the end of the contract. Effective from October 1, 2017. Due to there are the same directors working together and have control the management. The consolidated financial statements must be prepared in the same manner as the Royal Ceramic Industry Public Company Limited as a subsidiary from April 1, 2017 onwards.

2018

According to the 2018 Annual General Meeting of Shareholders of the Company, held on 24 April 2018 resolving to approve the issue and offer of warrants to purchase ordinary shares in Dynasty Ceramic Public Company Limited No. 1 in the amount of 2,611,197,583 units 33 (DCC-W1) (Warrants) to existing shareholders by way of rights issue at the offering ratio of 2.5 existing shares to 1 unit of warrants without consideration. Exercise date is once every year, on 8 May 2019, 8 May 2020, and last exercise date is 3 years from the issuing date of warrant, which will be on 7 May 2021. (If the last exercise date falls on a non-business day of SET, then the exercise date of warrant shall be made on the last business day proceeding such last exercise date).

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

May 8, 2019

The first exercise of warrants is 703,439,699 units. Buying the ordinary shares at 0.10 Baht per share, equivalent to 70,343,870 Baht. Resulting in paid-up capital of the company increased from 652,799,396 Baht to 723,143,266 Baht. Listed companies increase the issued and paid-up capital with the Ministry of Commerce on May 10, 2019.

October 15, 2019

According to the Resolution of the Extraordinary General Meeting of Shareholder No.1/2019, held on October 15, 2019, approved DCC to acquire RCI by voluntary tender offer from all shareholders of RCI from October 18, 2019 to November 22, 2019 totally 25 business days for 578,829,365 shares or 93.84% of the total issued share. The paid-up shares of RCI is offering price at 4.00 Baht per share. The value of transaction is 2,315.32 million Baht. The acquisition of RCI has an important objective to eliminate conflicts of benefit. Due to both DCC and RCI are the entrepreneur in producer and distributor of ceramic floor and wall tiles. Nowadays, RCI mainly sells ceramic products to DCC while DCC and RCI have a same group of major shareholders and directors. This is cause the company and RCI to have a duplicate shareholder structure and management structure.

November 25,
2019

The result of tender offer for all securities of RCI was 485,572,024 shares, in the amount of 1,942.29 million Baht or 78.72% combined with DCC currently holding 38,010,000 shares or 6.16%. Therefore, DCC held shares in RCI after tender offer in totally 523,582,024 shares or 84.88%.

August 31, 2020

DCC bought 43,100,000 ordinary shares of RCI at 4.00 baht per share from RCI's minority shareholders, totaling 172,440,000 baht (one hundred seventy-two million four hundred and forty thousand baht) or 6.99%. Investing in the above share, DCC held the share increasing to 91.87% from 84.88%.



Major changes in 2020

Production

Improvement of production line

The company give important to a production process and production cost. In 2020, the company has started operating a newly installed production line. As a result, the company has a higher production capacity of large size tiles and also resulting in natural gas energy saving for this new production line compared with the old production line that use the old technology.

Large size tiles production

Formerly, large ceramic tiles such as size 60X120 cm and 80X80 cm have to rely mostly on imported abroad. The company has been developed and improved the production process to support large tiles, by started producing and distributing large tiles during in 2020.

Production of digital printing

In 2020 in order to increase flexibility and meet a various needs of customers, the company has installed a digital printing systems of all production lines. Nowadays, tiles with digital printing are very famous and provides realistic patterns accordingly with needs of customers.

Production process control with automation

The company realize in the modern technology which help to develop and improve the production process. So that the company initiated and developed a production control with automation to help for controlling. In 2020, the company has started automation to control for a whole sample of production line. The success of the project will continue to carry over the rest of production line.

Head Office

Investment on additional common stock of The Royal Ceramic Industry Public Company Limited ("RCI")

According to the Board of Directors resolution No. 5/2020 August 10, 2020. It is resolved to purchase ordinary shares in subsidiary (Royal Ceramic Industry Public Company Limited / RCI) at a price not exceeding 4.00 baht per share, limit up to 180.0 million baht by authoring Mr. Roongroj Saengsastra, Chairman of the Board being the operator of trading to complete within August 31, 2020.

On August 31, 2020 the company purchased additional 43,110,000 shares at 4.00 baht per share from RCI's minority shareholders totaling 172,440,000 baht (one hundred seventy-two million and forty-four thousand baht only) or 6.99%. The investment in above shares of RCI result the company holding 91.87% from the existing 84.88%.

Warrant Issuance (DCC-W1)

According to the 2018 Annual General Meeting of Shareholders of the Company, held on 24 April 2018 (2018 AGM) resolving to approve the issue and offer of warrants to purchase ordinary shares in Dynasty Ceramic Public Company Limited No. 1 in the amount of 2,611,197,583 units (DCC-W1) (Warrants) to existing shareholders by way of rights issue at the offering ratio of 2.5 existing shares to 1 unit of warrants without consideration. Exercise date is once every year, on 8 May 2019, 8 May 2020, and last exer-

cise date is 3 years from the issuing date of warrant, which will be on 7 May 2021. If the last exercise date falls on a non-business day of SET, then the exercise date of warrant shall be made on the last business day proceeding such last exercise date.

8 May 2019, The first exercise of warrants is 703,439,699 units. Buying 703,438,699 the ordinary shares at Par Value 0.10 Baht per share, equivalent to 70,343,870 Baht. Resulting in paid-up capital of the company increased from 652,799,396 Baht to 723,143,266 Baht. Listed companies increase the issued and paid-up capital with the Ministry of Commerce on May 10, 2019.

8 May 2020, The Second exercise of warrants is 967,509,538 units. Buying 967,509,538 the ordinary shares at Par Value 0.10 Baht per share, equivalent to 96,750,953.80 Baht. Resulting in paid-up capital of the company increased from 723,143,265.70 Baht to 819,894,219.50 Baht. Listed companies increase the issued and paid-up capital with the Ministry of Commerce on May 11, 2020.

Development of efficiency of employees and working process

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

Outlets

Store expansion and rebranding projects

The company is still searching a location for new outlets and relocating outlets that cannot renew the lease agreement. This is for Dynasty to cover more areas and focus on improvement the image of outlets. But due to the COVID-19 epidemic, causing to the slow down investment in 2020.

Rental Space and One-stop service of construction material

The company has started a plan to open a space for rent since the end of 2018 and follow a plan to open the area in outlet to other manufacturers and importers of construction materials and equipment. In order to achieve the goal of becoming a one-stop service of construction material center in the future. At the end of 2020, the company has opened the space for rent in 74 outlets.

Software development

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

Industry conditions and competition 2020

The discussion of the economic condition in 2020, it would be inevitable that the COVID-19 has effect to the resulted in the lowest income in Thailand in 13 years. Thailand's GDP for the whole year is expected to be decrease about -7.1% (figure forecast from the IMF). The domestic economy is in a recession, cause to the intense competition in the business and many of business close down. Including many of the company's partners went out of business.

However at the beginning of the year, the government announced the country lock down. For the company's outlets are classified as small shops which is not a shopping center, thus our business still can be continue operate during that time and we have increase in disease control closely by follow the recommendations of the Ministry of Public Health's regulation. This is to make a confidence of all employees and customers. Accordingly, a customer who used to use a service of shopping center have turned to choose a company's distribution channel. The negative effect from this epidemic situation, the company has also stop aggressive marketing effective from the government preventive measures.

In the second half of the year, the company has adjusted the marketing strategy to suit this epidemic situation while maintaining aggressive marketing standards. Use more on communication tools for customer tracking such as sending the advertisement through social media chat channels. This aim to finish sale without transporting to the outlet of customer. The result are extremely satisfy.

In terms of cost control policy in 2020, the company was able to reduce expenses by 8.1% due to measures of increasing the efficiency of employee's ability of work in all levels. Monitoring and controlling costs in every work process. The benefit from "New Normal" working style is reduction in transportation expenses. Apart from the consideration in other contact channel, the route must be planned efficiency in every time before the driver leave from outlet.

In term of products, the company has developed new product to more penetrate the upper market. By producing large tiles size of 60X120, 80X80 and 30X50. The distribution channels still use company 201 outlets that can distribute products over country in a short time. For the selling price of this new products, mostly in the price range of 200-400 baht per square meter which can improve the company average price. Sales of these products are steadily increasing and the company still continue to develop other tiles sizes in 2021 to cover market's need for all usability and all levels.





With the potential of the company distribution channels covering over the country along with the strategy that is consistent the market conditions and new products, it resulting to maintain a higher sales than last year. It also managed the highest rate of net profit as never before.

Sales classify by floor and wall tiles business in the ceramic group in 3 years (million baht)

Company	Y2020		Y2019		Y2018	
	Sales (Million Baht)	%Rise (Fall) From previous year	Sales (Million Baht)	%Rise (Fall) From previous year	Sales (Million Baht)	%Rise (Fall) From previous year
DCC	8,501	5%	8,118	1%	8,027	9%
RCI	1,010	-13%	1,156	18%	981	93%
UMI	2,275	1%	2,275	1%	2,244	-4%
COTTO	9,951	-8%	10,871	-6%	11,513	-10%
Total	22,420	-2%	22,420	-2%	22,765	-9%

%Market Share classify by floor and wall tiles business in the ceramic group on the past 3 years

Company	Y2020- (%)	Y2019-(%)	Y2018-(%)
DCC	36	36	32
RCI	5	5	5
UMI	10	10	10
COTTO	49	49	53
Total	100	100	100

Source : Annual performance data from the Stock Exchange of Thailand

DCC = Dynasty Ceramic Public Co.Ltd. ,TGCI = Thai-German Ceramic Industry Public Co.Ltd. ,UMI = The Union Mosaic Industry Public Co. Ltd.,

COTTO = SCG Ceramic Public Co.Ltd. (Consists of 1.Thai Ceramic Co.Ltd. 2. Gemago Co.Ltd 3.The Siam Ceramic Group Industries Company Limited 4. Sosuco and Group (2008) Co.Ltd. and 5.Thai-German Ceramic Industry Public Limited: SCG Ceramic Public Co.Ltd. "Company" set up by a business combination through merger which is a business integration of produce and distribute ceramic tiles in Thailand under 5 company group in The Siam Cement Public Co.Ltd., to create an appropriate organization structure and increase the efficiency of cooperation in each company. As well as supporting the expansion of ceramic business both domestically and internationally. The company registered as a juristic person in Thailand and approved as a listed security in the Stock Exchange of Thailand on August 1, 2019 (date of merger).

“ Work plans and strategies in 2021 ”

In the year 2021, the company has set up a 3 major operating goals as follows:

1. Increase the proportion of sales The new size of floor tile is bigger which is size 60x120 cm. and 80x80 cm., continuing from year 2020 This is can compete with imported tiles from China at a cheaper price.

2. Reduce the investment budget no additional investment in creating a new branch due to the economic slowdown. Focusing on the development of branches that are currently under construction, continuing from year 2020. Increase the rental area customer to become the center of customer service. The image enhancement plan is therefore one of the important plan by improve the environment of branches. Adjust the space to be comfortable and open with broadly parking space, modern to attract customers who come to use service. Including install air conditioning in some branches to make the customer who come to use service can spend more time to shopping and more convenient.

3. Develop work efficiency of employees at all levels continuing from year 2020 support learning opportunities, develop employees at all levels to be good and smart. Encourage them to be ready for continuous learning as well as building skills including learning new knowledge to keep up with changing of business trends. The company providing training for employees at all levels since the employee joined the company. Primary will receive orientation training for new employees to gain knowledge and understanding about the company, organizational culture and basic information to work. Acknowledge in regulations for coexistence so that the new employees can adjust to working conditions which are benefit to the performance of overall organization.





Risk Factors

1.Business Risk

Dynasty Ceramic Public Company Limited focus mainly to grow with the sustainable organization development and realize the importance of risk management in business operation. The company has set policies and corporate culture for employee at all levels to participate in risk management to be consistent and able to support business operation appropriately and efficiency.

Nowadays and during the past year, the company has changed business risk. Especially the situation of a global pandemic situation. Results to the recession of business and economic conditions around the world and also in Thailand. Construction materials market is one of the business that were also affected by this situation. In response to these risks, the company has been focused and determined to expand market, improve and develop products accordingly with market demand by emphasizing the products to support all target groups. However, the company still has a commitment to society through product development with modern technology and energy saving. In present, the company has now launched a variety of products such as non-slip tiles to support aging society and safety. A large size tiles to increase distribution channel and a choice to replace imported products. At the same time, the company also focusing on developing productivity and competence of its employees within the company to maintain production costs in accordance with the situation.

2.Environmental and Social Risks

The company focus on waste management in the production process with 3R concept which is Reuse, Reduce and Recycle to reduce waste material externally and reduce disposal costs. The company has improved the production process to reduce energy consumption, especially use of natural gas to reduce greenhouse effect and improve production process to reduce dust. As well as determine on monitoring environment around production area. Resulting passed the standard with not affecting or destroy an environment of the community and in accordance with the law.

3.Risk of technology and Innovation

Risk of technology and innovation in manufacturing and product is one of the operation risk. The company research and development is a process that the company give an importance continuously. The company has research, follow up, experiment and develop products or production process using efficient modern technology, reduce energy consumption and contribute to the highest productivity. The company confidence in production process that is innovative and be able to compete sustainably in the industry.

4.Operational Risk

4.1Continuity risk of materials

The main raw materials of ceramic tiles manufacturing process including clay, rocks, mineral, glazes and water. Those have a risk in scarcity and rising of raw materials prices. The company has a risk management to determine a strategic policy for having multiple sources of raw materials and all kinds of raw materials must have store up source. There was a management of delivery, storage and production formulations development to reduce scarcity risk. Also cooperate with trading partners to survey, improve and forecast raw materials reserve quantity for manufacturing process

4.2People Risk

Due to a high demand for skill person to work in the industrial and in pandemic situation. The company

is expose the risk of labor shortage and wage rate adjustment. This may result in lower productivity and higher cost in human resource. The company has managed the development of employee retention and give importance in health by appropriate welfare and compensation. In addition, the company has developed a process to be automatic to reduce risk of accident which may occur at the point, and to replace employee positions in heavy work area and not suitable for human labor.

5.Financial Risks

5.1Liquidity Risk

To build a confidence that the company has sufficient liquidity. The company has continuously monitored and assessed the liquidity. To prepare credit limits from financial institutions and maintain sufficient reserves for business operation and hedge the risk from fluctuation of cash flows that may occur.

5.2Credit Risk

To reduce the company risk, the company has manage and control the risk of accounts receivable financing by control, operate and use of various financial instruments such as deposit a bank guarantee from financial institution, estimating the credibility of debtor, setting a credit limit for debtor, etc.

Doing Research and Development by Technology and Innovation

The company still focus on research and development to achieve production innovation, product value added and be able to compete in business sustainably.

In 2020, a company has expenditures for research and development of technology and innovation totally 855,200 baht. The expense occur was human resource expense for experiment and research.

The results showed the success of experiment and development, lead to new product development, save production cost on raw material and increase production productivity in the past year.



Company Profile

Company	Dynasty Ceramic Public Company Limited (DCC)
Company Registration	0107537000742 Bor.Mor.Jor. 321
Established	1 August 1989
Listing on the SET	3 January 1992, trading under the abbreviation "DCC" under the construction materials group
Registered Capital	913,919,154.10 Baht, comprising of 9,139,191,541 shares with a par value of 0.10 Baht per share
Registered Paid-up Capital	819,894,219.50 Baht, comprising of 8,198,942,195 shares with a par value of 0.10 Baht per share
Nature of Business	Manufacturer and distributor of ceramic floor and wall tiles. The Company purchases the ceramic floor, wall and Tile grout from Tile Top Industry Public Co., Ltd.,(subsidiary) and purchases the ceramic floor and wall from The Royal Ceramic Industry Public Co., Ltd., (subsidiary) of the Company. In addition, DCC orders other related products such as Tile grout, Tile adhesive, Corner-trim for sale.
Head Office	Address 37/7 Suthisarn-Vinijchai Road, Samsen-Nok Sub-district HuayKwang District, Bangkok 10310 Tel. 0-2276-9275-81 Fax. 0-2276-0313-17 http://www.dynastyceramic.com
DCC Factory	Address 54/8 Moo3, Suwannasorn Road, Koke Yae Sub-District, NongKae District, Saraburi Province 18230 Tel. 036-379023-4 Fax. 036-371024
Subsidiaries	1. Tile Top Industry Public Co., Ltd Manufacturer of ceramic floor and wall tiles Head Office Address 37/7 Suthisarn-Vinijchai Road, Samsen-Nok Sub-district HuayKwang District, Bangkok 10310 Factory Address 3/2 Moo 8, Paholyothin Road, Nong Khai Nam Sub district, Nong Khae District, Saraburi Province 18140 Tel. 036-371815 Fax. 036-371111



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

Head Office Address 37/7 DCC Building Suthisarn-Vinijchai Road, Samsen-Nok

Sub-district HuayKwang District, Bangkok 10310

Factory Address 54/7 Moo 3, Suwannasorn Road, Koke Yae Sub-District,

NongKae District, Saraburi Province 18230

Tel. 036-305249 Fax. 036-305988

Registrar

Thailand Securities Depository Co., Ltd.

93 Ratchadaphisek Road, Dindaeng, Bangkok 10400, Thailand

Tel: (66 2) 009 9000 Fax: (66 2) 009 9991

SET Contact Center: (66 2) 009 9999

Website: <http://www.set.or.th/tsd>

E-mail: SETContactCenter@set.or.th

Auditor

Karin Audit Co., Ltd

72 CAT Telecom Tower, Floor 24, Charoen Krung Road,

Bangrak, Bangkok 10500

Tel. 0-2105-4661 Fax. 0-2026-3760

<http://www.karinaudit.co.th/>

Email: audit@karinaudit.co.th

Company Secretary

Miss Cattleya Saengsastra

Tel. 0-2276-9275-81 Ext 403 Fax. 0-2276-0313-17

E-mail: Cattleya.sa@dynastyceramic.com

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



Report of the Audit Committee

To the shareholders

The Board of Directors of Dynasty Ceramic Public Co., Ltd. has appointed the independent directors to be the audit committee to perform the work in accordance with the charter of the audit committee, that is, review of the financial statements, internal control system, internal audit, compliance with laws, policies, regulations, order, review of the inter-company transactions and conflict of interest, promotion of good governance and proposal on appointment and determination of remuneration of the auditor.

In the year 2020 Audit Committee consisted the independent directors and audit committee as follows:

	Name-Surname	Title	Number of attendance to the meeting in 2020 (times)
1.	Gen. Yuthasak Sasiprapa	Chairman of the audit committee	4/4
2.	Mr. Surasak Kosiyachinda	Independent director/ audit committee member	4/4
3.	Mr. Siriphong Thinrat	Independent director/ audit committee member	4/4
4.	Mr. Thossaporn Banyongwes	Independent director/ audit committee member	4/4

The third directors are the person with sufficient competence and experience for the review on reliability of the financial statements

To accomplish the duties and responsibilities described above, in 2020 all Audit Committee has consistently attended the meeting four times to supervise the audit work to ensure fairness and independence from the management, the Audit Committee has conducted the joint meeting with the auditor. The auditor has made a comment that cooperation has been well provided and the accounting standards are appropriately complied. The Audit Committee has provided an opportunity to the internal auditor and auditor for discussion at all times. The summary of the meeting could be concluded as follows.

1. Review of the quarterly and annual financial statements of the individual company and the consolidated financial statements in 2020

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

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

2. Review of the internal control system

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

3. Review of the internal control

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

4. Review on compliance with laws, regulations and requirements

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

5. Assessment on risk management

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

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

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

7. Enhancing Good Corporate Governance

The company determine to operate the business under the Good Corporate Governance with transparency and accountability. The company is also provide complaint channel to send information of behavior that not comply with the Laws, Regulations and Code of Conduct. Especially the issue of Anti-Corruption which the company has been certified for the second term of membership renewal (2019-2022) from the Collective Action Coalition Against Corruption (CAC) Committee. In addition, operational efficiency has been increased, which resulted in more preventive development of the internal audit work and in 2020, the company has established a corporate governance policy according to the CG Code 2017 as guideline for practice.

8. Proposed appointment and remuneration of the auditor for the year 2021

The Audit Committee has proposed the former auditor based on the qualification and experience as deemed appropriate, which is Karin Audit Co., Ltd, as the auditor of the company and its subsidiaries, and proposed to the Board of Directors for approval before it is submitted to the Annual General Meeting of shareholders for appointment and determination of remuneration of the auditor in 2021.

According to the assessment in "Self-Assessment Form of the Audit Committee" of 2020, the Audit Committee is able to completely comply with the charter provided by the audit committee.

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

On behalf of the Audit Committee
Dynasty Ceramic Co., Ltd. (Public)

Gen



(Yuthasak Sasiprapa)

Chairman on the Audit Committee

10 February 2021

Report of the Executive and Corporate Governance Committee

To the shareholders

The company realized that the importance of business operations in accordance with good corporate governance guidelines and business ethics in order to improve the standard of operation of the company to be transparent, increase credibility and with sustainable development. The Board of Directors has established a written corporate governance principles and assigned the Corporate Governance Committee to be responsible for corporate governance in accordance with the good corporate governance criteria complied with the Stock Exchange of Thailand and the Securities and Exchange Commission standard.

During 2020, Corporate Governance Committee conducted a total of two corporate governance meetings in accordance with the established corporate governance policy and plans. To summarize, the Company's corporate governance meeting was conducted in the following aspects:

1. Considered and approved corporate governance procedure in order to comply with the principles of good corporate governance to promote corporate governance continuously as corporate culture such as:
 - Gave rights to shareholders to propose agenda and/or to nominate qualified candidates in advance to be elected as Directors at the 2021 Annual General Meeting of Shareholder.
 - Promoted the Board of Directors and Management to conduct a self-assessment according to the Corporate Governance Self-Assessment Evaluation.
 - Encouraged the implementation of the defined anti-corruption policy
2. Ensured the implementation of policies and activities related to corporate social responsibility.
3. Reviewed and communicated good corporate governance and code of conduct, to be current and consistent with the guidelines of the Stock Exchange of Thailand and the regulatory agencies.

The company received an assessment of the quality of the 2020 Annual General Meeting of Shareholders from the Thai Investors Association as "Excellent" and received a "Excellent" (4 Stars) rating for corporate governance assessment in 2020. The company places great importance on corporate governance and is committed to continually adhering to and consistently adhering to good corporate governance principles.



(Mr. Roongroj Saengsastra)

Chairman of the Corporate Governance Committee

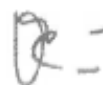
Report of the Risk Management Committee

To the shareholders

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

In 2020, the Risk Management Committee has had 2 meetings. The Risk Management Committee performed duties assigned by the Board of Directors to control, supervise and screen the risk management policy in the aspects that were related to the business operation, including strategic risk, credit risk, marketing risk, liquidity risk, operational risk, and other related business conduct risks. The duties also included providing the efficient and appropriate risk management tools or measurement to reduce the business operation related risks to the acceptable level. The internal and external factors which may impact significantly on the business operation shall also be evaluated. The Risk Management Committee has regularly considered and reviewed the risk management policy and guidelines.

In the year 2020, the COVID-19 epidemic has occurred., the country's economy was slow down due to the internal and external factors which had the wide effect on the industrial sectors. Thus, the Risk Management Committee paid closed attention to such factors, closely monitored the economic situation and managed risks in all aspects, in order for the Company to be able to conduct business properly, efficiently and to successfully achieve the goals under such circumstances, which can result in the stable business and continuous growth.



(Mr. Jaruwat Traithavil)

Chairman of the Risk Management Committee

Report of the Nomination and Remuneration Committee

To the shareholders

The Nomination and Remuneration Committee of the Company which currently consists Mr. Roongroj Saengsastra as Chairman of the Nomination and Remuneration Committee Mr. Monrak Saengsastra Mr. Maruth Saengsastra and Mr. Jaruwat Traithavil as directors. In the year 2020 had held 2 meetings, with perfect attendance, to consider related matters. The committee has continuously held the meetings and regularly suggested opinion to the board of directors to consider. The important outcomes could be summarized as follows:

- Consideration to the Directors Qualification

Consider recruiting and selection of person to be the independent Director and the company's Directors including Sub-committee to replace the Directors who have completed their terms, from suitable qualified persons who meet the requirements of the Securities and Exchange Commission and the Stock Exchange of Thailand and do not have prohibited characteristics under the Laws. By taking into account qualifications, experience and knowledge that will benefit the company , to propose to the Board of Directors meeting and the Shareholder's meeting (In selection the Company's Directors agenda) for further approval in whom the related directors will abstain and not participate in such issue.

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

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

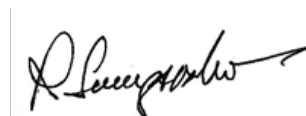
- Determine the rate of salary increases and bonuses

The Nomination and Remuneration Committee has considered the criteria to determine the rate of annual salary increase for the year 2021 and policy of annual bonuses for the year 2020 in collaboration with human resources and the Management Committee in the proper ratio and correspond to the performance of the company.

- Performance evaluation of the Board of Directors

Provide a self-evaluation of the Board of Directors, sub-committee, and individual annually.

The Nomination and Remuneration Committee perform duties as assigned with prudence, transparency, fairness, and independence in accordance with good corporate governance principles by concerning the best benefits of the company and all stakeholders as an important core.



(Mr. Roongroj Saengsastra)

Chairman of the Nomination and Remuneration Committee

Report of the Board of Directors' Responsibilities for Financial Reports

To the shareholders

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

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

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

The Board of Directors has considered of Company's internal control system. From the year ended on December 31, 2020, the company has settled in satisfactory level and create a reasonable reliable to the reliability of consolidated financial statement of the company and its subsidiaries.



(Mr. Roongroj Saengsastra)

Chairman of the Corporate Governance Committee

Shareholding Structure

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

Ranking No.	Shareholder name	% of shareholding		
		28 Dec 2018	30 Dec 2019	30 Dec 2020
1	Mr. Roongroj Saengsastra	24.510	22.126	19.515
2	Mr. Monrak Saengsastra	7.353	8.435	11.282
3	Mr. Maruth Saengsastra	7.353	8.435	11.282
4	Mr. Chaiyasith Viriyamettakul	5.069	5.684	6.056
5	Mr. Nakarin Saengsastra	na	2.313	3.332
6	Thai NVDR Company Limited	na	na	2.962
7	Miss Supanee Thongplengsri	2.959	2.660	2.657
8	Miss Rosukhon Wadcharasurang	na	na	2.356
9	Mr. Viboon Wadcharasurang	na	na	2.310
10	Miss Cattleya Saengsastra	2.696	2.531	2.232
Total 10 major shareholders		49.940	52.184	63.984
Total number of shares (Shares)		6,527,993,958	7,231,432,657	8,198,942,195
Issued and Paid-up share capital (Baht)		652,799,395.80	723,143,265.70	819,894,219.50
Authorized Share Capital (Baht)		913,919,154.10	913,919,154.10	913,919,154.10
Par Value per share (Baht)		0.10	0.10	0.10

Data as of 30 December 2020

- Shareholders that are Thai legal entities 50 entities; holding 526,919,136 shares or 6.43%
- Major shareholder that is Thai legal entity is Thai NVDR Company Limited; holding 242,861,033 shares or 2.96%
- Shareholders that are foreign legal entities 52 entities; holding 541,845,199 shares or 6.61%
- Major shareholder that is foreign legal BBHISL NOMINEES LIMITED; holding 146,235,200 shares or 1.78%

List of warrant holders to purchase ordinary shares of Dynasty Ceramic Company Limited No.1 (DCC-W1) 10 major (Data as of 30 December 2020) balance 940,236,427 units

Ranking No.	Shareholder name	% of warrants
1	Mr. Kanthawat Wadcharasurang	5.980
2	Miss Supunnika Wadcharasurang	4.983
3	Miss Waraporn Smarnphanchai	4.839
4	Mr. Phakorn Wadcharasurang	4.765
5	Mr. Nakarin Saengsastra	4.420
6	Mr. Sujin Choowonglerdsakul	4.275
7	Vibhavidi Medical Center PLC.	4.254
8	Mr.Patchakorn Smarnphanchai	3.935
9	Mr. Pijit Viriyamettakul	3.839
10	Mr. Pisuth Viriyamettakul	2.606
รวม		43.896

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

8 May 2019, The first exercise of warrants is 703,439,699 units. Buying the ordinary shares 703,438,699 shares at Par Value 0.10 Baht per share, equivalent to 70,343,870 Baht. Resulting in paid-up capital of the company increased from 6,527,993,958 shares at 652,799,396 Baht to 7,231,432,657 shares at 723,143,266 Baht. Listed companies increase the issued and paid-up capital with the Ministry of Commerce on May 10, 2019.

8 May 2020, The Second exercise of warrants is 967,509,538 units. Buying the ordinary shares 967,509,538 shares at Par Value 0.10 Baht per share, equivalent to 96,750,953.80 Baht. Resulting in paid-up capital of the company increased from 7,231,432,657 shares at 723,143,265.70 Baht to 8,198,942,195 shares at 819,894,219.50 Baht. Listed companies increase the issued and paid-up capital with the Ministry of Commerce on May 13, 2020

Report of changes in the holdings of shares of directors and executives in 2020 (Data as of 30 December 2020)

No.	Name	Position	Number of shareholding / warrants as at 30 Dec 2019
1.	Mr. Roongroj Saengsastra	-Chairman / Chairman of Executive Director -Chairman of Corporate Governance Committee -Chairman of Nomination and Remuneration Committee	DCC:1,600,000,000 Shares DCC-W1: -0- Unit
	(the share held by spouse and minor children)		-
2.	Gen.Yuthasak Sasiprapha	Independent Director and Chairman of Audit Committee	-
	(the share held by spouse and minor children)		-
3.	Mr. Surasak Kosiyajinda	Independent Director & Audit Committee	-
	(the share held by spouse and minor children)		-
4.	Mr. Siripong Tinnarat	Independent Director & Audit Committee	-
	(the share held by spouse and minor children)		-
5.	Mr. Totsaporn Banyongwate	Independent Director & Audit Committee	DCC: 1,368,080 Shares DCC-W1: -0- Unit
	(the share held by spouse and minor children)		-
6.	Mr. Chaiyasith Viriyamettakul	Director	DCC: 411,060,000 Shares DCC-W1: 85,000,000 Units
	(the share held by spouse and minor children)		DCC: 2,500,000 Shares DCC-W1: -0- Unit
7.	Mr. Suvit Smarnphanchai (to resign on November 4, 2020)	Director	DCC: 160,000,000 Shares DCC-W1: 0 Unit
	(the share held by spouse and minor children)		-
	Mr.Chanin Suppapinyopong (Assigned on November 4, 2020)	Director & Chief Financial and Accounting Officer	-
	(the share held by spouse and minor children)		-
8.	Miss Cattleya Saengsastra	Executive Director and Company's Secretary	DCC: 183,000,000 Shares DCC-W1: 2,500,000 Units
	(the share held by spouse and minor children)		-
9.	Mr. Monrak Saengsastra	Executive Director and Chief Business Development Officer	DCC: 610,000,000 Shares DCC-W1: 315,000,000 Units
	(the share held by spouse and minor children)		-

Number of shareholding / warrants as at 30 Dec 2020	Number of shareholding / warrants increase (decrease) in 2020	% of shareholding and warrants
DCC:1,600,000,000 Shares DCC-W1: -0- Unit	DCC: -0- Share DCC-W1: -0- Units	19.515% -0-%
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
DCC: 1,368,080 Shares DCC-W1: -0- Unit	DCC: -0- Share DCC-W1: -0- Unit	0.017% -
-	-	-
DCC: 496,500,000 Shares DCC-W1: 7,000,000 Units	DCC: 84,940,000 Shares DCC-W1: (78,000,000) Units	6.056% 0.744%
DCC: 2,500,000 Shares DCC-W1: 3,000,000 Units	DCC: -0- Share DCC-W1: 3,000,000 Units	0.030% 0.319%
DCC: 160,000,000 Shares DCC-W1: 0 Unit	DCC: -0- Share DCC-W1: 0 Unit	1.951% -
-	-	-
-	-	-
-	-	-
DCC: 183,000,000 Shares DCC-W1: 2,500,000 Units	DCC: -0- Share DCC-W1: -0- Unit	2.232% 0.266%
-	-	-
DCC: 925,000,000 Shares DCC-W1: -0- Unit	DCC: 315,000,000 Shares DCC-W1: (315,000,000) Units	11.282% -
-	-	-

10.	Mr. Maruth Saengsastra	Executive Director and Chief Marketing Officer	DCC: 610,000,000 Shares DCC-W1: 315,000,000 Units
	(the share held by spouse and minor children)		-
11.	Mr. Jaruwat Traithavil	Executive Director /Chairman of Risk Management Committee / Chief Production Officer	DCC: 8,000,000 Shares DCC-W1: 3,200,000 Units
	(the share held by spouse and minor children)		-
12.	Mr. Suthee Boonnak	Senior VP Research and Technical Center	-
	(the share held by spouse and minor children)		-

Shareholding Structure of the Subsidiaries as of 30 December 2020

1.Tile Top Industry Public Company Limited

Company/individual shareholder name	No. of shares	% of shareholding
1. Dynasty Ceramic Public Co., Ltd.	21,495,906	96.83
2. Kiatnakin Bank Public Co., Ltd.	300,000	1.35
3. Thailand Asset Management	400,000	1.80
4. Minority shareholders	4,094	0.02
Total	22,200,000	100.00

2.The Royal Ceramic Industry Public Co.,Ltd (10 major shareholders) as of 30 December 2020

Company/individual shareholder name	% of shareholding
1. Dynasty Ceramic Public Co., Ltd	91.870
2. Ms. Nuntapak Sirichaiprasert	1.425
3. Wall Street Finance & Securities Public Co., Ltd	0.643
Total 10 major shareholders	93.938
Total number of shares (Shares)	616,839,365
Issued and Paid-up share capital (Baht)	616,839,365
Authorized Share Capital (Baht)	616,839,365
Par Value per share (Baht)	1.00

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

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

Relationship with business group of major shareholder

DCC and RCI operate the same business and are a listed company in the Stock Exchange of Thailand. By the end of 2019, DCC made a tender offer to purchase all shares of RCI to get a total stake of 84.88% and DCC invested to purchase additional shares at the end of August 2020 to hold a total shareholding of 91.87%.

Saengsastra Group is a major shareholding group of DCC, holding 47.643% with no stake holding in RCI after DCC made a tender offer for all shares of RCI at the end of 2019.

DCC: 925,000,000 Shares DCC-W1: -0- Unit	DCC: 315,000,000 Shares DCC-W1: (315,000,000) Units	11.282% -
-	-	-
DCC: 11,200,000 Shares DCC-W1: -0- Unit	DCC: 3,200,000 Shares DCC-W1: (3,200,000) Units	0.137% -
-	-	-
-	-	-
-	-	-

As of 31 December 2020, the Company's investments in ordinary shares of subsidiaries are as follows:

Company's name	Authorized Share Capital (Baht)	Issued and Paid-up share capital (Baht)	Par value per share (Baht)	Holding (%)	Cost Method (Baht)	Investment in other companies
Subsidiaries companies:						
Tile Top Industry Public Co., Ltd	300,000,000	222,000,000	10.00	96.83	109,479,530	None
The Royal Ceramic Industry ⁽¹⁾ Public Co.,Ltd	616,839,365	616,839,365	1.00	91.87	2,272,790,313	Remark 1
World Wide Ceramic Co., Ltd ⁽²⁾	1,000,000	1,000,000	100.00	99.93	1,063,937	None
Total	917,839,365	839,839,365			2,383,333,780	

⁽¹⁾ At the end of August 2020 the company purchased additional shares of RCI result the company holding 91.87%.

⁽²⁾ The subsidiary company registered its dissolution with the Ministry of Commerce on 30 September, 2014 and is in the process of liquidation.

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

Company's name	Authorized Share Capital (Baht)	Issued and Paid-up share capital (Baht)	Par value per share (Baht)	Holding (%)	Cost Method (Baht)	Less Allowance for impairment (Baht)	Cost Method -net (Baht)
Subsidiaries company:							
Royal Asia Brick and tiles Co.,Ltd. (1)	80,000,000	80,000,000	10.00	100.00	139,985,000	(62,986,196)	76,998,804
Associated company:							
Bann somehavil co.,Ltd	25,000,000	25,000,000	25.00	45.00	11,250,000	(11,250,000)	-0-
Non-marketable equity securities:							
Cermas Co.,Ltd	21,000,000	21,000,000	100.00	1.50	314,300	-0-	314,300
Total					151,549,300	(74,236,196)	77,313,104

Early 2020, RCI sold all of its investments in T.T.Ceramic Public Company Limited held 8.32%.

DIVIDEND PAYMENT POLICY

Company Part

“The Company’s dividend policy requires the company to distribute the dividend of not less than 70 percent of the consolidated net profit after tax

However, DCC Performance and Retained earnings should not be negative and depending on the sufficiency to the Company’s Cash Flow and investment plans and other relevant factors.”

The Meeting resolved that the Annual General Meeting of Shareholders for the year 2021 be proposed to consider and approve the payment of the annual dividend of the year 2020 at the rate of 0.165 Baht per share or the dividend payout ratio of the Company shall be 85.35%. which is higher than the dividend payment policy specified by the company, not less than 70% of net profit after income tax according to the consolidated financial statement of company and its subsidiaries for total number of 8,198,942,195 shares as the issued and paid-up share capital of the Company, totally 1,353.0 Million Baht, of which cash totally 992.2 Million Baht or 0.121 Baht per share was paid as interim dividend during the year 2020. The remaining (Quarter4 Oct-Dec 2020) of 0.044 Baht would be further paid out totally 360.8 Million Baht or the dividend payout ratio of the Company shall be 99.86% In case of the Meeting of Shareholders for the year 2021 approves the dividend payment as proposed.

Total dividends paid in the past 5 years

Dividend Details		2020	2019	2018	2017	2016
1.Net Profit (Million Baht)		1,585	973	979	1,117	1,422
2.Number of shares (Million Shares)		8,199	7,231	6,528	6,528	6,528
3.Earning per Share (Baht)		0.202	0.139	0.150	0.171	0.218
4.Dividend paid per share (Baht)		0.165	0.1044	0.116	0.128	0.16325
5.Total Dividend Paid (Million Baht)		1,353	755	757	836	1,066
6.Dividend Payout Ratio (%)		85	78	77	75	75

Y2020	Net Profit (Million Baht)	Dividend Paid (Million Baht)	Earning per Share (Baht)	Directors approved to pay Dividend (Baht/Share)	Dividend Payout Ratio (%)
Quarter 1	367.5	254.2	0.051	0.031	69.17
Quarter 2 *	443.5	369.0	0.057	0.045	83.20
Quarter 3	413.0	369.0	0.050	0.045	89.35
Quarter 4	361.3	360.8	0.044	0.044	99.86
Total	1,585.3	1,353.0	0.202	0.165	85.35

*8 May 2020, The Second exercise of warrants is 967,509,538 units. Buying the ordinary shares 967,509,538 shares at Par Value 0.10 Baht per share, equivalent to 96,750,953.80 Baht. Resulting in paid-up capital of the company increased from 7,231,432,657 shares at 723,143,265.70 Baht to 8,198,942,195 shares at 819,894,219.50 Baht. Listed companies increase the issued and paid-up capital with the Ministry of Commerce on May 13, 2020.

Subsidiaries Part

- Tile Top Industry Public Company Limited: There is no dividend policy at this time because there is still a need for working capital to be use in the business.

- Royal Ceramic Industry Public Company Limited: There is no dividend policy at this time because there still has accumulated losses.

- Royal Asia Brick And Tiles Company Limited: There is no dividend policy at this time because of disoperation.

Management structure

(at 31 December 2020)

Comprises 5 committees and 1 management team that is

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

1.Board of Directors The Board of Directors comprises 11 members

1.Mr.Roongroj	Saengsastra	Chairman/ Chief Executive officer
2.Gen.Yuthasak	Sasiprapha	Independent Director and Chairman of Audit Committee
3.Mr. Surasak	Kosiyajinda	Independent Director and Audit Committee
4.Mr. Siripong	Tinnarat	Independent Director and Audit Committee
5.Mr. Totsaporn	Banyongwate	Independent Director and Audit Committee
6.Mr. Chaayasith	Viriyamettakul	Director
7.Ms. Cattleya	Saengsastra	Executive Director and Company's Secretary
8.Mr. Monrak	Saengsastra	Executive Director and Chief Business Development
9.Mr. Maruth	Saengsastra	Chief Marketing and Sales Officer
10Mr. Jaruwat	Traithavil	Chief Production Officer
11.Mr.Chanin	Suppapinyopong	Chief Financial and Accounting Officer

Roles, Duties and Responsibilities of Board of Directors

1.Leadership and Visions All members of the Board of Directors possess leadership, have wide visions and are free to make a decision. In addition, the Board of Directors participates in formulating or approving of visions, strategies, targets and budgets of the Company.

2.Separation of Roles, Duties and Responsibilities between the Board of Directors and the Management The duties of the Board of Directors and the Management are clearly separated for management counterbalancing and cross-examination. The Board of Directors will consider and approve of policies in their overall pictures, such as, visions, missions and corporate governance policies whereas the Management will have the duty to manage the Company and lay down plans and strategies in accordance with the policies formulated by the Board of Directors.

3.Policy on Conflicts of Interests To prevent a conflict of interests, the Company has formulated a policy clearly for the supervision of transactions that may lead to conflicts of interests. To this, steps of approval for connected transactions between companies or persons that may have conflicts are specified in writing. In the event a director has an interest in any item on the agenda, that director will have no right to vote on that item. In addition, policies and procedures for supervising executives and parties concerned have been formulated in order that they do not use internal information of the Company for a personal benefit.

4.Internal Control and Audit System The Board of Directors assigns all employees the roles and responsibilities to jointly determine the appropriate internal control system and strictly follow. Also clearly specify the operational power at all levels of management and operational levels in which the company use an internal audit as a tool for evaluating efficiency and effectiveness of internal control systems, review of risk assessment, corporate governance and a consultant in the working system to support departments within the company to achieve their objective and goals.

5.Risk Management SystemThe Company is committed to the development of risk management to increase efficiency and effectiveness. In 2019, the risk management committee had 2 meetings, to identify the risk factors of all departments across the organization, risk prioritized, established the guidelines for risk management of the company, and assigned responsibility to provide the measures to control and manage the risks to an acceptable level in order to achieve the goals and strategies set forth, and build trust with shareholders and other stakeholders. The risk management committee has considered the change of risk factors and economic condition that may affect the company's operation in each quarter, evaluated major projects proposed by the executive committee to ensure the risk management and monitoring of each project is appropriate and be able to achieve its goal before propose to the Audit Committee and the Board of Directors accordingly.

6.Directors' Meetings set a regular meeting at least every quarter and to allow directors to attend the board meeting. The secretary department has set a schedule for the board in advance every year and inform all directors to acknowledge the meeting schedule before every meeting.

7.Reporting by Board of Directors Board of Directors is responsible for the consolidated financial statements of the company and its subsidiaries. And financial information system appeared in the annual report. The financial statement is prepared in accordance with Thailand accounting standard by using the appropriate accounting policies and consistently to adhere execute.

8.Performance Evaluation of the Board of Directors The Company support and facilitate directors and executives to attend training and develop knowledge related to the company's management plan. Guideline a development and increase executive status in succession of new positions.

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

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

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

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

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

2.Audit Committee comprised 4 members

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

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

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

All members of Audit Committee are Independent Director. During the year that ended on 31 December 2020, the Audit Committee convened 4 meetings. There was a full attendance record.

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

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

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

1.to review the Company's financial reporting process to ensure that it is accurate and adequate;

2.to review the Company's internal control system and internal audit system to ensure that they are suitable and efficient and to determine and internal audit unit's independence, as well as to approve the appointment, transfer and dismissal of the chief of internal audit unit or any other unit in charge of an internal audit activity;

3.to review the Company's compliance with the Securities and Exchange law, the Stock Exchange's regulations, and the laws relating to the Company's business;

4.to consider, select , nominate or discharge an independent person to be the Company's auditor, and to propose such person's remuneration, as well as to attend a non-management meeting with an auditor at least once a year;

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

6.to prepare the Audit Committee Report and to disclose in the Company's Annual Report. An Audit Committee Report must be signed by the audit committee chairman and consist of at least the following information;

(a) an opinion on the accuracy, completeness and creditability of the Company's financial report,

(b) an opinion on the adequacy of the Company's internal control system,

(c) an opinion on the compliance with the Securities and Exchange law, the Stock Exchange's regulations, or the laws relating to the Company's business,

(d) an opinion on the suitability of an auditor,

(e) an opinion on the transactions that may lead to conflicts of interests,

(f) the number of the audit committee meetings, and the attendance of such meetings by each committee member,

(g) an opinion or overview comment received by the audit committee from its performance of duties in accordance with the charter, and

(h) other transactions which, according to the audit committee's opinion, should be known to the shareholders and general investors, subject to the scope of duties and responsibilities assigned by the Company's Board of Directors; and

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

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

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

3. Nomination and Remuneration Committee comprised 4 members

1. Mr. Roongroj	Saengsastra	Chairman of the Nomination and Remuneration Committee
2. Mr. Monrak	Saengsastra	Nomination and Remuneration Committee member
3. Mr. Maruth	Saengsastra	Nomination and Remuneration Committee member
4. Mr. Jaruwat	Traithavil	Nomination and Remuneration Committee member

The Nomination and Remuneration Committee's Scope of Responsibilities includes

1. Determine the process and criteria for the selection and qualification of candidates nominated in accordance with the structure, size, and composition of the Board as the Board prescribes.
2. Review and make recommendations to the Board on all candidates nominated (whether by the Board, shareholders, or otherwise) for appointment to the Board, taking into account the candidate's track record, age, knowledge, experience, capabilities, the number of previously held board positions, and other relevant factors.
3. Identify and make recommendations to the Board as to the Directors who are to retire by rotation and to be put forward for re-election at each AGM, having regard to the Directors' contribution and performance, such as their attendance, preparedness, participation.
4. Assess annually whether or not a Director is independent or a new independent Director meets the requirements prescribed by laws or relevant regulations.
5. Ensure that, in connection with the re-election of Directors at an AGM, sufficient information is provided to the shareholders so as to enable them to make an informed decision.
6. Identify and nominate candidates for the approval of the Board to fill vacancies in the Board and sub-committees as and when they arise.
7. Review all candidates nominated for appointment as Chairman or President and Chief Executive Officer.
8. Review and make recommendations to the Board regarding the Board structure, size, composition, and core competencies, taking into account the balance between executive and non-executive Directors and between independent and non-independent Directors, and having regard at all times to the principles of corporate governance at least once every financial year.
9. Procure that at least one-third of the Board shall comprise of independent Directors or such other minimum proportion and criteria as prescribed by laws or relevant regulations.
10. The Chairman, in consultation with the NC, will act on the results of the performance evaluation, and where appropriate, propose new members to be appointed to the Board or seek the resignation of Directors.
11. Propose guidelines and methods of payment of remuneration, including bonus and attendance fee, to the Board of Directors and the committees appointed by the Board.
12. Support a channel for minor shareholders to propose a candidate to be a Director
13. Recommend and propose to the Board of Directors for approval a frame for the payment of compensation and to determine a form of payment including annual/special rewards (bonus), other charges and other form of compensation to
 - Directors who will need shareholders' approval
 - Sub-committee of appointed by the directors
14. Recommend and propose to the Board of Directors for approval a frame for the payment of compensation and to determine a form of payment, which consists of annual/special rewards (bonus), salary and other form of compensation to
 - Managing Director and Chairman of the Executive Directors
 - Executives who are in a rank after the Managing Director and Chairman of the Executive Directors
15. Annual performance appraisal and personal assessment report of the following persons to the Board of

Directors

-Managing Director and the Executive Directors

16. Consider the annual budget about the remuneration and propose to the Boards for approval

17. Follow up and estimate remuneration for the directors and management by consider a factors mention bellows as well as reports the activities of nomination and remuneration committee to the Board of directors in the next meeting

- Remuneration level should be appropriate to attract, retain and motivate the directors and executives to drive and manage the company meet the success

-Remuneration and wage conditions should be at a competitive level with a similar size of the company in same industry

Assess the Remuneration Committee's performance and report the results to the Board of Directors.

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

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

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

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

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

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

4.Risk Management Committee (RMC) comprised 4 members

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

The Risk Management Committee main task included;

1. Reviewing the effectiveness of the Enterprise Risk Management system within the Group and be assured that material risks are identified and appropriate risk management processes are in place, including the formulation and subsequent updating of appropriate Group policies.

2. Evaluating the adequacy and effectiveness of administrative, operating, and accounting controls used by the Group.

3. Reviewing actual and potential material risk exposures.

4. Promoting and providing support to the execution of risk management program within the Group.

5. Monitoring the implementation of business unit and corporate risk management plans.

6. Reviewing business contingency planning processes within the Group and be assured that material risks are identified and appropriate contingency plans are in place.

7. Regularly coordinating with the Audit Committee by sharing information about risks and internal control

potentially affecting the Company's business.

8. Deciding and providing recommendations on critical issues obtained from the risk management process.

5. Executive & Corporate Governance Committee comprised 5 members

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

Scope and Authority of Executive & Corporate Governance Committee

1. Authorize to order, plan and implement operations of the Company in accordance with the policies established by the Board.
2. Establish operational strategies for the Company's group
3. Formulate plans and directions concerning investment and fund raising in accordance with the Company's and Subsidiaries' policies before proposing them to the Board of Directors for approval.
4. Determine the salary rate, appoint, dismiss, fire, reward, and award raises as well as bonus to staff.
5. Has the authority to determine staff welfare in line with the situation, tradition and law.
6. Has the authority to approve investment, sales and purchases of fixed assets of the Company and Subsidiaries, procurement, application for loans, provision of loans, entry into contracts, and legal transactions in relation to normal business and trade and in accordance with the Company's objectives, under a budget approved by the Board of Directors and within the operating authority of the Company. In case the items represent conflicts of interest with the Company or the subsidiaries, the Executive Board must present such items to the meeting of the Board and/or the meeting of Shareholders (as applicable) for approval of the items in accordance with the Company's Articles of Association or relevant laws.

Company Secretary

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

1. Arrange shareholders and Board of Directors' meetings to be in compliance with the Company's rules and regulations and regulations of relevant regulatory agencies.
2. Make meeting minutes of the shareholders and Board of Directors' meetings and follow up the operation result according to the shareholders and Board of Directors' resolutions.
3. Ensure that the information disclosures are in compliance with rules and regulation of the SET and the Office of the SEC.
4. Prepare and keep following documents
 - (A) Director's registration
 - (B) Board's meeting invitation and meeting minutes
 - (C) Shareholders' meeting invitation and meeting minutes
 - (D) The Company's Annual Report.
5. Store connected transaction reports that Directors and managements report to the Company.
6. Give preliminary advice to the Board of Directors concerning rules and regulations of the Company and ensure that the practices are in compliance with those regulations. The secretary must report any significant

changes to the Directors.

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

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

Management Team At 31 December 2020, the management team comprised of 12 members

1.Mr. Roongroj	Saengsastra	Chairman / Chief Executive Officer
2.Mr. Monrak	Saengsastra	Chief Business Development Officer
3. Mr. Maruth	Saengsastra	Chief Marketing and Sales Officer
4.Mr. Jaruwat	Traithavil	Chief Production Officer / VP Production-TTOP
5.Mr. Chanin	Suppapinyopong	VP IT System/ Chief Financial And Accounting Officer
6.Mr. Suthee	Boonnak	Senior VP Research and Technical Center
7.Mr. Chauwalit	Pidthong	VP Production-DCC
8.Mr. Somnuek	Suriyagrul	VP Engineering-DCC/TTOP
9.Mrs. Pobkhun	Kaosaiyanant	VP Purchasing
10.Ms. Nong	Klongvicha	VP Research and Technical Center
11. Mrs. Piyarat	Chiengkomolkeet	VP Accounting
12.Ms. Somruthai	Boonyarit	Chief Internal Auditor (Secretary)

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

Board Meeting

The Board of Directors is generally required to meet at least 6 times a year. (In the year 2020, there was a total of 8 meetings) Special meetings are convened as necessary to address specific needs. Principal meeting agendas were: consideration of DCC's strategic direction, annual business plan and budget, quarterly financial reports, and significant acquisition and disposal of assets. The Company Secretary ordinarily prepares and circulates the agenda at least seven days before each meeting and relevant documents at least seven days before each meeting to allow Board members time to consider the issues.

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

In 2020, according to the resolution of the Board of Directors No.1/2020, on February 18, 2020. The Board has set a policy regarding the minimum quorum at the time that committee would vote at that committee not less than 2 in 3 of the total number of directors, which does not count the number of directors having stakeholder that has not right to attend the meeting and vote for resolution in this meeting. However, any resolution in this meeting in every previous board's meeting, the number of directors who attend the meeting would have more than 2 in 3 of the total number of directors in every meeting.

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

Board Meeting in 2020

Name Of Directors	Board Of Director Total 6 times	Board Of Audit Committee Total 4 times	Nomination and Remunera- tion Committee Total 2 times	Executive & Corporate Governance Committee Total 2 times	Risk Management Committee Total 2 times	AGM in 2020
1. Mr.Roongroj Saengsastra	6/6	-	2/2	2/2	-	1/1
2. Gen.Yuthasak Sasiprapha	6/6	4/4	-	-	-	1/1
3. Mr.Surasak Kosiyajinda	6/6	4/4	-	-	-	1/1
4. Mr.Chaiyasith Viriyamettakul	6/6	-	-	-	-	1/1
5. Mr.Suvit Smarnphanchai	6/6	-	-	-	-	1/1
6. Miss Cattleya Saengsastra	6/6	-	-	2/2	-	1/1
7. Mr.Monrak Saengsastra	6/6	-	2/2	2/2	2/2	1/1
8. Mr.Maruth Saengsastra	6/6	-	2/2	2/2	2/2	1/1
9. Mr.Siripong Tinnarat	6/6	4/4	-	-	-	1/1
10. Mr.Totsaporn Banyongwate	6/6	4/4	-	-	-	1/1
11. Mr. Jaruwat Traithavil	6/6	-	2/2	2/2	2/2	1/1

Details of attendance records of Tile Top Industry PLC. and The Royal Ceramic Industry PLC.(Subsidiary) in 2020 are shown in the following table

Name Of Directors	Tile Top Industry PCL.		The Royal Ceramic Industry PCL.	
	Board Of Director	AGM in 2020	Board Of Director	AGM in 2020
	Total 5 times		Total 6 times	
1. Mr.Roongroj Saengsastra	5/5	1/1	6/6	1/1
2. Miss Cattleya Saengsastra*	5/5	1/1	6/6	1/1
3. Mr. Monrak Saengsastra	5/5	1/1	6/6	1/1
4. Mr. Maruth Saengsastra	5/5	1/1	6/6	1/1
5. Mr. Jaruwat Traithavil	5/5	1/1	6/6	1/1

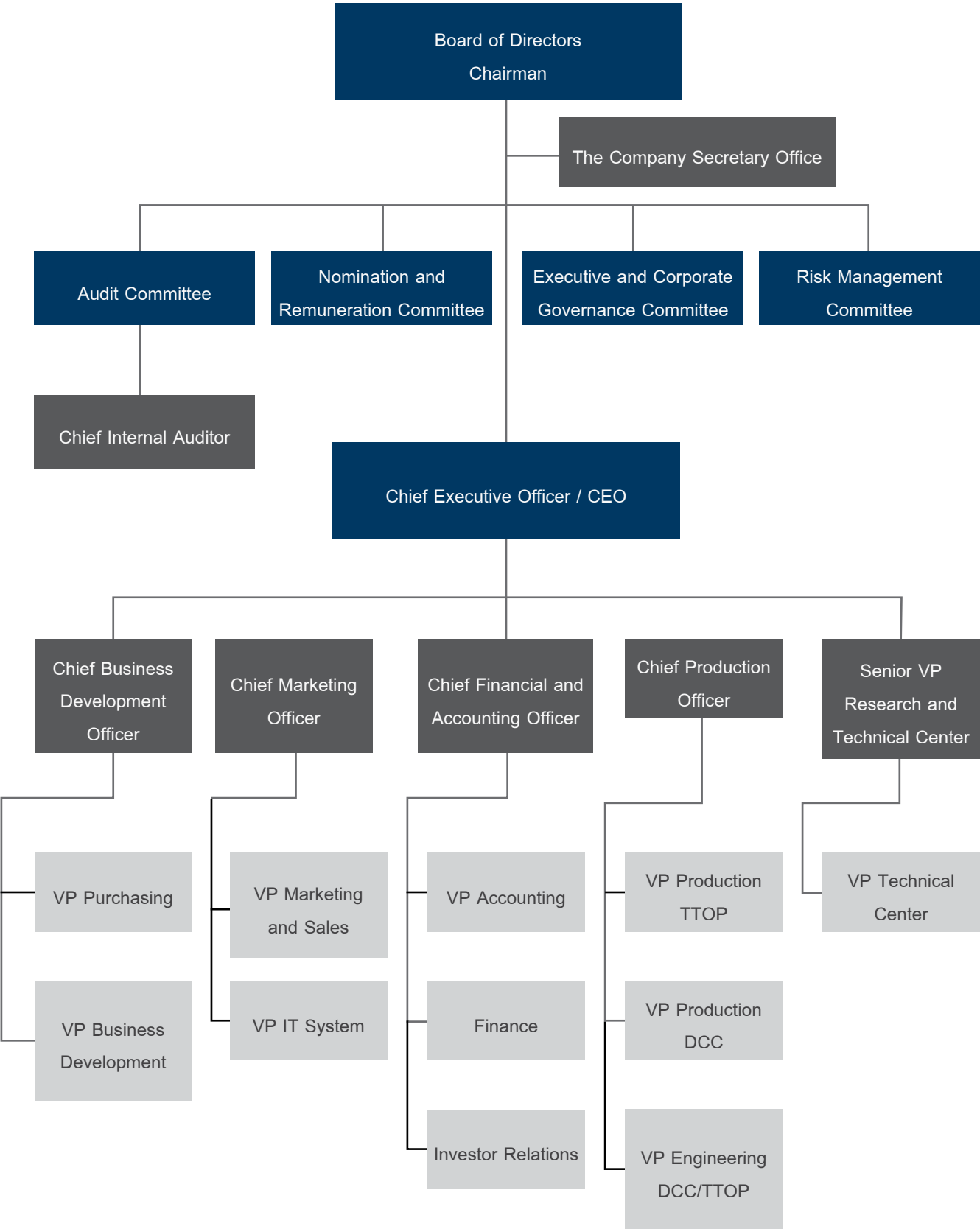
* Miss Cattleya Saengsastra as a secretary of The Royal Ceramic Industry PLC only

In 2020, the Boards of Directors has set the schedule for year 2021 committee in advance. (This meeting schedule is subject to changeable), excluding special meeting as follows

No	Board Of Director	Board Of Audit Committee	Risk Management Committee	Nomination and Remuneration Committee	Executive & Corporate Governance Committee
1	26 January 2021	10 February 2021	19 January 2021	19 January 2021	19 January 2021
2	10 February 2021	29 May 2021	20 July 2021	20 July 2021	20 July 2021
3	30 March 2021	9 August 2021			
4	29 April 2021	8 November 2021			
5	9 August 2021				
6	8 November 2021				

Organization Chart

(at 31 December 2020)



Remuneration for the Directors, Executive Directors and Audit Fee

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

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

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

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

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

1.2 Allowance for Sub-committee member:

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

1.3 Directors' Meeting Allowance level

Directors' Meeting Allowance level is supposed to be at an appropriate and sufficient level that allow the limited number of Directors to confident and willing to devote their valued time attending meetings and performing duties of directors effectively. The company determines the appropriate remuneration to the Board of Directors by comparing with the remuneration of the leading companies in the Stock Exchange of Thailand and in the same industry as well as the performance of the company.

2. Remuneration for the Directors was a compensation paid to directors on an annual basis by considering the value created for shareholders including book value and dividend payment etc.

According to the year 2019 Annual General Meeting of Shareholders of the Company approval of the Remuneration for the Directors of the year 2020 and Meeting allowance of the year 2021 Details are as follows.

Name of Board Members	Dynasty Ceramic PLC				Tile Top Industry PLC (Subsidiary)			The Royal Ceramic Industry PLC (Subsidiary)	Grand Total
	Board Meeting Attendance Fee	Audit Committee Meeting Attendance Fee	Remuneration for the Directors	Total	Board Meeting Attendance Fee	Remuneration for the Directors	Total	Board Meeting Attendance Fee	
1. Mr.Roongroj Saengsastra	360,000	-	600,000	960,000	300,000	300,000	600,000	240,000	1,800,000
2. Gen. Yuthasak Sasiprapha	300,000	240,000	300,000	840,000	-	-	-	-	840,000
3. Mr.Surasak Kosiyajinda	300,000	200,000	300,000	800,000	-	-	-	-	800,000
4. Mr.Chaiyasith Viriyametakul	300,000	-	300,000	600,000	-	-	-	-	600,000
5. Mr.Suvit Smarnpanchai	300,000	-	300,000	600,000	-	-	-	-	600,000
6. Miss Cattleya Saengsastra	300,000	-	600,000	900,000	250,000	300,000	550,000	240,000	1,690,000
7. Mr. Monrak Saengsastra	300,000	-	600,000	900,000	250,000	300,000	550,000	240,000	1,690,000
8.Mr. Maruth Saengsastra	300,000	-	600,000	900,000	250,000	300,000	550,000	240,000	1,690,000
9. Mr. Siripong Tinnarat	300,000	200,000	300,000	800,000	-	-	-	-	800,000
10. Mr. Totsaporn Banyongwate	300,000	200,000	300,000	800,000	-	-	-	-	800,000
11. Mr. Jaruwat Traithavil	300,000	-	600,000	900,000	250,000	300,000	550,000	240,000	1,690,000
Total	3,360,000	840,000	4,800,000	9,000,000	1,300,000	1,500,000	2,800,000	1,200,000	13,000,000

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

For the year 2021 the Board of Directors has considered that the directors' remuneration shall be given to the directors as follows

Directors' Meeting Allowance	Baht / Meeting / person		%Increase (decrease)
	Y2021	Y2020	
1. Chairman /Chairman of the audit committee	60,000	60,000	-
2. Chairman of Nomination and Remuneration Committee / Chairman of Risk management Committee (only the outside director)	40,000	40,000	-
3. Director / audit committee	50,000	50,000	-
4. Sub-committee (only the outside director)	30,000	30,000	-

Remuneration payable to all directors and all managing directors for the year 2020 as follows:

Directors' remuneration	(Baht/person)		%Increase (decrease)
	Y2020	Y2019	
1. All directors (11 persons)	300,000	300,000	-
2. Directors (5 persons)	300,000	300,000	-

The directors' remuneration shall only be paid to directors whose are present at the Board Meeting, and shall be effective as first meeting in 2021. The Annual bonus is paid in fix amount from the Company's operation account on 1 April 2021.

Executives' Remuneration

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

COMPANY	NO. OF EXECUTIVES OF 31 DECEMBER		MONTHLY SALARY / BONUS / PROVIDENT FUND/ BENEFITS (MB)		%Increase (decrease)
	฿ 2563	฿ 2562	฿ 2563	฿ 2562	
Dynasty Ceramic PLC.	7	7	19.10	19.37	(1.39%)
Tile Top Industry PLC.	3	3	7.32	7.26	0.83%
The Royal Ceramic Industry PLC.*	6	7	10.80	7.86	37.40%
Royal Asia Brick and Tiles Co.,Ltd.	-	-	-	-	-
Total			37.22	34.49	7.92%

The Company and its subsidiaries remunerated employees in the form of monthly salary, bonus, benefits, provident fund contribution and medical benefits approved by the Board of Directors. Employee remuneration in 2020, compared to 2019, is as follows:

Company	Total employee remuneration In 2020 (MB)			Total employee remuneration In 2019 (MB)			% Increase (decrease)
	Plant/ Branch	HQ	Total	Plant/ Branch	HQ	Total	
Dynasty Ceramic PLC.	584.95	52.61	637.56	577.90	51.03	628.93	1.37%
Tile Top Industry PLC.	281.17	4.93	286.10	262.93	4.69	267.62	6.91%
The Royal Ceramic Industry PLC.	156.37	2.65	159.66	105.27	0.97	106.24	49.87%
Royal Asia Brick and Tiles Co.,Ltd.				-			
Total	1,022.49	60.35	1,082.88	946.10	56.69	1,002.79	7.99%

Number of employees for the Company and its subsidiaries as of 31 December, 2020, compared to 2019, is as follows:

Company	Number of Employees In 2020 (person)			Number of Employees In 2019 (person)			% Increase (decrease)
	Plant/ Branch	HQ	Total	Plant/ Branch	HQ	Total	
Dynasty Ceramic PLC.	1,964	104	2,068	2,184	124	2,308	(10.40%)
Tile Top Industry PLC.	666	8	674	664	9	673	0.15%
The Royal Ceramic Industry PLC.	339	10	349	353	14	367	(4.90%)
Royal Asia Brick and Tiles Co.,Ltd.				-			
Total	2,969	122	3,091	3,201	147	3,348	(7.68%)

The company and subsidiaries, there are no labor union group. In the past 3 years, there are no significant labor disputes.

Human resource strategy : The company promotes the development of personnel at all levels, to receive knowledge training both in the same field and crossing work line, by providing training in both the type of knowledge restoration, adding new skills, so employees can create effective work together. The company also focuses the importance of teamwork, giving employees the opportunity to advance in work and grow with the organization together. The company realizes that human resources are important part of driving the organization in every policy. If employees have knowledge, understanding and expertise in the job, working as a team efficiently, it will be able to drive the organization to advance with sustainable growth.

Audit Fee

(Quarterly Financial Statements and Annual Financial Statements)

Audit Fee (Baht / Year)	Proposed for Y2021*	Y2020	% Increase (decrease)
Dynasty Ceramic PLC.	1,750,000	1,838,000	(5%)
Tile Top Industry PLC.	530,000	557,000	(5%)
The Royal Ceramic Industry PLC.	990,000	1,040,000	(5%)
Royal Asia Brick and Tiles Co.,Ltd.	30,000	31,000	(3%)
Non-audit fee	none	none	-
Total Audit Fee	3,300,000	3,466,000	(5%)

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

* For the year 2021, The Audit Committee proposed the formal Auditors (as the fifth year) from Karin Audit Co.,Ltd. to the Board of Director for approval from The Shareholders' Meeting for the year 2021

Audit Report Summary	Y2020	Y2019	Y2018
Auditor / Registration	Miss.Kannika Wipanutrat /7305	Mr.Jadesada Hungsapruet /3759	Mr.Jadesada Hungsapruet /3759
Auditing Office	Karin Audit Co.,Ltd.	Karin Audit Co.,Ltd.	Karin Audit Co.,Ltd.
Auditor's opinion	No Conditions	No Conditions	No Conditions

* For the year 2021, The Audit Committee of The Royal Ceramic Industry Public Company Limited proposed the formal Auditors (as the sixth year) from Karin Audit Co.,Ltd. to the Board of Director for approval from The Shareholders' Meeting for the year 2021

Audit Report Summary	Y2020	Y2019	Y2018
Auditor / Registration	Miss.Kannika Wipanutrat /7305	Mr.Jadesada Hungsapruet /3759	Mr.Jadesada Hungsapruet /3759
Auditing Office	Karin Audit Co.,Ltd.	Karin Audit Co.,Ltd.	Karin Audit Co.,Ltd.
Auditor's opinion	No Conditions	No Conditions	No Conditions

Subsidiaries

There are two subsidiaries

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

On June 1, 2014, the Company has conducted Entire Business Transfer of its subsidiaries, consisting of Pick & Pay Co., Ltd, Muangthong Ceramic Co., Ltd, and Worldwide Ceramic Co., Ltd, which all are Company's subsidiaries with a holding of more than 95% of the stock, to the Company. Subsequently, the three subsidiaries have already registered the dissolution with the Department of Business Development Ministry of Commerce on 30 September 2014.

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

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

At the end of October 2018, the company invested in common shares of the Royal Ceramic Industry Public Company Limited for totaling of 4.05 percent.

In accordance with the resolution of the Extraordinary General meeting of Shareholders No.1/2019, held on October 15, 2019 approved DCC to acquire RCI by voluntary tender offer from every shareholders of RCI. The result of the tender offer for all RCI securities from all shareholders totaling 485,572,024 shares in amount of 1,942.29 million baht or 78.72% Including with DCC had 38,010,000 shares or 6.16% so that DCC will has 523,582,024 shares or 84.88% of total paid-up shares. And at the end of August 2020 DCC bought 43,100,000 ordinary shares of RCI or 6.99%. DCC held 523,582,024 shares or 84.88%

List of Directors of whom also serve as Directors in the Subsidiary Company as at 31 December 2020

Name Of Board Members	DCC	TTOP	RCI	RABT
1. Mr.Roongroj Saengsastra	-Chairman -Chief Executive Director -Chairman of Corporate Governance Committee -Chairman of Nomination and Remuneration Committee	-Chairman -Chief Executive Director	-Chairman -Chief Executive Director	-Director
2. Gen. Yuthasak Sasiprapha	-Independent Director & Chairman of Audit Committee	-	-	-
3. Mr. Surasak Kosiyajinda	-Independent Director & Audit Committee	-	-	-
4. Mr. Siripong Tinnarat	-Independent Director & Audit Committee	-	-	-
5. Mr. Totsaporn Banyongwate	-Independent Director & Audit Committee	-	-	-
6. Mr. Chaiyasith Viriyametakul	-Director	-	-	-
7. Mr. Suvit Smarnphanchai (to resign on November 4, 2020)	-Director	-	-	-
Mr.Chanin Suppapinyopong (Assigned on November 4, 2020)	-Director -Chief Financial and Accounting Officer	-Chief Financial and Accounting Officer	-Chief Financial and Accounting Officer	-
8. Miss Cattleya Saengsastra	-Executive Director -Company's Secretary	-Executive Director -Company's Secretary	Company's Secretary	-
9. Mr. Monrak Saengsastra	-Executive Director -Chief Business Development Officer	-Executive Director -Chief Business Development Officer	-Executive Director -Chief Business Development Officer	-Director
10. Mr. Maruth Saengsastra	-Executive Director -Chief Marketing Officer	-Executive Director -Chief Marketing Officer	-Executive Director -Chief Marketing Officer	-Director
11. Mr. Jaruwat Thraithavil	-Executive Director -Chairman of Risk Management Committee - Chief Production Officer	-Executive Director -Chief Production Officer	-Executive Director -Chief Production Officer	-Director

Dynasty Ceramic PLC = DCC

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

The Royal Ceramic PLC = RCI (DCC hold 91.87%)

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

Principles of Corporate Governance

The Board of Directors recognize the importance of corporate governance by assigned the Management Committee to take charge of corporate governance manual since 2003 and revised according to the Principle of Good Corporate Governance B.E. 2555 (Revision) by Good Governance Development & Alliance Department of the Stock Market Exchange of Thailand regarding the Rights of Shareholders and Equitable Treatment of Shareholders. The Boards recognized in the role of stakeholders in disclosure of information, the transparency and accountability of the Boards continuously revised. These are for the Boards, executives and employees to follow as guidelines in their corporation. Therefore, the principles of corporate governance for listed companies in 2017 (CG Code 2017) issued by the Securities and Exchange Commission (SEC) have been added to formulate the Company's Corporate policy. For a practice of the Boards which is the leader or the major responsible person of the organization to applied as a guideline to create sustainable value for the business by CG Code 2017 that was laid down the Code of Conduct for 8 keys committees as follows;

Principle 1 Establish Clear Leadership Role and Responsibilities of the Board

Principle 2 Define Objectives that Promote Sustainable Value Creation

Principle 3 Strengthen Board Effectiveness

Principle 4 Ensure Effective CEO and People Management

Principle 5 Nurture Innovation and Responsible Business

Principle 6 Strengthen Effective Risk Management and Internal Control

Principle 7 Ensure Disclosure and Financial Integrity

Principle 8 Ensure Engagement and Communication with Shareholders

The Company publishes booklets on Dynasty Ceramic Public Company Limited's corporate governance policy and distributes them to employees to ensure that employees understand these policies clearly and put them into practice effectively. The Company puts strong emphasis on principles and practices concerning business laws, company's regulations and also according to the Securities and Exchange Commission (SEC) and the regulations of Stock Exchange of Thailand (SET).

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

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

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

The company has established guidelines for Corporate Governance, which is comply with the principles of Good Corporate Governance divided into 5 categories as follows:

Section 1. The Rights of Shareholders

Section 2. The Equitable Treatment of Shareholders

Section 3. The Role of Stakeholders in Corporate Governance

Section 4. Disclosure and Transparency

Section 5. Responsibilities of the Board of Directors and Committees

1. The Rights of Shareholders

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

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

1. The Company has scheduled the general meeting of shareholders once a year, within four months after the end of each financial year. And in case there is an urgent need to propose an agenda which is a special case, which affects or involves the interests of shareholders or related applicable law that must be approved by the shareholders, the Company will call an extraordinary meeting of shareholders to be the case. Thus, in the year 2020, Meeting of shareholders have 1 time, the 2020 Annual General Shareholders' Meeting was held on Tuesday 30 June 2020 at the Main Meeting Room, 4th floor DCC Head Office Building, 37/7 Suttisarnvinijchai Samsennok Huay-Kwang District Bangkok. Postponed the meeting from April 2020 due to the situation of COVID-19 pandemic.

2. Prior to the meeting, one or several shareholders holding in aggregate at least 5% of all issued shares of the Company have the right to suggest issues to be included in the agenda of the Annual General Meeting of Shareholders for the year 2021. Shareholders were allowed to exercise this right from October 1 -December 31, 2020 so that the Board of Directors can review the issues before presenting them to shareholders for consideration. Should the proposed issue be included on the Meeting agenda, the Company shall specify in the notice of the meeting that the agenda item was proposed by a shareholder

Notify the result of the agenda items and the director nomination proposal on 11 January 2021.

3. Advance notification of the meeting to all shareholders significant and sufficiently detailed information concerning the Shareholders' Meeting date and the Meeting agenda prior to the date of the meeting. Such information will be posted on DCC's website around 30 days before the related documents are submitted to shareholders, and not less than 14 days prior to the meeting.

For the year 2020, the situation of the COVID-19 pandemic caused the company to be unable to hold the meeting on the date scheduled in which the company sent the first invitation letter for the 2020 Annual General Meeting of Shareholders on 20 March, 2020, 30 days in advance of the previously scheduled date. The meeting is scheduled on April 20, 2020 and published in newspapers for 3 consecutive days and delivered the second of the invitation letter for the 2020 Annual General Meeting of Shareholders. In addition, the Company has clarified all detailed information in the meeting invitation as follows,

- The rights of shareholders entitled to attend and vote of the shareholders clearly.
- The company has stated the purpose/reason, as well as the comments of the Board of Directors clearly on each agenda.

- Regarding the dividend payment proposal, the Company has informed the dividend payment policy and dividend payment historical data of the past 5 years for consideration.
 - For shareholders to consider the appropriateness of the external auditor, which has passed the approval of the Audit Committee, the Company has given details of the auditor's name from Karin Audit Company Limited, details of the independency of the auditor, and the external auditor service fees historical data of the past 2 years
 - In voting of the Board of Director, the Company allows shareholders to vote for a Board of Director individually and provides name and biography of the Directors proposed.
4. Prior to the meeting, the Company has informed voting procedure and the vote counting announcement to the shareholders as well as give the opportunity for shareholders to ask questions and give opinions on each agenda.
5. In every of the minute of meeting, the Company has recorded the vote procedure and vote counting, names of Board of Directors and the management team who were present, meeting resolution and vote counting in each agenda clearly, as well as the shareholders' question or comment, if any. The Company also published the vote counting result in each agenda of the General Shareholders' Meeting and the Extraordinary General Meeting of Shareholders on the Stock Exchange of Thailand's website on the same day of the meeting.

2. The Equitable Treatment of Shareholders

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

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

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

3. The Role of Stakeholders in Corporate Governance

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

Shareholders Beside the basic rights of shareholders and the rights stipulated by law and the Company's

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

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

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

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

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

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

ANTI-CORRUPTION POLICY

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

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

Definition

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

Requirements

- 1.To promote compliance with the policy, details of the policy should be properly communicated with all personnel. In addition, the Company should inform the public of this policy.
- 2.To have regular schedules of auditing/investigating potential corruption cases and conduct reviews and amendments to the original policy, if needed.

Responsibilities

1. The Board of Directors is responsible for policy development and oversight of policy compliance in order to create anti-corruption mindset into corporate culture.
2. An audit committee is responsible for overseeing of corporate financial reporting and disclosure, and in charge of risk management.
3. Managements are responsible for creating corresponding work systems and environment to the policy with the main focus on communicating and raising awareness of anti-corruption policy.

Discipline

1. All Company personnel are strictly required to implement this policy to serve as good examples for other colleagues and promote morality and integrity as the Company's core values.
2. Any employee who has direct knowledge of potential violations of this policy should report such potential violations to Company management and would take part in follow-ups and an investigation of that case.
3. The Company will give any employee justice when he/she reports cases of corruption. Even though the case might create losses of business opportunities to the Company, the Company would not demote or punish him/her for violating the terms of the policy.
4. Any employee who violates this policy will be subject to disciplinary action. If the action is against laws, disciplinary action may include punishments according to the applicable law.
5. To promote, encourage, motivate, oversee and train all personnel to increase their capabilities and also communicate relevant information regarding prevention and eradication of corruption.

4. Disclosure and Transparency

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

1. Disclose accurate, complete and timely financial information and non-financial information.
2. Prepare a report on the Board's responsibility for financial statements and present it along with the Auditor's report in the Annual Report.
3. Require the Company's Directors and executives to report their own interests, and those of any related persons, which are related to management of the Company or its subsidiaries, via the corporate secretary, who will gather the documents and submit them to the chairman of the Board of Directors and the chairman of the Audit Committee for acknowledgement within seven days after the Company receives the documents.
4. Announced a policy requiring all Directors to disclose and/or report their securities trading and holdings to the Board of Directors' meeting.
5. Disclose procedures about the Board of Directors' selection process and performance assessment.
6. Disclose the performance and attendance record of each member of the Committee.
7. Disclose detailed information on the operations and investment structure of subsidiaries and associate companies.
8. Disclose information on the remuneration received by each Director as a member of the Committee.

9. Disclose the policy on the remuneration of the Directors and top executives, including forms, types and amount of remuneration for each committee member.

10. Disclose policy on environmental and social responsibility and related performance.

11. Report on corporate governance policies and related performance.

12. Reveal significant investment projects and relevant impacts of the projects via the SET Community Portal of the Stock Exchange of Thailand and DCC website.

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

Investor Relations

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

Relationship with Investors

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

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

Investor relations department of the Company has communicated with institutional investors, individual investors, shareholders, as well as analysts and government agencies involved equally and fairly.

In 2020, there are various activities summarized as follows:

1. Analyst meeting to clarify the results of the operations, financial statement, management discussion and analyst and future overview for 2 times. There are about 20 participant per time. A small group of analyst meeting for 3 times, with approximately 5 participants at a time.

2. Company visit for 4 times.

3. Conference call with investors and analyst for 14 times from both domestic and international.

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

IR@dynastyceramic.com

Tel: 02-2769275 ext 251

Fax: 02-2760313

Conflicts of Interest

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

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

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

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

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

The Board and management also emphasize a prudent and fair review of inter-company transactions, which are transactions between the Company and its subsidiaries.

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

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

Preventing Conflicts of Interest

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

- The Company has a clear and transparent shareholder structure. There is no cross-holding among major shareholders, thereby preventing any conflict of interest or transfer of benefits from one party to another. The shareholder structure of the Company and its subsidiaries is published in the Company's annual report, as are each Board member's holdings of ordinary shares.
- There is a clear separation of duties and responsibilities between the Board of Directors, management, and shareholders, thereby ensuring no overlap of duty or responsibility. Any Directors or executive who may have a vested interest in any agenda item under consideration must not attend the meeting or must refrain from voting on such agenda item. This is to ensure that the Board and executives make decisions in a fair manner

for the ultimate benefit of shareholders.

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

5. Responsibilities of the Board of Directors

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

1. Oversee the conduct of the Company's business to evaluate whether it is being properly managed and ensure all activities are conducted according to relevant laws and ethical standards. The Company prepares and defined in Code of Conduct.

2. Manage the Company's performance in line with legal requirements, our objectives and by-laws, and resolutions adopted at the shareholders' meetings.

3. Establish and approve major financial objectives, plans, and actions.

4. Review and approve major changes in the appropriate auditing and accounting principles and practices used in the preparation of the Company's financial statements.

5. Assess major risk factors relating to the Company's performance and reviewing measures to address and mitigate such risks.

6. Evaluate its own performance and capabilities and improving its work processes as necessary according to the Self-Assessment on Corporate Governance annually.

7. Approve the compensation of employees.

8. Appoint the appropriate committees to manage the Company's business affairs as assigned by the Board of Directors.

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

Additionally, the Company focuses on internal control and risk management systems and business continuity as well as establishes an Anti-Corruption Policy which is appropriate for our current business undertakings. The Board works in close consultation with management in a consistent manner with our core values, mission and vision also according to the Company's Corporate Governance Policy. In the past year, the company have reviewed the values, principles, mission and vision. There were a strategies that have been reviewed to implement such as reflection in the form of activities.

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

Performance Evaluation of the Board of Directors

Nomination and Remuneration Committee has considered the performance evaluation forms of the Board of Directors and other committees of the Company by categorizing into the performance evaluation of each directors and the performance evaluation of a whole group of directors. Once the performance evaluation forms have been considered, it was proposed in the Board of Director Meeting.

The Board of Directors approved the performance evaluation forms mentioned above for the year 2020. The evaluation topic included the evaluation of the structure and the qualification of the directors, the role and responsibility of the directors, the meeting of the directors, the performance of the directors, the relationship with the Management, and the self-development of the directors and the Management.

The Nomination and Remuneration Meeting No.1/2020 held on 11 February 2020 has considered the summary of the performance evaluation of the directors by comparing with the past 3 years results, and proposed it to the Board of Directors Meeting No. 2/2021 held on 10 February 2021 to consider merit, demerit, and direction for improvement. The performance evaluation was aimed to obtain the result to use in improve the performance of the directors. For the year of 2020, in overall the Board of Directors agreed that the most of the operations have been done properly.

Development of Directors and Executives

- Development of Directors' and Executives' Knowledge – The Company promotes and offers convenience for directors' and executives' training and knowledge development relating to corporate governance. The Company has made an orientation ceremony for new directors whenever a new director is appointed. To this, an overall picture will be presented regarding the Company's business and relevant information; the names of the Company's directors and managerial structure; legal documentation and handbooks; rules and regulations of working units concerned; the directors' roles, powers, duties and responsibilities; corporate governance guidelines; certificates, Memorandum and Articles of Association; the Company's rules, visions, targets, and information on the conduct of business and activities of the Company. Directors are also caused to visit businesses and attend meetings related to the setting of visions and business plans in association with high-ranking executives of the Company.

- Work Succession Plan – The Company has prepared some personnel as replacements for high-ranking executives who are about to attain retirement age. At the same time, a guideline has been formulated for the development and enhancement of the potential of executives who would succeed to the positions. By considering from the employee at the executive level of the company and other companies in the group with outstanding performance, could be able to develop the responsibility in higher position.

Moreover, the Company encourages all members of the Board and the top executives to attend various seminars and courses beneficial to their responsibilities, allowing them to constantly meet, and exchange opinions with, directors and top executives of different organizations. Some of these courses are organized by governmental agencies or independent organizations, such as the Thai Institute of Directors Association. The SEC requires directors of all listed companies to complete at least one of the following training courses: Directors Certification Program (DCP), Directors Accreditation Program (DAP) or Audit Committee Program (ACP). Experience gained from these courses is useful to DCC's development.

Director training

Course name	Name
1. Director Accreditation Program (DAP) No.178/2020 from IOD	Mr.Chanin Suppapinyopong

Business Ethics

Board of Directors intends to enhance the company as an efficient organization in both business operations with Good Corporate Governance with well conduct business with responsibility and good ethics , fairness, and accountable by aiming to create the most benefits for shareholders and stakeholders to strengthen confidence and grow together sustainably.

Code of Business Ethics

- In order to receive the highest consumer preferences at customer needs through the tile market Dynasty-Tile Top with branches throughout every province of Thailand with good quality, reasonable price, convenient to buy. There is a wide variety of products to choose with promptly delivery, and continuous product availability.

- To provide voluntary compliance with Laws and Regulations
- For social responsibility in terms of Health Education enhancement and Environment.

In 2020 the company has determined Good Corporate Governance principles for listed companies in 2017 (CG Code) issued by the Securities and Exchange Commission (SEC). In accordance with the Board of Directors resolution No.6/2020 on 4 November 2020, announced the Corporate Good Governance Code as a guideline for the corporate group.

Other practices in accordance with the good corporate governance principles in 2020 include:

- The Company was assessed according to the quality assessment project of the shareholder meeting with 98 percent of the score improved from the year 2019 with 97 percent of the score.
- Corporate Governance Report (CGR) get a 4-star rating

Monitoring the Business Operations of Subsidiaries

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

SUSTAINABLE DEVELOPMENT REPORT 2020



Dynasty Ceramic Public Company Limited is a manufacturer and distributor of products of ceramic tiles, floor tiles and wall tiles. The company has more than 200 branches as distribution channels nationwide. The company engages in business under the principle of good governance, having both economic, social and environmental responsibilities. The company manages the work, with emphasis on development and improving operation in all aspects, including production, marketing, human resources, information system development, in order for the company to develop to innovative production that can respond to market demand, by using resources cost-effectively, under appropriate cost, to make products to be competitive, in the market and to have return according to expectation of all groups of stakeholders, including employees, business partners, customers, shareholders and society in general.

Vision in aspect of sustainability; the company is a leader in the business of producing and selling ceramic tiles, having standard quality products, management with good governance, taking care of society and the environment in a balanced manner complying with the growth of mutual business.

Sustainability mission; the company is a leader in ceramic tile, with production system that has international standard that makes the company to be able to respond several needs of customers, by relying on skills, abilities and creativity of employees in developing the organization jointly to deliver value passing through the production of quality ceramic tiles and providing impressive service to customers and meet the needs of all groups of stakeholders.

The preparation of this Sustainable Development Report for the year 2020 disclosed according to the form 56-1 of the Securities and Exchange Commission and the Stock Exchange of Thailand. The report is presented under the framework of the report of social responsibility of the company having contents covering all groups of stakeholders. The data is collected from 1 January - 31 December 2020.

Sustainable business strategy

Sales strategy

The company focuses on developing quality products under appropriate cost and the products can compete in business. The company pays attention to customers, both the existing customer base and new expanding customer base. The company analyzes and develops products and services, offers information on products, prices and sales promotional activities to respond to the needs of each group of customers as much as possible. The company prepares for rapid changes in market trends, including the use of wireless communication technology presently, in creating opportunities to communicate with customers, offer information directly. Furthermore, it is another channel to increase product sales opportunities. In the past year of 2020, the company increased the proportion of new products which had larger size in order to meet the popularity of the market having need for larger size of tiles, both in project segment and customer groups who are new generation who have role in purchasing decisions, passing through online public relations that can reach customers quickly.

Production strategy

the company focuses on technology research and development, to create manufacturing innovation and to add value to the product to make products to be competitive sustainably in business. The success of research and development makes the development of new products, save production costs on raw materials by using resources efficiently and reduce the energy consumption rate per product unit, along with the production operation with the most efficiency and having the lowest loss, with the appropriate number of people, coordinating of working skills with the process of the machine, to adjust the production plan to comply with and to respond to the needs of consumers, according to the trend of changing market, under the proper cost, resulting in competitive products in the market sustainably. In the past year, the company did research and development for ceramic tiles to have specifications to have more slip-resistant surface than general ceramic tiles which are suitable for wet washing areas or living areas of the elderly, in order to increase options to customers for choosing products according to their use more safely.

Management strategy

The company uses management principle with good governance, having fairness and to meet the standard. The management is correct according to the law and regulations. The company has the outstanding method of management which can change quickly in order to be able to adjust the action plan for effectiveness in time with the constantly changing market situation, to obtain return which can respond to all groups of stakeholders, including shareholders, employees, customers, business partners, competitors, communities and the environment and the company can enhance and cultivate ethics in working, as well as develop work procedures which promote transparent work that can be inspected, according to the anti-corruption policy. In the past year of 2020, the country had economic slowdown, so the company focused development of the company branches, improving the image of the original branches as the main work. It improved the area to be open and comfortable area, to be modern and could attract more customers, including there was management of rental space in the branches to be the center of product service and managing the area in the branches to create maximum benefit.

Human resources strategy

the company promoted the development of human resources at all levels, to have training of knowledge in the same work line and cross work lines. The company arranged training so that employees could work effectively together. It also emphasized the importance of team work, making employees to have opportunity to progress in their work and grew together with the organization. Human resources are the main and important part for driving the organization in every policy. If employees have knowledge, understanding and expertise in the work and have team work effectively, personnel will be able to push the organization to have progress and the company can grow sustainably. In the past year, the company focused on employees' skill development and efficiency, passing through learning from actual work, focusing on reducing work procedures, or reduce unnecessary expenses. The company gives advice to employees, arranging employees to participate in thinking and analyzing, reducing the expense of the company and evaluating of the result, having periodic review of knowledge and understanding, to build confidence to employees so that they develop their work to comply with the company policies and goals jointly.

Framework for operation for development to achieve sustainability

The company has brought the main factors affecting the business operations and affecting the sustainability of the organization to develop to be framework for operation for developing to be sustainability of the company, that is the development of production technology, development of human resource, development of sustainable relationships with business partners and customers, as well as reducing long-term environmental impact.

The company realizes the importance from the process of purchase of quality raw materials from business partners who comply with standard and legally meet the standard requirement. Business partners who are in the production and delivery processes must have the least impact on the environment. Furthermore, the company pays attention to the development of efficient production, in order to have quality products at competitive price and providing service to customers, passing through branches of the company nationwide, so that all groups of customers can access and choose to buy products conveniently until the company delivers products to consumers with responsibility, delivers standard quality products to deliver values and assistance to the community, the environment and all groups of stakeholders, for the benefit of all groups of stakeholders to achieve the sustainability of the organization together, under ethical operation, and the company is responsible for the community and society. The company has set up framework for operation for sustainable development. The company complies with international guidelines, providing balance in both economic, social, community and environment to be guideline for the board of directors, executives and all employees to understand and practice together as follows:

1. Product aspect; the company sets guideline, starting from selecting quality raw materials from standard manufacturers, conducts research and development of products all the time, so that products will have standard and the company will have new types of products helping to utilization and always meet the needs of the market all the time. The company uses resources in the most cost-effective and productive way.

2. Customer aspect; the company realizes product accessibility and adding variety of product options, in branches that distribute products, spreading of products from the distribution center and build confidence in products, including improving of the service to meet customer satisfaction to meet demand of all groups, whether they are home owners, shops distributing construction materials, project work, or contractor very well for all the time throughout.

3. Production process; the company focuses on producing products efficiently, reducing the difficult procedures, reducing energy consumption, promoting sustainable energy use, focusing on research and producing new types of products to meet the market demand, as well as realizing the safety in the work of employees as important principle.

4. The company conducts research and development in technology and innovation, to step to the development of new products to meet market demand, new types of applications, as well as focusing on cost savings on production of products in raw material and reducing energy consumption per product unit for product manufacturing, to add product value, so that products can compete in business sustainably.

5. Taking care of employees, community and society. The company intends to improve the quality of life of the community and society including employees in the company, community around the factories / branches and society in broad arena, to create good relationship with the company passing through supporting of local activities and product support to volunteer camps of educational institutions, schools, government agencies that are in need for public benefit and help in the development of education and the quality of life of the community and society together.

6. Paying attention to the environment. The company realizes the effect from doing business, both in production process, using of energy and transport of goods, so the company sets guidelines for management of environment to comply with standard clearly and carefully to take care and create sustainability to the environment and community surrounding the factories in the long term.

Operation towards sustainability

Economic

Products and services

Policy on products and services; the company focuses on producing products to meet the needs of customers and the market as the important policy, by using the information on customers' purchasing of products to be evaluated. Then the company analyzes the goods production plan and marketing plan along with the introduction of modern technology which takes shorter production time to be able to respond to the needs of customers and market effectively. The company products can compete in the current economic conditions, passing through sales channels at the company's branches as the main principle.

Currently, the company has more than 202 branches nationwide, making the company to have a very high potential retail market and the company also has land and building management, developing benefits from the area in the branches. Branches have location advantages as the branches located on the main route or bypass roads and the locations are parts where the city is extended to, making the branches to be able to attract a lot of retail customers. Therefore, branches enhance potential for the policy to develop the land and building benefit to be possible efficiently. The company opens large branch area for other stores that are interested and have potential to rent the area and invest which has well received by stores and several manufacturers' factories. In the year 2020, the rental area information is as follows:

Year	Branches opening area for rent (branches)		
	2019	2020	Increase
Already using area	34	75	41
Number of branches opening area for rent	63	82	19
To be % of total rent area	53%	91%	
	Size of rent area (sq.m.)		
	2019	2020	Increase
Area having agreements (sq.m.)	33,918	49,816	15,898
From (sq.m.)	75,000	83,818	8,818

By using the above information in 2020, number of stores for rent opened in total of 82 branches is increased 19 branches from number of branches in the previous year. There were 75 branches that had lease agreements to be 91% of the total number of branches opened for leasing; the area is 49,816 square meters from the total area for rent of 83,818 square meters. The detail of area lessee is as follows:

Lessees	branches	Lease area (sq.m.)	Lessees	branches	Lease area (sq.m.)
Window Asia	35	4,292	Chale't Wood	27	3,318
Vanachai woodsmith	27	16,625	Grandhome	10	15,072
Home Fast	8	924	Sangudom	5	1,006
Home One	5	3,608	Ziga	4	1,102
Kerry	3	299	Home Shop	2	1,252
SB Furniture	1	200	Sawanya Pooncharoen	1	360
Home Sanitary Ware	1	1,600	DD Wood	1	69
Napavas	1	90	Empty	0	0
Grand total 49,816 sq.m.					

In the year 2020, the company developed new kinds and new sizes of products to sell at the end of the year, as follows:

RCI ceramic floor tiles, size: 60*120 cm.

are large size tiles which are very popular according to the market demand, whether it is in group of project customers, or general customers who focus on beauty, luxury, strength. Such tiles can be used for both flooring and wall covering. In the past, there was still sale of more than 50,000 sq.m. / month and tends to be higher in the future which there is cheaper price than imported tiles, when comparing with imported tiles from abroad and the pattern of tiles has variety to choose; so they are different from general products in the market.



RCI ceramic floor tiles, size: 80 * 80 cm.

are the newest ceramic tiles that are marketed at the end of 2020 to respond to the needs of customers who want large, strong, beautiful ceramic tiles in thickness of 13 mm and the pattern of tiles has variety to choose which is different from general imported tiles which are less.

Tile size 80 * 80 cm. mentioned above started to be sold at 201 Dynasty branches nationwide.



Service development for customers includes:

Contractors Privilege Program or CLP

is a project to return privilege to customers who have registered with the company when customers accumulated total purchase according to the conditions. There are currently over 8,000 members.

Distribution of products through online channel

online is currently a communication channel that can reach customers easily and conveniently, together with fast service and product delivery, which is the company's outstanding goodness making the online channel to receive the better feedback respectively.

Proactive service provision and follow up

by arranging branch staff from 202 branches to meet with customers in target groups, projects, contractors and architects in the areas at the same time nationwide every day to collect information, to follow up and offer products to meet the needs of customers closely.

In terms of service, the company has focused on all parts in particular:

- Hospitality; for customers in the front of store to be more efficient and to give the highest impression.
- Quick delivery service for delivering of products which is the outstanding advantage of the company, educating employees about new products, so they can offer products completely.
- Use of effective public relations materials; the company focuses more on online communication to cover existing customer groups and expand to new customer groups having purchasing power. Customers can view catalogs, pictures of tiles, sample rooms, locations of nearby branches for customers to provide information quickly through the company's online media, both FACEBOOK and LINE with specific supervisor to be able to answer questions, send catalogs, or information about arranging of each promotion to customers to meet their needs and it is more convenient.
- The company can provide various advice according to each customer's asking, through various online media. Customers can inform or ask question primarily. The staff will follow up to respond to such questions, whether it is the calculation of the tile area, giving advice on choosing tiles and tiling in each use, including suggesting about technicians and contractors in the nearby area.
- PromptPay payment service; by scanning to pay via bank applications, which has been operating since 2018 onwards, giving customers satisfaction in choosing their products and making payments more conveniently. It also reduces the risk of keeping cash and it can be easily traced back



Society and community

The company and subsidiary companies have belief that the method to help the organization to grow and develop steadily, requires internal development, from the staff level in order to have understanding of the job description with expertise, to enhance potential of employees and encourage employees to participate in job analysis, to make recommendations and listen to the opinions of employees at all levels on the basis of fair management, having equality, in order to achieve long-term development. The company takes care of all employees to have good and safe working conditions for both the factories, branches and the head office. Employees have development of knowledge and have opportunity to advance in their career and have a better quality of life and the society outside of the organization, including business partners, communities, society and all groups of stakeholders for total social sustainability.





Environment

The company manages and makes positive impact to the environment in which the company operates business. Although the company is a manufacturer that uses natural resources as its main raw material, the company is still aware of the risks that may affect the environment. Therefore, the company emphasizes great importance of development of production process and create new innovation for the most cost-effective use of resources, as well as reducing the use of limited energy, in order to conduct business sustainably on the basis of environmental responsibility.

The company operates continuously for conduction of residual heat from the production process to recycle, reducing energy consumption and reducing waste from the production process, as well as water management in closed system, by bringing water from the production process to be treated and reuse, so as not to affect the communities surrounding the factories and reducing the use of some water resources as well.

Furthermore, the company has prepared and designed, creating measures to deal with the problems of climate change or the lack of resources, by promoting high efficiency of water management, research to find for raw materials or alternative materials, including co-development and promoting business partners to develop and modify production processes, to control raw material costs or develop packaging products together, to reduce the use of natural materials, but still maintain the same effectiveness, for the cost-effective use of resources.



Human rights respect

The company has human resource management policy, focusing on sustainable business operation within the scope of the company and will not engage in actions that violate human rights principles, by adhering to labor standards that support and respect human rights principle, adhering to Thailand labor laws. The company treats stakeholders with mutual respect, respect the communication and understanding to all related groups.

- The company operates business in accordance with the labor law, not using child labor, treat labor equally, not limiting gender differences, or differences in religions.
- The company takes care of employees' benefits and return, provides occupational health welfare and safety at work according to the law, focusing on safe work and having hygiene in the workplace, both factories and branches, appropriately. Both male and female employees receive equal benefits.
- Supporting trainings of employees at all levels, to enhance knowledge and upgrade the quality of work to be more efficient.
- Support the employment of people with disabilities in the organization and has delivered the contribution in proportion according to the law. The information on employment of people with disabilities as of October 2020 is as follows:

Data of 1 October 2020	2014	2015	2016	2017	2018	2019	2020
Number of employees, not disabled (person)							
DCC	1,945	1,912	2,005	2,056	2,258	2,314	2,101
TTOP	802	758	749	690	675	680	683
Total	2,747	2,670	2,754	2,746	2,933	2,994	2,784
Number of disabled, employed in ratio: 100 : 1 (person)							
DCC	19	19	20	21	23	23	21
TTOP	8	8	7	7	7	7	7
Total	27	27	27	28	30	30	28
Number of disabled, employed Section 33 (person)							
DCC	10	8	5	5	5	6	4
TTOP	3	3	3	3	3	5	4
Total	13	11	8	8	8	11	8
Number of disabled, promoted, Section 35 (person)							
	0	0	0	0	0	0	0
Contributed to Fund, Section 34 (Baht)							
DCC	985,500	1,204,500	1,642,500	1,752,000	2,023,560	1,911,140	1,942,165
TTOP	547,500	547,500	438,000	438,000	449,680	224,840	342,735
Total	1,533,000	1,752,000	2,080,500	2,190,000	2,473,240	2,135,980	2,284,900

Safety, health and the promotion of fair working conditions for employees

In the year 2020, due to the pandemic of the corona virus, COVID-19 rapidly spreading across the world, affecting the lives of a lot of people, in order to prevent risks and protect the welfare of employees from the pandemic crisis of corona virus, COVID-19, the company uses measures in accordance with the procedures of Department of Disease Control, Ministry of Public Health to take care of the safety of employees at both the factories, branches and head office, with the main measures as follows:

1. Announcement of suspension / avoidance of traveling to disease areas and travelling across provinces, or if there is a great need to go to risky area or traveling across provinces, when the employee comes back, the employee has to work from home and observe symptoms for 14 days. If the period expires, and no symptom is found, the employee sees a standardized hospital doctor, to bring a medical certificate to inform the company about the medical examination results before entering to the normal work.

2. Refrain from internal and external meetings and trainings. The meetings and trainings will be held online or by phone instead.

3. Employees are required to wear face mask during work with screening, measuring temperature in every morning before entering to the work area.

4. Spraying disinfectant in the work area and setting the alcohol hand sanitizer service point at entry-going out area and time recording point.

5. Wipe and clean the workplace with disinfectant at public risk points which have regular use of hands to touch, such as door handles, elevator buttons, handrails of staircases.

6. Measuring temperature of outside people before entering into the building and the company working area. If there are persons with temperature which is higher than 37.5 degrees Celsius, entry is strictly prohibited.

7. For the branch area, the company still has measures to make confidence for customers who come to buy products and services at all branches nationwide. The company shall set the screening point to measure the temperature of people before people enter to choose or to buy products. The company shall provide alcohol gel for customers at various points, as well as increase the frequency of cleaning in public places such as payment points, toilets, product display, certification points to make confidence for customers who come to use the service.

8. Branch employees must wear face masks during their work hours. If an employee has symptoms or risk, the company has set measures for employees to take breaks and have self-quarantine to monitor COVID-19 infection. When the period expires, employee shall be examined at the standardized hospitals or medical facilities and show the results of the examination on the day of returning to work.

9. Employees at factories and the head office, the company has arranged for a screening test and measuring the temperature for all employees on every day before entering to work, and the company will announce to request for cooperation to refrain from or avoid traveling to disease areas and / or traveling across provinces including the suspension of outside meetings, trainings or seminars.

10. For head office employees who are at risk of traveling by public vehicles, such as BTS Sky-train, MRT, BMTA, in the first phase of the pandemic of COVID-19 infection, the company has arranged to switch working hours. Employees can travel during non-rush hours, in order to reduce congestion in the public transport system. In the later phase, the company adjusts measures and provides equipment for some employees to be able to work from home according to the appropriate job description, considering risk of using public vehicles as a factor to consider to prevent health problems of total employees as an important matter.

11. For third parties, whether business partners, or various visitors, the company has adjusted the measures to contact and coordinate through e-mail mainly, whether it is billing or delivering other important documents and to send original documents by post to reduce the risk of meeting. In case outsiders have to meet with employees, the company defines for outsiders to measure the temperature before exchanging cards to enter into the building and outsiders must wear face mask at all times. The company has released public relations media providing knowledge and practice to em-

employees to be aware of and prevent employees from such disease thoroughly and continuously.

There is no employee of the company detected to be infected with the COVID-19 virus in any way.

The company has policy on safety, hygiene and work environment that realizes the welfare of employees as the main point, providing safety equipment in work. The company helps to take care of the working environment to be appropriate for good hygiene of employees in the long term and to comply with legal requirements. The company develops and promotes employees to have knowledge and understanding about safety in order to prevent, reduce risks and facilitate work. The company has main policy on safety, occupational health and working environment clearly. The company has accident record in order to bring the record to develop and find a way to prevent and provide better surveillance measures.

Regarding the factories in the year 2020, the statistics of occupational hazards (Dynasty Ceramic Plc. and Tile Top Industry Plc.), there were 14 accidents and injuries (fewer than last year for 10 injured persons), 4 injured persons for over 3 day off work, 5 injured persons for not over 3 day off work, and 7 injured persons who did not stop work. In the year 2020, it was found that the greatest cause of injury was injury from a thing or object hitting / crashing. clamping / pulling or object cutting/sharpening and stabbing are the primary cause more than others. The organs most commonly injured are the arms / elbows / elbow joints and fingers.

Statistics of occupational hazards (Dynasty Ceramic Public Company Limited and Tile Top Industry Public Company Limited)

Year	Number of employees(ea)	Total injured	Death	disability	Loss of organs	Over3 day off work	Not over 3 day off work	No off work
2015	1377	20	0	0	0	2	3	15
2016	1428	30	0	0	0	5	2	23
2017	1375	30	0	0	0	5	3	22
2018	1440	29	0	0	0	8	6	15
2019	1215	25	0	0	0	3	1	21
2020	1194	16	0	0	0	4	5	7

The Company realizes the importance of safety, occupational health and working environment as well as employees and business operations. Therefore, the company defines the policy on safety, occupational health and working environment to comply with legal requirements and to develop and promote employees to have knowledge and understanding about safety, occupational health and working environment in order to have the efficiency of work by the safety committee. The company has policy and prepares continuous work plan to promote safety annually to have action plan, to collect data, evaluate results and to have the development of work plan and safety activities in sustainable work as follows:

1.Safety at work; is the first duty and responsibility for work performance of every employee:

1.1 Preparing work procedures and operating methods, realizing work performance in various steps safely as the main principle.

1.2 Carry out according to the notification on regulations and measures on safety, occupational health and working environment, so that employees shall comply with the regulations strictly.

1.3 Carrying out according to the plan and projects on safety, occupational health and working environment.

1.4 Review of the roles and duties of the safety staff at different levels to increase the awareness of the safety of work operations.

2.Supporting of the improvement of safe working environment and health and hygiene care:

2.1 Carrying out work safety check and improve working conditions to be safe

2.2 Surveying the work safety by the safety committee and department chief.

2.3 Committee of Safety, Occupational Health and Working Environment gives suggestions for improvement of the unsafe working environment as well as follow up of the operation results.

2.4 Carrying out annual inspection of electrical systems, equipment and transformers certified by an electrical engineer entering to inspect electrical systems.

2.5 Carrying out annual inspection of working environment, lighting, heat, noise, dust, using an agency that has been registered with the Office of Labor Protection and Welfare.

2.6 Carrying out quarterly inspection of the emergency light signal system.

2.7 Carrying out annual health check for employees.

3. Supporting and promoting various safety activities which will help stimulate the consciousness of employees, such as arranging training and public relations:

3.1 Joining the standard project on the prevention and solving of narcotic drug problems in business place.

3.2 Joining in project to reduce the injury from work which the Saraburi Labor Protection and Welfare Office is the project organizer.

3.3 Arranging a board for displaying the use of personal protective equipment, installing additional safety signs in areas where there is no safety warning sign.

3.4 Project of 365 days with zero accident, in order to stimulate consciousness of employees to work safely for employees and colleagues.

3.5 There is annual firefighting training and fire evacuation drills held by a licensed external resource person.

4. Arranging training on safety, occupational health and working environment according to the law. Training courses set by the Labor Protection and Welfare Office under the law consist of:

4.1 Supervisor Safety Officer Courses

4.2 Safety Officer Courses at Executive Level

4.3 Training Courses for the Committee on Safety, Occupational Health and Working Environment.

4.4 Training Courses for primary firefighting

4.5 Training Courses of fire fighting and fire evacuation.

5. Compliance with the Law on Safety, Occupational Health and Working Environment. The company operates in accordance with the requirement of the law on safety according to the standards as follows:

5.1 Law on safety, occupational health and working environment administered by the Department of Labor Protection and Welfare, Ministry of Labor:

* The Safety, Occupational Health and Working Environment Act, B.E.2554.

* The Labor Protection Act, B.E. 2541, and the Ministerial Regulations issued under the Labor Protection Act B.E.2541 which are valid for 9 books.

5.2 Laws on safety, occupational health and working environment, administered by Social Security Office, Ministry of Labor: In the part of Ministry of Labor, the laws related to safety, occupational health and working environment, other than administering by Department of Labor Protection and Welfare, there are agencies involved, which are administered by the Social Security Office, as follows:

* Workmen's Compensation Act, B.E. 2537

* Notification of Ministry of Labor on determining the type of disease which depends on the nature or condition of the work or because of work, B.E. 2550.

5.3 Work safety laws administered by other agencies, such as:

* Factory Act, B.E. 2535, administered by Ministry of Industry

* The Hazardous Substance Act B.E. 2535, administered by Ministry of Industry

* Public Health Act, B.E. 2535

* Promotion and Conservation of National Environmental Quality Act, B.E. 2535

* Building Control Act, B.E. 2535

Furthermore, the company also has activities related to safety, occupational health and working environment throughout the year as follows:

- Hold a safety committee meeting in every month, to analyze and assess risks to be able to develop a better safety plan.

- Check the work environment and measure the working environment, including noise, light, heat, chemicals, dust and wells in the third quarter, which consist of physical environment, chemical environment, biological environment and the ergonomics environment, improvement of working conditions, working environment to be suitable for the job which will affect the operator directly, in order to know the source of pollutants and the amount of pollution. This will help evaluate the design and control the environment to make environment to be in safe working condition. The information will be the data for following the effectiveness of the designing and installation of the pollution control systems.

- There is inspection and installation of safety devices always to meet the standard and according to the law of the Department of Industrial Works all year round.

- There is an electrical and transformer inspection annually, both at the factories and at the head office.

- There is inspection of emergency alarm system and the portable pump quarterly.

- There is a campaign to use equipment, providing knowledge, news of activities promoting safety always.

- Arrange to improve the working environment to be safe, including health care, such as arranging a resting place, Five Sor activities, environmental checking.

- The company organizes annual physical examination of employees; it will be basis for surveillance of diseases or work-related illness, to assess potential trends, to prioritize health risks and find appropriate preventive measures.

- The company continues operation of the safety management system by using the SHE (Safety, Health, Environment) principles. The company issues work safety regulations of both employees and contractors. It arranges regular safety training.

- The company promotes activities for work safety, such as organizing work safety week, outside safety campaign projects, seminars for safety officials, each department supervisor, as well as organizing safety knowledge enhancing exhibitions at various points to employees.

- For branches, the company arranges electric forklift and training for correct forklift use to branches continuously train to use the correct method to the branch To help reduce the risk of accidents caused by hand lift for lifting products, reducing employee health problems in the long term.

- The company provides fire extinguishers at every branch calculating according to the area as required by law, to increase work safety and safety of customers who use the service and defines the guidelines for use in emergency condition to the branch.

Human resource development

In the past 2020, the world has experienced corona virus (COVID-19) pandemic, causing the training not to be fully prepared as training may be risk of the spread of such virus. The company continues to promote learning opportunities and employee development at all levels, to stimulate the readiness to learn continuously and enhance skill adding, including learning new knowledge, in order to adapt knowledge to the changing business trends with training in small groups or organize online training to educate employees of all levels continuously since employees have joined the company. Initially, they will receive orientation course for new employees to gain knowledge and understanding about the company, organizational culture and basic work information. Employees will acknowledge the regulations, for co-existence so that new employees can adapt knowledge to working conditions. This will benefit the work performance of the organization as a whole.

The company also provides development of existing personnel potential, along with promoting employees to have responsibility for their work duties with correct ethics, learning the work between work lines, to enhance knowledge, bond and good relationship between the related sectors, creating common understanding of the company's overall goals and able to grow together with the organization sustainably.

Factory part

- Training to enhance knowledge in 5 courses, totaling 36 hours, for 385 trainees.

Serial No.	Courses	Number (hours)	Number (persons)
1	Lean Overview	6	184
2	Correct and safe driving and maintaining of electric forklift	6	4
3	Development of work system under Lean Overview	6	189
4	Correct and safe driving and maintaining of electric forklift	6	7
5	Guideline of design, installation and maintaining of Solar Rooftop System safely and with cost-efficiency	12	1
Total		36	385

Branch part

- There is training for driving and maintaining of electric forklift, 6 hours, number of trainees; 120 trainees.

Serial No.	Courses	Number (hours)	Number (persons)
1	Correct and safe driving and maintaining of electric forklift for the year 2020	6	120

Head office

- Information of fire fighting training of head office employees of 2020, total: 6 hours, 60 trainees

- Information of outside training of head office employees of 2020, total 138 hours, 21 trainees

Serial No.	Courses	Number (hours)	Number (persons)
1	CFO's Orientation Course, Class 4	24	2
2	Develop Mobile App by Flutter (Android and iOS)	18	3
3	Clear fully problems of withholding tax in whole system	12	2
4	Computing employee benefit with insurance mathematics	24	4
5	Preparing of cash flow statement and analysis of cash flow statement	18	3
6	Update Signboard Tax of 2020-2021 and summary of issues of important land and building tax	6	1
7	Technique of integrated tax audit	6	1
8	P-Directors Accreditation Program	6	1
9	Technique of correct writing of notes to financial statement under standard of financial report	6	1
10	TFRS16 lease contract and issues of Deferred Tax	18	3
Total		138	21



Social and environment activities

The Dynasty project working in volunteering for rural development

The company has provided support for floor tiles and wall tiles to student volunteer camp clubs in various higher education institutions continuously since 2013 under the project called “Dynasty working in volunteering for rural development” by participating in raising awareness of the new generation to help other persons, love doing good deeds, volunteering in the form of developing camps constructing school buildings, multipurpose buildings and canteens for local schools in need so that students learn doing benefits for others in society. Total operations over the past 8 years, the company has supported tiles to total of 56 volunteer camps. In 2020 due to the corona virus (COVID-19) pandemic. As a result, various higher education institutions had necessity to refrain from doing field activities in the rural development according to disease control measures and reduce the risk. Thus, in the past year, there was only one camp for the company supporting tiles.

- Year 2013 (Year 1), supporting 9 camps, totaling 995 square meters of tiles.
- Year 2014 (Year 2), supporting 10 camps, 1,343 square meters of tiles.
- Year 2015 (Year 3), support 11 camps, amount 1.566 square meters of tiles.
- Year 2016 (Year 4), supporting 13 camps, totaling 1,717 square meters of tiles.
- Year 2017 (Year 5), supporting 2 camps, 237 square meters of tiles.
- Year 2018 (Year 6), supporting 3 camps, 380 square meters of tiles.
- Year 2019 (Year 7) supporting 7 camps, totaling 995 square meters of tiles.
- Year 2020 (Year 8), supporting 1 camp, 165 square meters of tiles.

In addition, the company also supports ceramic tiles to various locations directly through a channel to coordinate with branches all over the country to places that are lacking of funds that wish to improve the area for public use including small schools, temples, police stations, public service centers, multi-purpose pavilions, various prisons since 2009. This is regarded as building good relationships with communities, government agencies and schools in the area of the branches of the company. In the year 2020, the company has supported 41 locations through the operation of 29 branches. The total number of tiles supporting to volunteer camps of higher education institutions and through direct operations of the branch, is 10,797 square meters of tiles as shown in the table:

Branch	Camp or supported place	Sq. m. (total)
Kuchinarai	Hakna Kalasin Camp, Suan Sunandha U., Bannakradao School, Nakhu District, Kalasin Province	165
Kranuan	Kranuan Polic Station, Kranuan District, Khon Kaen Province	43
Wing 7 - Klongsai	Nongkhari Temple, Surat Thani Province	648
	Ban Wang Phlai School, Khiriratnikhom District, Surat Thani Province	180
Kathinglai	Wang Yai Temple, Nong Yai District, Chon Buri Province	606
	Nongri Temple, Mueang District, Chon Buri Province	234
	Inamphawan Temple, Phathananikhom District, Chon Buri Province	517
Kantharak	Banphonthip School, Kantharak District, Si Sa Ket Province	80
Kangsian	Bannongwa School, Bo Phloi District, Kanchanaburi Province	132
Klang	Watthungkhwaikin School, Klang District, Rayong Province	69
Chomthong	Bantianang School, Hod District, Chiang Mai Province	60
	Banyangpao School, Om Koi District, Chiang Mai Province	175
Chiangkham	Chiangkham Police Station, Chiangkham District, Phayao Province	18
	Chiangkham Police Station, Chiangkham District, Phayao Province	21
Chiang Rai-Nang Lae	Banpongkhian School, Wiang Chiang Rung District, Chiang Rai Province	380
Chayangkul Road-KM 6	Banbok School (Wongthipracharatsamakki), Muang Samsip District, Ubon Ratchathani Province	250
Mittraphap Road Korat	Donation to Sabuakluan Temple, Mueang District, Nakhon Ratchasima Province	1,027
Ratanathibet Road	Donation to Sopharam Temple, Pathum Thani Province	4
Thung Khru	Thung Mahamek Police Station, renovated toilet and residence room	200
	Traimitwararam Temple, Samut Prakan Province	671
Ban Phai	Banhuanaklang School, Chonnabot District, Khon Kaen Province	161
	Ban Mai Na Phiang School, Waeng Yai District, Khon Kaen Province	270
Bypass-Trakan	Laosuakok Police Station, Laosuakok District, Ubon Ratchathani Province	65
Phayakkhaphum Phisai	Banhuanakham School, Chumphonburi District, Surin Province	296
Mahachai	Sopharam Temple, Samut Sakhon Province	103
Mae Rim 2	Village Pavilion, Village No. 4, Mae Rim District, Chiang Mai Province	239
Mae Sot	Kosabel School, Thasongyang District, Tak Province	225
Lat Bua Luang	Wang Yai Temple	5
Lampang 2	Banchampui School, Mae Mo District, Lampang Province	132
	Santitham Temple, Jae Hom District, Lampang Province	130
Sikhoraphum	Ban Khoksanuan School, Sikhoraphum District, Surin Province	432
	Banchongyangchum School, Ratanaburi District, Surin Province	233
	Ban Du School, Ratanaburi District, Surin Province	400
	Ban Bon School (Thawareewitaya), Ratanaburi District, Surin Province	216
Samui	Lamai Temple, Koh Samui District, Surat Thani Province	1,104

Branch	Camp or supported place	Sq. m. (total)
Sattahip	Klang Khlong Temple, Chon Buri Province	99
Saraphi	Phan Ton Temple, Mae Wang District, Chiang Mai Province	138
Surin 2	Srinarong Kindergarten School, Srinarong District, Surin Province	200
	Sakutdongsamranwitaya School, Chumphonburi District, Surin Province	216
Senamai	Watchaopaetsongtraai School, Sena District, Phra Nakhon Si Ayutthaya Province	251
Langsuan	Bankhaolan School, Sawee District, Chumphon Province	201
Aranyaprathet	Banbonangching School, Watananakhon District, Sakaew Province	201
Total supporting tiles to volunteer camps and supporting through branches directly in 2020		10,797

Fair business operation

The company and its affiliates realize great importance of doing business by using good, effective, transparent and fair management system. The companies carry out the work which can be checked and they comply with honest and fair trade competition framework under the law and business ethics of the company and its affiliates and adhere to the rules of competition on equality of receiving fair compensation from both competitors. Doing business with trading partners must not lead to deterioration of the reputation of the Company and its affiliates or against the law.

Therefore, the Board of Directors focuses importance of good corporate governance and engages in business fairly to all groups of stakeholders. The company realizes that fair business operation is a tool to help prevent any conflicts that may arise. Fair business operation also makes the company to gain confidence, and gain trust and acceptance from all groups of stakeholders. The company cultivates employees at all levels to perform duties and responsibilities with fairness according to the action plan and procedures of the governing body, so that employees have consistent guidelines across the organization. The company adheres to the principle of respect for the law and human rights principle in line with the culture, traditions and customs of each locality. The principle of business operations is as follows:

- The company focuses on building relationships and good cooperation in product development, or commercial channels with business partners, to strengthen the potential and effectiveness, in engaging in business together in the long term.

- The company and its affiliates oppose unfair competition, by the pricing of the company comes from market conditions and purchase requirements, as well as other related costs. It can be said that pricing is the pricing of products according to the product costs and various expenses in order to be able to compete.

- The company's purchasing policy consists of defining the procurement method, steps of clear work operation to have fairness.

- The company will not take any action related to intellectual property infringement. The company also promotes the executives and employees to make efficient use of company resources and properties, to use copyrighted products and services and do not support products or acts that infringe intellectual property.

- The company defines channel for complaints that are not fair. There is a point for receiving such complaints at the company, as well as through the company's website.

- Employees will not request, receive or agree to receive property or any other benefit which is beyond the commercial terms or commercial conditions.

- Employees will maintain confidentiality or information of business partners. It is not used for personal gain or those involved improperly.

Anti corruption

* Policy on Anti-Corruption: "The company and its affiliates intend to the fight against corruption in all forms and the company and affiliated companies involved in business operations shall comply with the above mentioned anti-corruption policy."

tion policy which covers compliance in all relevant agencies and there shall be re-examination and review of the guidelines for implementing under this policy constantly, in order to comply with changes of business, rules, regulations and laws. “

Since 2013 onwards, the company and its affiliates conduct business with transparency, holding the correctness; therefore, the company announced the anti-corruption policy, clearly written, publishing to employees, business partners who do business together and stakeholders, through the contact channels, in documents for employees in the company and in electronic systems. Through the company's website for business partners who do business together and all groups of stakeholders for acknowledgement, including for new employees to acknowledge the anti-corruption policy in every orientation meeting of employees at the factories, branches and headquarters. The company operates continuously for all the time throughout to be guideline for the work performance that the company does not accept any form of corruption, by setting policy including supporting the activities that promote and cultivate executives and employees to comply with all relevant laws, rules and regulations. The company does not support creation of work success by dishonest methods. The Board of Directors has guidelines for anti-corruption as follows:

- Creating consciousness, values and attitudes to employees in complying with the rules and regulations with honesty.

- Providing efficient and effective internal control system. There is appropriate check and balance of power in order to prevent employees from corruption, or involving in dishonesty and various corruption.

- Employees of all levels are prohibited from taking any action, such as requesting or accepting property or any other benefit for themselves or other persons who are motivated to act or refrain from performing duties wrongfully, or it may cause the company to lose legitimate benefit.

- Employees of all levels are prohibited to give or offer to give property or any other benefit to third parties in order to induce that person to act or omit to act in breaching of the law or in violation of their position.

Furthermore, the company has policy to protect and provide fairness to employees who report clues regarding dishonesty and/or failing to comply with laws, rules, regulations and the company's code of conduct (Whistle Blower Policy). Complainers and whistleblower can notify the company via the channels provided by the company as follows:

- 1.Submit documents to 3 complaint kiosks at the two factories in Saraburi Province and at the head office.
- 2.Send a letter by post to Internal Audit Office at the Company's headquarters office.
- 3.Sending letters through the company's mail at wecare@dynastyceramic.com
- 4.Sending through the Company's HOTLINE Tel. 084-7514747.

Fair practices towards labor

The company and its affiliates have policy to treat all employees with fairness, in order to be fair to all employees. The company has a system for taking care of employees thoroughly and fairly according to the work regulations of the company as well as taking care of the compensation for all employees in a fair manner which is the implementation of the normal operation system. The company will also treat employees equally.

If an employee has complaint, the company has clear procedures and methods for handling employee grievances. The handling of grievance is under the Internal Audit Department, which is independent in operation to solve problems quickly and fairly and limit the problem so that it will not be disclosed.

According to the above mentioned fair labor practices, the company has set up a guideline for the performance of all employees, defining in the work regulations that employees should comply with the regulations. Employees are informed from the first day of joining the company about the regulations as well.

In summary, the company and its affiliates have principles in the implementation of the good governance and have business goals operating under sustainability strategy. The company and its affiliates have responsibility for economy, society and environment. They manage with an emphasis on operational development and improvements in all aspects that can meet the needs of stakeholders both economic, social and environment issues to be in the core process of business continuously with the aim of creating sustainable development of the organization along with mutual business success.

Internal Control and Risk Management

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

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

The Company applies the Internal Control – Integrated Framework of The Committee of Sponsoring Organizations of the Treadway Commission (COSO) comprising 5 components and 17 principles to the Company's operation, management, and internal control system. In the Board of Directors meeting no. 2/2021 on 10 February 2021, the directors have assessed the adequateness of the Company's internal control system in accordance with the Securities and Exchange Commission Thailand (SEC) and concluded that the overall internal control system is adequate and effective.

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

1. Control Environment
2. Risk Assessment
3. Control Activities
4. Information & Communication
5. Monitoring Activities

1. Control Environment

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

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

committee are clearly defined and segregated from the management.

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

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

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

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

2. Risk Assessment

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

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

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

8. The company assesses fraud risk and establishes measures to prevent and detect frauds especially in high-fraud-risk processes such as processes relating to cash, inventory, procurement, financial reporting etc. The

Company performs an analysis to identify irregular financial ratios, continuously monitors for irregular business transactions, implements various assets safeguarding measures, and launches the whistle blower program.

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

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

3. Control Activities

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

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

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

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

4. Information & Communication

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

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

14. The company has an internal communication system to relay internal control's objectives, policies, procedures, and accountabilities to every level of personnel in every department nationwide. Various communication chan-

nels are selected appropriately for the communication efficiency and effectiveness. For examples, there are communications via the intranet and confidential Whistle Blower hotline.

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

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

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

5. Monitoring Activities

16. The company instructs managers and supervisors in every department to continuously monitor for deficiencies of the internal control to ascertain the continued effectiveness of 5 components and 17 principles of the internal control. There are also separate evaluations from independent parties such as internal auditors or external quality assessors. The frequency of the evaluations varies on rate of changes occurring.

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

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

Internal Audit

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

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

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

Conclusion of defects related to the Internal Control system in the year 2020

The Office of Operation Systems and Internal Audit has regularly audited the internal control system according to the annual audit plan and report the audit results to the Audit committee. At present, no significant flaws have been found, but has commented on improving the internal control system at some issues that have been detected by the Company's internal audit office, responsible for reviews to ensure that the company's core operations and significant financial activities are has operated effectively and in accordance with the law and company guidelines.

Opinion of the Audit Committee

In additional, every quarter, at the meeting of Audit Committee, assess the adequacy of the Company's internal control system. Opinion of the Audit Committee on internal control is complied with the Board of Directors. (Refer to the Audit Committee Annual Report). Including in the previous year, there were no concerns of the auditor regarding internal control.

Chief of Internal Audit

At present, Ms. Somruthai Boonyarit, Director of the Office of Operation Systems and Internal Audit, and responsible for the internal audit of the company, has appointed as the secretary of the audit committee according to the resolution of the Board of Directors No.2/2012 held on 21 February, 2012. She has been approved by the Audit Committee that having appropriate educational background and training experience to perform her duties effectively.

Appointment, Withdrawal and Transfer

Chief of Internal Audit must be approved by the Audit Committee.

Related Transaction

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

To be aligned with the Security and Exchange Act (No. 4) B.E. 2551, Article 89/12 (1), with the following measures.

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

Dynasty Ceramic Public Co. Ltd. has related transactions with its subsidiaries as follows:

1. Tile Top Industry PLC (Subsidiary)

- The Company is a sole distributor of all made products purchased from Tile Top Industry Public Co. Ltd., which manufactures floor tiles and wall tiles, at wholesale prices. The Company is the sole distributor. Tile Top Industry Public Co. Ltd. contracted Dynasty Ceramic Public Co. Ltd. to manage its operations, inventory (including raw materials and spare part), purchasing and sales, financial and accounting systems with an online computer system, with an annual budget of 13.2 million Baht, resulting in related transactions.
- Moreover, Dynasty Ceramic Public Co. Ltd. rented warehouse facilities located at Tile Top factory for storage of products purchased from Tile Top Industry PLC and contracted Tile Top Industry PLC to manage the Company's warehouses, with a yearly budget of 3.96 million Baht.
- Since Dynasty Ceramic is in charge of controlling its own and its subsidiaries' financial policies, payments were made in advance on some items produced and distributed to Dynasty Ceramic Public Co. Ltd. This is a means of providing financial support to its subsidiary, with the borrowers issuing a promissory note to the loan provider. Interest is calculated according to prevailing market rates on the date the borrowing was made.

2. The Royal Ceramic Industry PLC (Subsidiary)

- Purchase the finished goods from Royal Ceramic Industry PLC, a manufacturer of floor and wall ceramic tiles in wholesale price.
- Contracting for the Royal Ceramic Industry Public Company Limited for warehouse management and product distribution for 1 year (1 April 2017 to 31 March, 2018) with 0.15 million baht per month, the total value of the contract is 1.8 million baht and not renewed on the contract.
- Renewed the contract for the Royal Ceramic Industry Public Company Limited to lease the office building space for 3 years (1 April 2018 to 31 March 2021), monthly rental fee of 0.06 million baht, total contract value of 2.16 million baht.
- Renewed the contract for the Royal Asia Brick and Tile Company Limited to lease the office building space for 3 years (1 May 2018 to 30 April 2021), monthly rental fee of 0.012 million baht, total contract value of 0.432 million baht.
- Arrange the contract for the rental of machinery for using in production for 3 years (1 April 2018 to 31 March 2021). The monthly rent is 0.20 million baht. The total value of the contract is 7.2 million baht and canceled the lease on May 1, 2019 due to the purchase of such machinery from DCC.

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

1. Mr. Monrak Saengsastra : Director

Year 2018

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

Year 2019

- Land lease agreement to build Mae Rim branch, Chiang Mai province, the contract period is 3 years (15 January 2019 to 14 January 2022). The total value of the contract is 5.8 million baht, with an average of 1.93 million baht per year.
- Land lease agreement to build Nakornpathom branch, Nakornpathom province, the contract period is 3 years (1 May 2019 to 30 April 2022). The total value of the contract is 9.09 million baht, with an average of 3.03 million baht per year.

2. Mr. Maruth Saengsastra : Director

Year 2018

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

Year 2019

- Land lease agreement to build Korat branch, Nakhon Ratchasima province, the contract period is 3 years (1 May 2019 to 30 April 2022). The total value of the contract is 10.50 million baht, with an average of 3.50 million baht per year.

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

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

Transaction

1.The Company has transactions with Tile Top Industry PLC (Subsidiary), which is the majority shareholder. More than 95 percent and the Board of Directors of the Company and its subsidiaries. The transaction has no impact on the consolidated.

2.Royal Ceramic Industry PLC (Subsidiary / RCI), the company is not a shareholder but there are common directors. It was consold in the financial statement since April 1, 2017 and the company has invested in the purchase of ordinary shares of the Royal Ceramic Industry Public Company Limited at 4.05 percent during October- November 2018 and in October 2019, the company acquired RCI by voluntary tender offer from all shareholders of RCI. After making a tender offer, the company holds 84.88 percent in RCI stake of share. At the end of August 2020 the Company bought ordinary shares of RCI at 6.99 percent, the Company held the share increasing to 91.87%.

Procedures for approving related transactions.

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

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

For the fiscal year ended 31 December 2018-2020, the Company and its subsidiaries had the related transactions in which the auditors had disclosed in the notes to audited financial statements and these transactions have been reviewed by the Audit Committee. The Audit Committee had an opinion that all related transactions are reasonable and based on the normal course of business.

TRANSACTIONS WITH RELATED PARTIES

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

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

Account name / Company's name	Relationship	Type of Transaction	Amount (Million Baht)		
			2020	2019	2018
Tile Top Industry PCL.	Subsidiaries Company	Revenue from Raw Material / Supplies	3.4	3.6	2.4
		Rental income from office	0.7	0.7	0.7
		Management Fee income	13.2	12.0	12.0
		Purchases -Finished goods	2,140.6	2,251.2	2,267.4
		Purchases - Raw Materials / Supplies	2.7	2.4	3.1
		Warehouse Management Fee	4.0	3.6	3.6
The Royal Ceramic Industry PCL.	Subsidiaries Company	Revenue from Raw Material / Supplies	11.6	17.9	14.9
		Rental income from office	0.7	0.7	0.7
		Rental machine income	-	0.8	1.8
		Freight Income	52.5	50.8	50.7
		Purchases -Finished goods	1,010.3	1,156.2	974.3
		Purchases - Raw Materials / Supplies	3.4	4.6	1.2
		Warehouse Management Fee	-	-	0.5
The Royal Asia Brick and Tile Company Limited	RCI's subsidiary	Rental income from office	0.1	0.1	0.1

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

Account name / Company's name	Relationship	Type of Transaction	Amount (Million Baht)		
			2020	2019	2018
TileTop Industry PCL.	Subsidiaries Company	Trade Account Payable	1,144.8	991.6	896.1
The Royal Ceramic Industry PCL.	Subsidiaries Company	Trade Account Payable	144.6	43.7	98.1
Mr. Monrak Saengsastra and Mr. Maruth Saengsastra	Director of the Company	Lease liabilities	108.3	-	

Pricing policy and Business term

1.The company buys products from Tile Top Industry Public Company Limited and The Royal Ceramic Industry Public Company Limited with competitive in market condition and in prices that higher than production costs which the company is a major customer.

FINANCIAL HIGHLIGHTS

(Million Baht)

CONSOLIDATED THE STATEMENTS OF COMPREHENSIVE INCOME	Y2020	Y2019	Y2018
Total Revenues	8,589	8,190	8,053
Net Sales	8,501	8,118	8,027
Gross Profit	3,529	3,126	3,102
%Gross Profit	41.5	38.5	38.6
Selling & Admin. Expenses	(1,621)	(1,769)	(1,749)
Net Profit Before Interest & Depreciation	2,717	1,964	1,901
Net Profit	1,585	973	979

CONSOLIDATED THE STATEMENTS OF FINANCIAL POSITION	Y2020	%	Y2019	%	Y2018	%
Total Assets	8,796	100%	8,722	100%	8,003	100%
Total Liabilities	3,938	45%	5,203	60%	3,681	46%
Total Shareholders' Equity	4,858	55%	3,519	40%	4,322	54%

FINANCIAL RATIO	Y2020	Y2019	Y2018
Earning Per Share - Baht	0.202	0.139	0.150
Net Profit / Total Revenues - %	18.45	11.88	12.16
Debt Equity Ratio	0.81	1.48	0.85
Return on Total Assets - %	18.01	11.16	12.23
Return on Equity -%	32.63	27.65	22.65
Booked Value - Baht	0.593	0.487	0.662
Dividend Per Share - Baht	0.165	0.1044	0.116
Dividend Yield - %	85	78	77
Authorized Share Capital - Baht	913,919,154.10	913,919,154.10	913,919,154.10
Total number of shares –Shares	9,139,191,541	9,139,191,541	9,139,191,541
Issued and Paid-up share-Shares	8,198,942,195	7,231,432,657	6,527,993,958

Summary of Operating Results and Financial Analysis

CONSOLIDATED

Operating results of the consolidated financial statements

Statement of Comprehensive Income	Y2020	%	Y2019	%	%increase (decrease)
Revenue from sales	8,501.3	100.0%	8,117.6	100.0%	5%
Cost of sales	(4,972.5)	-58.5%	(4,991.2)	-61.5%	0%
Gross profit	3,528.7	41.5%	3,126.4	38.5%	13%
Other income	88.1	1.0%	72.9	0.9%	21%
Distribution costs	(777.6)	-9.1%	(842.0)	-10.4%	(-8%)
Administrative expenses	(843.8)	-9.9%	(927.5)	-11.4%	-9%
Finance costs	(48.9)	-0.6%	(41.8)	-0.5%	17%
Profit (loss) before income tax	1,946.5	22.9%	1,388.0	17.1%	40%
Income tax	(360.0)	-4.2%	(275.1)	-3.4	31%
Total profit (loss) income for the period	1,586.5	18.7%	1,112.8	13.7%	43%
Other profit (loss) comprehensive income for the period	-	0.0%	11.6	0.1%	
Total profit (loss) comprehensive income for the period	1,586.5	18.7%	1,124.4	13.9%	41%
Profit (loss) attributable to:					
Owner of the Company	1,585.3	18.6%	972.8	12.0%	63%
Non-controlling interests	1.1	0.0%	140.1	1.7%	(-99%)

The Company has included the Royal Ceramic Industry Public Company Limited ("RCI") financial statements to prepare the consolidated financial statements of the Company since April 1, 2017. At the end of 2019, the company invested in ordinary shares of the Royal Ceramic Industry Public Company Limited. ("RCI") by making a Voluntary Tender Offer from all RCI's shareholders, the result of the tender offer for all RCI's securities. As a result, the Company has an investment in RCI shares of 84.88 percent of the total paid-up shares. At the end of August 2020, the Company can invest 6.99% in ordinary shares, including 91.87% of RCI shares. In the year 2019 as compared, the company has a 6.16 % investment in RCI shares in January- November 2019 and in December 2019 is 84.88% of all paid-up ordinary shares.

2020 Operating result ending 31 December 2020 comparing with the same period the previous year as follows: Total income 8,501.3 million Baht increased 383.7 million Baht or 5%. Gross Profit of 41.5% increased from 38.5% in previous year from the decrease in cost of production. The natural gas cost which is the main cost of production decreased 22%. The production volume slightly decreased 2%. Other income increased 15.2 million Baht or 21% from rental fee of 33.9 million Baht or 124% with many branches offering more space for rent. And received compensation of Land expropriating of the branch for 7.3 million Baht. Cost of distribution decreased 64.4 million Baht or 8% mostly came from the decreased of 18% in diesel price, There was 2% increase in sales volume, including shipping of larger, heavier tiles. Admin-

istrative expense decreased 83.7 million Baht or 9% as well as reducing other expense according to the management policy to be more efficient. Financial cost increased 7.1 million Baht or 17% which is interest expense during the period and interest of the result of the implementation of Thai Financial Reporting Standards No.16 - Rental agreement (TFRS16) since 1 January 2020 on the land and vehicle operating lease agreements of 9.2 million Baht, which was not occurred in the previous year. Income tax increased 84.9 million Baht or 31% from increasing in profit. Resulting in net profit of 1,586.5 million Baht. Non-controlling interests 139.0 million Baht or 99% which resulted the company taking more profit from holding more of the RCI's share. Resulting in net profit of shareholders of 1,585.3 million Baht. Increased 612.5 million Baht or 63%.

Financial Position

Statement of Financial Position	31 Dec 2020	%	31 Dec 2019	%	%increase (decrease)
Total Assets	8,795.6	100.0%	8,721.9	100.0%	1%
Total Current Assets	2,304.9	26%	2,620.8	30%	(-12%)
Total Non-Current Assets	6,490.8	74%	6,101.1	70%	6%
Total Liabilities	3,937.4	45%	5,203.0	60%	(-24%)
Total Current Liabilities	3,240.3	82%	4,927.1	95%	(-34%)
Total Non-Current Liabilities	697.1	18%	275.9	5%	153%
Total Shareholder's Equity	4,858.3	55%	3,518.9	40%	38%

Total Assets of the company and its subsidiaries as of December 31, 2020 amounted to 8,795.6 million Baht, increased 73.7 million Baht or 1% from the year ended December 31, 2019. Cash and cash equivalents decreased 47.1 million Baht or 40% as a result of better managed cash on hand. Trade receivables and other current receivables decreased 165.0 million Baht or 53% due to the change in sales policy to focus more on cash sales. Inventories decreased 74.9 million baht or 3% from increased in sales and better managed inventory. Investment properties increased 45.4 million baht or 194% in line with as increase in rental income. Rights of use assets increased 536.7 million baht or 100% as a result of the implementation of Thai Financial Reporting Standards No.16 - Rental agreement (TFRS16) since 1 January 2020 on the land and vehicle operating lease agreements.

Total Liabilities of the company and its subsidiaries as of December 31, 2020 amounted to 3,937.4 million Baht decreased 1,265.6 million Baht or 24% from the year ended December 31, 2019. Short-term loan decreased 1,801.5 million baht or 45%. Lease liabilities increased 514.4 million baht or 100% as a result of the implementation of Thai Financial Reporting Standards No.16 - Rental agreement (TFRS16) since January 1, 2020 on the land and vehicle operating lease agreements.

Total shareholder's equity of the company and its subsidiaries as of December 31, 2020 amounted to 4,858.3 million Baht, increased 1,339.4 million Baht or 38% from capital of ordinary shares issued and paid-up increased by 96.8 million baht or 13%, premium on ordinary shares increased 1,015.9 million baht or 82% from the second time exercising warrants (DCC-W1) on May 8, 2020 amounted to 967,509,538 shares at price of 1.15 baht per share. Unappropriated retained earnings increased 388.3 million Baht or 14% from net profit attributed to owner of the company amounted to 1,585.3 million baht and a decrease of 1,187.3 million baht resulted from dividend payment during 4th quarter of 2019 and 1st, 2nd and 3rd quarter of 2020. Changes in other components of shareholders increased 115.1 million Baht or 8% from the Company's investment in RCI ordinary shares increased from 84.88% at the year ended December 31, 2019 to 91.87% as of December 31, 2020. Non-controlling interests in subsidiaries decreased 56.2 million or 37% due to as the company has added a portion of the company in the performance of subsidiaries. This is the year that the company has the best performance since doing business.

DYNASTY CERAMIC PUBLIC COMPANY LIMITED
AND ITS SUBSIDIARIES
FINANCIAL STATEMENTS FOR THE YEAR ENDED
DECEMBER 31, 2020
AND
AUDITOR'S REPORT

Independent Auditor's Report

To the shareholders of Dynasty Ceramic Public Company Limited

Opinion

I have audited the financial statements of Dynasty Ceramic Public Company Limited and its subsidiaries, which comprise the consolidated and separate statements of financial position as at December 31, 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 Dynasty Ceramic Public Company Limited and its 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 (TSAs). My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the Group and the Company in accordance with the Federation of Accounting Professions' Code of Ethics for Professional Accountants that is relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of Matter

I draw attention to Note 2.2 to the interim financial statements. Due to the impact of the COVID-19 outbreak, in preparing the consolidated and separate financial statement for the year ended December 31, 2020, the Company and its subsidiaries has adopted the Accounting Guidance on Temporary Relief Measures for Accounting Alternatives Dealing with The Impact of COVID-19 Pandemic issued by the Federation of Accounting Professions. My conclusion is not modified in respect of this matter.

Key Audit Matters

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

Revenue

Risk description

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

Key audit procedures

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

Inventory

Risk description

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

Key audit procedure

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

Allowance for declining in value of inventory

Risk description

As at December 31, 2020, as describe in note to financial statement no.10, the Group Companies have inventory valuation by the lower of cost or net realizable value. The management have to make subjective judgment in consideration of allowance for slow moving and declining value of inventory in accordance to physical damage of each items and the net realizable value consideration from market price at ended date.

Key audit procedure

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

Other

The financial statements of Dynasty Ceramic Public Company Limited and its subsidiaries, which comprise the consolidated and separate statements of financial position and 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 ended December 31, 2020, which have been presented her with for comparative purposes were audited by another auditor in my firm, whose report dated on February 18, 2020 expressed an unqualified opinion.

Other Information

Management is responsible for the other information. The other information comprises 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 will 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, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and revised a material misstatement.

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

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

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

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the 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 Miss. Kannika Wipanurat.



Miss. Kannika Wipanurat

Certified Public Accountant Registration No. 7305

Karin Audit Company Limited

Bangkok

February 10, 2021

DYNASTY CERAMIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF FINANCIAL POSITION
AS AT DECEMBER 31, 2020

(Unit : Baht)

		Consolidated		Separate	
		December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
		“AUDITED”	“AUDITED” “RESTATED”	“AUDITED”	“AUDITED” “RESTATED”
Notes					
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	7	70,869,898	117,925,477	50,414,366	92,318,194
Trade account and other current receivables - net	9	143,514,348	308,527,927	137,170,330	302,397,640
Other current receivables - subsidiary company	8	-	-	4,944,487	-
Inventories - net	10	2,089,410,339	2,164,324,713	1,868,992,879	1,972,947,721
Other investments	11	-	1,063,937	-	1,063,937
Other current financial assets	11	1,063,937	-	1,063,937	-
Non - current assets classified as held for sale		-	29,000,000	-	-
TOTAL CURRENT ASSETS		2,304,858,522	2,620,842,054	2,062,585,999	2,368,727,492
NON - CURRENT ASSETS					
Other non-current financial assets		314,300	-	-	-
Investment in subsidiaries	12	-	-	2,382,269,843	2,209,800,514
Other long - term investments		-	314,300	-	-
Investment property - net	13	68,803,921	23,386,201	68,803,921	23,386,201
Property, plant and equipment - net	14	5,810,619,587	6,005,487,726	4,337,671,076	4,440,092,274
Right-of-use assets	18.1	536,667,178	-	525,626,601	-
Intangible asset - net	15	12,716,390	17,687,774	12,716,387	17,686,118
Deferred income tax asset	24	48,598,991	35,727,451	-	-
Other non - current assets	16	13,052,320	18,453,069	11,574,694	16,772,458
TOTAL NON- CURRENT ASSETS		6,490,772,687	6,101,056,521	7,338,662,522	6,707,737,565
TOTAL ASSETS		8,795,631,209	8,721,898,575	9,401,248,521	9,076,465,057

DYNASTY CERAMIC PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF FINANCIAL POSITION
AS AT DECEMBER 31, 2020

(Unit : Baht)

Notes	Consolidated		Separate		
	December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019	
	“AUDITED”	“AUDITED” “RESTATED”	“AUDITED”	“AUDITED” “RESTATED”	
LIABILITIES AND SHAREHOLDERS’ EQUITY					
CURRENT LIABILITIES					
Short - term loans from financial institutions17	2,165,000,000	3,966,546,836	2,090,000,000	3,885,084,367	
Trade account and other current payables	785,769,222	857,144,279	417,526,776	530,594,173	
Trade account payables - subsidiary company8	-	-	1,294,315,255	1,035,286,705	
Lease liabilities - current portion18.2	106,084,879	-	98,387,270	-	
Accrued income tax	183,441,794	103,398,744	178,372,657	95,256,510	
TOTAL CURRENT LIABILITIES	3,240,295,895	4,927,089,859	4,078,601,958	5,546,221,755	
NON - CURRENT LIABILITIES					
Unfunded provident fund - non contributory19	51,187,752	49,278,480	-	-	
Lease liabilities - net of current portion18.2	408,279,187	-	404,793,666	-	
Employee benefits obligation21	197,178,407	190,997,839	83,963,168	81,439,135	
Deferred income tax liability24	32,598,643	30,147,344	32,598,643	30,147,344	
Other non-current liabilities	7,840,238	5,465,148	7,840,238	5,465,148	
TOTAL NON-CURRENT LIABILITIES	697,084,227	275,888,811	529,195,715	117,051,627	
TOTAL LIABILITIES	3,937,380,122	5,202,978,670	4,607,797,673	5,663,273,382	

DYNASTY CERAMIC PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF FINANCIAL POSITION
AS AT DECEMBER 31, 2020

(Unit : Baht)

Notes	Consolidated		Separate		
	December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019	
	“AUDITED”	“AUDITED” “RESTATED”	“AUDITED”	“AUDITED” “RESTATED”	
SHAREHOLDERS’ EQUITY					
Share capital - common share at Baht 0.1 par value					
Registered - 9,139,191,541 shares 22	913,919,154	913,919,154	913,919,154	913,919,154	
Issued and paid - up 8,198,942,195 ordinary shares as at December 31,2020 and 7,231,432,657 ordinary shares as at December 31,2019	819,894,220	723,143,266	819,894,220	723,143,266	
Premium on share capital	2,260,495,649	1,244,610,634	2,260,495,649	1,244,610,634	
Retained earnings					
Appropriated for legal reserve 23	81,989,421	72,314,326	81,989,421	72,314,326	
Unappropriated	3,178,596,731	2,790,247,827	1,631,071,558	1,373,123,449	
Other components of equity	(1,578,811,602)	(1,463,689,220)	-	-	
Total Shareholders’ equity of the Company	4,762,164,419	3,366,626,833	4,793,450,848	3,413,191,675	
Non-controlling interests	96,086,668	152,293,072	-	-	
TOTAL SHAREHOLDERS’ EQUITY	4,858,251,087	3,518,919,905	4,793,450,848	3,413,191,675	
TOTAL LIABILITIES AND SHAREHOLDERS’ EQUITY					
	8,795,631,209	8,721,898,575	9,401,248,521	9,076,465,057	

DYNASTY CERAMIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2020

(Unit : Baht)

Notes	Consolidated		Separate	
	2020	2019	2020	2019
Profit or loss:				
Revenue from sales 28	8,501,252,404	8,117,588,347	8,501,252,404	8,117,427,525
Costs of sales 8,28,30	(4,972,520,302)	(4,991,199,424)	(5,247,571,959)	(5,343,818,928)
Gross profit	3,528,732,102	3,126,388,923	3,253,680,445	2,773,608,597
Other income 29	88,107,108	72,881,623	100,958,963	68,432,030
Distribution costs 30	(777,608,814)	(842,002,104)	(690,817,937)	(739,237,312)
Administrative expenses 30	(843,834,626)	(927,493,643)	(805,139,543)	(872,372,048)
Finance costs	(48,903,929)	(41,807,253)	(44,860,554)	(37,307,536)
Profit (loss) before income tax	1,946,491,841	1,387,967,546	1,813,821,374	1,193,123,731
Income tax 25	(360,006,612)	(275,118,714)	(358,877,483)	(230,671,129)
Profit (loss) for the years	1,586,485,229	1,112,848,832	1,454,943,891	962,452,602
Other comprehensive income:				
<i>Components of other comprehensive income that will not be reclassified to profit or loss</i>				
Gain on remeasurement of defined benefit plans	-	11,568,955	-	13,390,341
Other comprehensive income for the years, net of tax	-	11,568,955	-	13,390,341
Total comprehensive income for the years	1,586,485,229	1,124,417,787	1,454,943,891	975,842,943
Profit (loss) attributable to:				
Owner of the Company	1,585,344,686	972,790,726	1,454,943,891	962,452,602
Non-controlling interests	1,140,543	140,058,106	-	-
	1,586,485,229	1,112,848,832	1,454,943,891	962,452,602
Total comprehensive income attributable to:				
Owner of the Company	1,585,344,686	984,417,419	1,454,943,891	975,842,943
Non-controlling interests	1,140,543	140,000,368	-	-
	1,586,485,229	1,124,417,787	1,454,943,891	975,842,943
Earnings per Share 27.1				
Profit attributable to equity holders of the Company	0.202	0.139	0.185	0.138
The number of ordinary shares weighted average (Unit : shares)	7,847,360,860	6,982,820,076	7,847,360,860	6,982,820,076
Diluted earnings per share 27.2				
Profit attributable to equity holders of the Company	0.192	0.125	0.176	0.124
The number of ordinary shares weighted average (Unit : shares)	8,260,148,462	7,788,100,624	8,260,148,462	7,788,100,624

DYNASTY CERAMIC PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2020

(Unit : Baht)

Consolidated

Shareholders' equity of the Company									
Retained earnings					Other components of equity				
	Notes	Share capital issued and paid-up	Premium on Share capital	Legal Reserve	Unappropriated	Change in parent's ownership interests in subsidiaries	Total shareholders' equity of the Company	Non-controlling interests	Total
Balance as at January 1, 2019		652,799,396	506,000,000	65,280,000	2,548,833,458	(79,131,865)	3,693,780,989	628,002,152	4,321,783,141
Change in parent's ownership interests in subsidiaries		-	-	-	-	(1,384,557,355)	(1,384,557,355)	(615,709,448)	(2,000,266,803)
Increase in share capital		70,343,870	738,610,634	-	-	-	808,954,504	-	808,954,504
Total comprehensive income for the years		-	-	-	984,417,419	-	984,417,419	140,000,368	1,124,417,787
Dividend payment	26	-	-	-	(735,968,724)	-	(735,968,724)	-	(735,968,724)
Legal reserve	23	-	-	7,034,326	(7,034,326)	-	-	-	-
Balance as at December 31, 2019		723,143,266	1,244,610,634	72,314,326	2,790,247,827	(1,463,689,220)	3,366,626,833	152,293,072	3,518,919,905
Balance as at January 1, 2020		723,143,266	1,244,610,634	72,314,326	2,790,247,827	(1,463,689,220)	3,366,626,833	152,293,072	3,518,919,905
Change in parent's ownership interests in subsidiaries		-	-	-	-	(115,122,382)	(115,122,382)	(57,346,947)	(172,469,329)
Increase in share capital		96,750,954	1,015,885,015	-	-	-	1,112,635,969	-	1,112,635,969
Total comprehensive income for the years		-	-	-	1,585,344,686	-	1,585,344,686	1,140,543	1,586,485,229
Dividend payment	26	-	-	-	(1,187,320,687)	-	(1,187,320,687)	-	(1,187,320,687)
Legal reserve	23	-	-	9,675,095	(9,675,095)	-	-	-	-
Balance as at December 31, 2020		819,894,220	2,260,495,649	81,989,421	3,178,596,731	(1,578,811,602)	4,762,164,419	96,086,668	4,858,251,087

DYNASTY CERAMIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2020

(Unit : Baht)

Separate						
	Notes	Share capital issued and paid-up	Premium on Share capital	Retained earnings		Total
				Legal Reserve	Unappropriated	
Balance as at January 1, 2019						
Total comprehensive income for the years		652,799,396	506,000,000	65,280,000	1,140,283,556	2,364,362,952
Increase in share capital		-	-	-	975,842,943	975,842,943
Dividend payment	26	70,343,870	738,610,634	-	-	808,954,504
Legal reserve	23	-	-	-	(735,968,724)	(735,968,724)
		-	-	7,034,326	(7,034,326)	-
Balance as at December 31, 2019		723,143,266	1,244,610,634	72,314,326	1,373,123,449	3,413,191,675
Balance as at January 1, 2020						
Total comprehensive income for the years		723,143,266	1,244,610,634	72,314,326	1,373,123,449	3,413,191,675
Increase in share capital		-	-	-	1,454,943,891	1,454,943,891
Dividend payment	26	96,750,954	1,015,885,015	-	-	1,112,635,969
Legal reserve	23	-	-	-	(1,187,320,687)	(1,187,320,687)
		-	-	9,675,095	(9,675,095)	-
Balance as at December 31, 2020		819,894,220	2,260,495,649	81,989,421	1,631,071,558	4,793,450,848

DYNASTY CERAMIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2020

(Unit : Baht)

	Consolidated		Separate	
	2020	2019	2020	2019
Cash Flows From Operating Activities				
Profit (loss) before income tax	1,946,491,841	1,387,967,546	1,813,821,374	1,193,123,731
Adjustments to reconcile profit before income tax to net cash provided from (used in) operating activities:				
Decrease (increase) in trade account and other current receivables	129,615,973	(17,585,660)	129,769,373	(29,652,173)
Decrease (increase) in other current receivables - subsidiary company	-	-	(4,944,488)	-
Decrease (increase) in inventories	75,273,382	(199,372,930)	103,954,842	(185,684,685)
Decrease (increase) in other non - current assets	(1,326)	(2,506,400)	(204,310)	(1,956,500)
Increase (decrease) in trade account and other current payables	(72,463,696)	(75,034,607)	(108,700,717)	(2,886,576)
Increase (decrease) in trade account payables - subsidiary company	-	-	259,028,550	41,066,692
Increase (decrease) in unfunded provident fund - non contributory	(578,435)	(4,247,564)	-	-
Increase (decrease) in other non-current liabilities	2,375,089	3,652,167	2,375,089	3,652,168
Depreciation and amortization	722,481,045	533,932,653	532,902,583	380,639,254
Allowance for doubtful accounts (Reversal of)	(540,332)	30,955	(480,000)	183,290
Reversal of allowance for decline value	(359,008)	(847,626)	-	-
Loss (gain) from disposal of fixed assets	252,279	1,025,303	237,614	(3,602,199)
Unrealized loss (gain) on exchange rate	37,112	36,640	7,350	(4,915)
Dividends income	(31,430)	(31,430)	-	-
Interest income	(1,691,237)	(511,790)	(227,509)	(424,623)
Interest expense	48,903,929	41,807,253	44,860,553	37,307,536
Provision for unfunded provident fund	2,487,707	2,545,687	-	-
Provision for employee benefits obligation	12,966,058	54,261,793	6,655,052	23,592,296
Adjusted written off withholding tax	-	24,144	-	-
Total adjustments to reconcile profit(loss) before income tax	918,727,110	337,178,588	965,233,982	262,229,565
Net Cash Flows Provided from Operations	2,865,218,951	1,725,146,134	2,779,055,356	1,455,353,296
Income tax paid	(290,383,802)	(255,874,606)	(273,310,037)	(249,650,463)
Cash paid for employee benefits	(794,493)	(1,288,267)	(794,493)	(806,133)
Net Cash Flows Provided from Operating Activities	2,574,040,656	1,467,983,261	2,504,950,826	1,204,896,700

DYNASTY CERAMIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF CASH FLOWS (CONTINUED)
FOR THE YEARS ENDED DECEMBER 31, 2020

(Unit : Baht)

	Consolidated		Separate	
	2020	2019	2020	2019
Cash Flows from Investing Activities				
Acquisitions of assets	(420,152,979)	(1,115,757,274)	(328,150,184)	(881,204,951)
Acquisitions of intangible assets	(2,413,098)	(4,227,879)	(2,413,098)	(4,227,879)
Proceed from disposal of fixed assets	3,593,771	45,733,004	1,275,494	23,369,888
Cash received from insurance reimbursement	-	754,637	-	754,637
Cash received from interest income	1,691,237	511,790	227,509	424,623
Dividends income	31,430	31,430	-	-
Cash paid for investment in subsidiaries	(172,469,329)	(2,000,266,803)	(172,469,329)	(2,000,266,803)
Net Cash Flows Used in Investing Activities	(589,718,968)	(3,073,221,095)	(501,529,608)	(2,861,150,485)
Cash Flows from Financing Activities				
Increase in short - term loans from financial institutions	12,731,000,000	13,669,546,836	12,411,000,000	13,058,084,367
Repayment for short - term loans from financial institutions	(14,532,546,836)	(12,108,871,576)	(14,206,084,367)	(11,463,000,000)
Short - term loans	29,000,000	-	-	-
Interest payment	(44,488,150)	(36,348,021)	(43,215,860)	(34,570,732)
Dividend paid	(1,187,320,687)	(735,968,724)	(1,187,320,687)	(735,968,724)
Cash received from increase in share capital of subsidiaries	1,112,635,969	808,954,504	1,112,635,969	808,954,504
Cash paid for lease liabilities	(139,657,563)	-	(132,340,101)	-
Net Cash Flows Provided from (Used in) Financing Activities	(2,031,377,267)	1,597,313,019	(2,045,325,046)	1,633,499,415
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(47,055,579)	(7,924,815)	(41,903,828)	(22,754,370)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	117,925,477	125,850,292	92,318,194	115,072,564
CASH AND CASH EQUIVALENTS AT END OF YEAR	70,869,898	117,925,477	50,414,366	92,318,194
Supplemental cash flow information:				
Non-cash items :				
Lease liabilities	514,364,066	-	503,180,936	-

DYNASTY CERAMIC PUBLIC COMPANY LIMITED
AND ITS SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

1. CORPORATE INFORMATION

Dynasty Ceramic Public Company Limited (“the Company”) was registered as a public company in the year 1992. The Company is principally engaged in the manufacturing and selling of ceramic wall and floor tiles. Its registered office address is 37/7 Suthisarnwinichai Rd., Samseannok, Huaykwang, Bangkok. The major shareholder of the Company is Saengsastra family.

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

2. BASIS FOR FINANCIAL STATEMENTS PREPARATION AND PRINCIPLES OF CONSOLIDATION

2.1 Basis of preparation

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

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

The preparation of financial statements in conformity with Thai generally accepted accounting principles requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 6 to the financial statements.

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

2.2 Coronavirus disease 2019 Pandemic

The Coronavirus disease 2019 (COVID-19) 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 Company and its subsidiaries operate. The Company and its subsidiaries’ 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.

2.3 Principles of consolidation

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

		Percentage of holding (%)	
Company Name	Nature of business	2020	2019
<u>Subsidiaries directly held by the Company</u>			
Tile Top Industry Public Co., Ltd.	Manufacturing and distribution of ceramic wall and floor tiles	96.83	96.83
The Royal Ceramic Industry Public Co., Ltd. (“RCI”)	Manufacturing and distribution of ceramic wall and floor tiles	91.87	84.88
<u>Subsidiary held through The Royal Ceramic Industry Public Co., Ltd.</u>			
The Royal Asia Brick and Tile Co., Ltd. (“RABT”)	Not operate	100	100

On August 31, 2020, the Company acquisition of ordinary shares of The Royal Ceramic Industry Public Co., Ltd. at a price not exceeding Baht 4.00 per share, 43.11 million shares, totalling Baht 172.44 million.

- b) Significant transactions with subsidiary have been eliminated in the consolidated financial statements.
- c) 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.
- d) The total assets of subsidiary as at December 31, 2020 and 2019 and total revenues for the years ended December 31, 2020 and 2019 as included in the consolidated financial statements presented in term of percentages as follow :

	Percentage of subsidiary's total assets to consolidated total assets		Percentage of subsidiary's total revenues to consolidated total revenues	
	2020	2019	2020	2019
<u>Subsidiary company</u>				
Tile Top Industry Public Co., Ltd.	23	23	25	28
Group The Royal Ceramic Industry Public Co., Ltd.	12	12	12	14

3. NEW FINANCIAL REPORTING STANDARD

3.1 New 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 January 1, 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 amortized cost (taking into account the type of instrument, the characteristics of the contractual cash flows and the Company's business model), calculation of impairment using the expected credit loss method, and hedge accounting. These include stipulations regarding the presentation and disclosure of financial instruments.

The effects of the adoption of these accounting standards are described below:

- Classification and measurement of investments in equity instruments of non-listed companies - The Company and its subsidiaries is to measure investments in equity instruments of non-listed companies at fair value and elect to classify the investments as financial assets at fair value through profit or loss. The Group's management assessed and considered that the cost of such investments has represented the fair value of the investments. Therefore, the fair value measurement of the investments in equity instruments of non-listed companies do not have any impact on the adjustment of retained earnings as at January 1, 2020.
- Recognition of credit losses - The Company and its subsidiaries is to recognise an allowance for expected credit losses on its financial assets, and they are no longer necessary for a credit - impaired event to have occurred. The Company and its subsidiaries apply simplified approach to consider impairment of trade receivables. The Company and its subsidiaries' management has considered that the recognition of credit losses does not have any significant impact on the adjustment of retained earnings as at January 1, 2020.

The Company and its subsidiaries adopted these financial reporting standards which the cumulative effect of initially applying is recognised as an adjustment to the retained earnings as at January 1, 2020, and the comparative information was not restated.

The cumulative effect of the change is described in Note 4 to the financial statements.

TFRS 16 Leases

TFRS 16 supersedes TAS 17 Leases together with related Interpretations. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases, and requires a lessee to 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 and its subsidiaries adopted TFRS 16 which the cumulative effect of initially applying is recognised as an adjustment to the retained earnings as at January 1, 2020, and the comparative information was not restated.

The cumulative effect of the change is described in Note 4 to the financial statements.

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.
- To measure the fair value of investments in unquoted equity instruments using the 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.

3.2 Financial reporting standards that became effective for fiscal years beginning on or after January 1, 2021

The Federation of Accounting Professions issued a number of revised financial reporting standards and interpretations, which are effective for fiscal years beginning on or after January 1, 2021. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards.

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

4. CUMULATIVE EFFECTS OF CHANGES IN ACCOUNTING POLICIES DUE TO THE ADOPTION OF NEW FINANCIAL REPORTING STANDARD

As described in Note 3 to the financial statements, during the current period, the Company and its subsidiaries have adopted TFRS related to financial instruments and TFRS 16 using the modified retrospective method of adoption. The cumulative effect of initially applying TFRS related to financial instruments and TFRS 16 is recognised. Therefore, the comparative information was not restated.

There is no effect of the changes in accounting policies due to the early adoption of TFRS related to financial instruments and TFRS 16 Leases on the beginning balance of retained earnings for 2020.

The amounts of adjustments affecting the statements of financial position as at January 1, 2020, due to the adoption of these financial reporting standards comprise:

(Unit : Baht)

	Consolidated			
	December 31, 2019	The effect of		January 1, 2020
		TFRS related to financial instruments	TFRS 16	
Statement of financial position				
Assets				
Current assets				
Other current financial assets	-	1,063,937	-	1,063,937
Other investments	1,063,937	(1,063,937)	-	-
Non-current assets				
Other non-current financial assets	-	314,300	-	314,300
Right-of-use assets	-	-	629,070,991	629,070,991
Other long - term investments	314,300	(314,300)	-	-
Liabilities and shareholders' equity				
Current liabilities				
Lease liabilities - current portion	-	-	145,530,485	145,530,485
Non-current liabilities				
Lease liabilities - net of current portion	-	-	483,540,506	483,540,506

(Unit : Baht)

	Consolidated			
	December 31, 2019	The effect of		January 1, 2020
		TFRS related to financial instruments	TFRS 16	
Statement of financial position				
Assets				
Current assets				
Other current financial assets	-	1,063,937	-	1,063,937
Other investments	1,063,937	(1,063,937)	-	-
Non-current assets				
Right-of-use assets	-	-	614,540,460	614,540,460
Liabilities and shareholders' equity				
Current liabilities				
Lease liabilities - current portion	-	-	138,032,151	138,032,151
Non-current liabilities				
Lease liabilities - net of current portion	-	-	476,448,309	476,448,309

a) Financial instruments

The classifications, measurement basis and carrying values of financial assets and financial liabilities in accordance with TFRS 9 as at January 1, 2020, and with the carrying amounts under the former basis, are as follows:

(Unit : Baht)

	Consolidated				
	Carrying amounts under the former basis	Classification and measurement in accordance with TFRS 9			
		Fair value through profit or loss	Fair value through other comprehensive income	Amortised cost	Total
Financial assets as at January 1, 2020					
Cash and cash equivalents	117,925,477	-	-	117,925,477	117,925,477
Trade account and other current receivables - net	308,527,927	-	-	308,527,927	308,527,927
Other current financial assets - Other investments	1,063,937	1,063,937	-	-	1,063,937
Other non-current financial assets - Other long - term investments	314,300	314,300	-	-	314,300
Total financial assets	427,831,641	1,378,237	-	426,453,404	427,831,641

(Unit : Baht)

Consolidated					
	Carrying amounts under the former basis	Classification and measurement in accordance with TFRS 9			
		Fair value through profit or loss	Fair value through other comprehensive income	Amortised cost	Total
Financial assets as at January 1, 2020					
Cash and cash equivalents	92,318,194	-	-	92,318,194	92,318,194
Trade account and other current receivables - net	302,397,640	-	-	302,397,640	302,397,640
Other current financial assets - Other investments	1,063,937	1,063,937	-	-	1,063,937
Total financial assets	395,779,771	1,063,937	-	394,715,834	395,779,771

As at January 1, 2020, the Company and its subsidiaries do not stipulations any financial liabilities to be measured at fair value through profit or loss.

b) Leases

Upon initial application of TFRS 16 the Company and its subsidiaries recognised lease liabilities previously classified as operating leases at the present value of the remaining lease payments, discounted using the Company and its subsidiaries' incremental borrowing rate at January 1, 2020. For leases previously classified as finance leases, the Company and its subsidiaries recognised the carrying amount of the right-of-use assets and lease liabilities based on the carrying amounts of the lease assets and lease liabilities immediately before the date of initial application of TFRS 16.

(Unit : Baht)

	Consolidated	Separate
Operating lease commitments disclosed as at December 31, 2019	690,441,052	673,797,378
Less: Commitments relating to short-term leases and leases of low-value assets	(2,995,743)	(1,200,289)
Add : extension options the lease term	20,353,762	20,353,762
Less: Other	(32,608,167)	(32,608,167)
Less : Deferred interest expenses	(46,119,913)	(45,802,224)
Increase in lease liabilities due to TFRS 16 adoption	629,070,991	614,540,460
Liabilities under finance lease agreements as at December 31, 2019	-	-
Lease liabilities recognised as at January 1, 2020	629,070,991	614,540,460
The above lease liabilities comprise of :		
Current lease liabilities	145,530,485	138,092,151
Non-current lease liabilities	483,540,506	476,448,309
	629,070,991	614,540,460

The adjustment of right-of-use assets due to TFRS 16 adoption as at January 1, 2020 are summarised below:

(Unit : Baht)

	Consolidated	Separate
Land	553,779,052	553,779,052
Vehicle	75,291,939	60,761,408
Total right-of-use assets	629,070,991	614,540,460

5. SIGNIFICANT ACCOUNTING POLICIE

5.1 Revenues and expenses recognition

Revenue from sale of goods is recognised at the point in time when control of the goods is transferred to the customer, generally on delivery of the goods. Revenue is measured at the amount of the consideration received or receivable, excluding value added tax, of goods supplied after deducting ,discounts, allowances and price promotions to customers.

Other income and expenses are recognized on an accrual basis.

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

5.2 Cash and cash equivalents

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

5.3 Trade accounts receivable

Trade accounts receivable are stated at the net realisable value. A receivable is initially recognised all the amount of the consideration that is unconditionally payable.

5.4 Inventories

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

5.5 Non – Current assets classified as held for sale

The Company classifies as non-current assets held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. The criteria for held for sale classification is regarded as met only when the sale is highly probable and the asset is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Assets classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

5.6 Investments

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

The Company treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Company. A difference between the amount of the adjustment to non-controlling interests to reflect their relative interest in the subsidiaries and any consideration paid or received is recognised within equity.

5.7 Financial instruments

The Company and its subsidiaries initially measures financial assets at its fair value plus, in the case of financial assets that are not measured at fair value through profit or loss, transaction costs. However, trade receivables, that do not contain a significant financing component are measured at the transaction price.

Classification and measurement of financial assets

Financial assets are classified, at initial recognition, as to be subsequently measured at amortised cost, fair value through other comprehensive income ("FVOCI"), or fair value through profit or loss ("FVTPL"). The classification of financial assets at initial recognition is driven by the Company and its subsidiaries' business model for managing the financial assets and the contractual cash flows characteristics of the financial assets.

Financial assets at amortised cost

The Company and its subsidiaries measures financial assets at amortised cost if the financial asset is held in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Financial assets at amortised cost are subsequently measured using the effective interest rate ("EIR") method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Financial assets at FVTPL

Financial assets measured at FVTPL are carried in the statement of financial position at fair value with net changes in fair value recognised in profit or loss.

These financial assets include derivatives, security investments held for trading, equity investments which the Company and its subsidiaries has not irrevocably elected to classify at FVOCI and financial assets with cash flows that are not solely payments of principal and interest.

Dividends on listed equity investments are recognised as other income in profit or loss.

Classification and measurement of financial liabilities

Except for derivative liabilities, at initial recognition the Company and its subsidiaries' financial liabilities are recognised at fair value net of transaction costs and classified as liabilities to be subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. In determining amortised cost, the Company and its subsidiaries takes into account any fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in profit or loss.

The Company and its subsidiaries may elect to measure financial liabilities at FVTPL if doing so eliminates, or significantly reduces a recognition inconsistency (sometimes referred to as an accounting mismatch).

Derecognition of financial instruments

A financial asset is primarily derecognised when the rights to receive cash flows from the asset have expired or have been transferred and either the Company and its subsidiaries has transferred substantially all the risks and rewards of the asset, or the Company and its subsidiaries has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Impairment of financial assets

For trade receivables, the Company and its subsidiaries applies a simplified approach in calculating ECLs. Therefore, the Company and its subsidiaries does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. It is based on its historical credit loss experience and adjusted for forward-looking factors specific to the debtors and the economic environment. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

5.8 Investment properties

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and allowance for loss on impairment (if any).

Depreciation of investment properties is calculated by reference to their costs, on the straight-line basis over the following estimated useful lives:

Buildings and structures	20	years
Furniture, fixtures and office equipment	5	years

Depreciation of the investment properties is included in determining income.

On disposal of investment properties, the difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period when the asset is derecognised.

5.9 Property, plant and equipment

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

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

Buildings and structures	1 - 52	years
Machinery and equipment	5 - 20	years
Furniture, fixtures and office equipment	1 - 20	years
Vehicles	5	years

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

5.10 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective assets. All other borrowing costs are expensed in the period they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

5.11 Leases

Right-of-use assets

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

Unless the Company and its subsidiaries is reasonably certain that it will obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis from the commencement date of the lease to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

Lease liabilities

At the commencement date of the lease, the Company and its subsidiaries recognises lease liabilities measured at the present value of the lease payments to be made over the lease term, discounted by the interest rate implicit in the lease or the Company and its subsidiaries' incremental borrowing rate. 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 modification or reassessment.

Short-term leases and Leases of low-value assets

Payments under leases that, have a lease term of 12 months or less at the commencement date, or are leases of low-value assets, are recognised as expenses on a straight-line basis over the lease term.

5.12 Intangible assets

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

5.13 Property foreclosed and assets not used in operations

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

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

5.14 Impairment of assets

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

5.15 Foreign currencies transactions

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

5.16 Employee benefits

Current employment benefits

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

Unfunded provident fund

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

Post-employment benefits (Defined contribution plan)

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

Post-employment benefits (Defined benefit plan)

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

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

Past service costs are recognized in profit or loss on the earlier of the date of the plan amendment or curtailment and the date that the Group recognises restructuring-related costs.

5.17 Income tax

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

Current income tax

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

Deferred income tax

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

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the Revenue Department on a net basis or when tax assets and liabilities will be realized simultaneously.

5.18 Related parties

Related parties comprise enterprises and individuals that control, or are controlled by the Company, whether directly or indirectly, or which are under common control with the Company.

They also include associated companies and individuals which directly or indirectly own a voting interest in the Company that gives them significant influence over the Company, key management personnel, directors and officers with authority in the planning and directing the Company's operations.

5.19 Fair value measurement

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

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

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

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

5.20 Dividend payment

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

5.21 Earnings per share

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

5.22 Segment reporting

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

5.23 Use of accounting estimates

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

5.24 Provisions for liabilities and expenses, and contingent assets

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

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

6.1 Critical accounting estimates, assumption and judgments

6.1.1 Determining the lease term of contracts with renewal and termination options

The Company and its subsidiaries determine the lease term as the non-cancellable term of the lease, 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 exercised. The management is required to use judgment in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease, considering all relevant factors that create an economic incentive to exercise either the renewal or termination. After the commencement date, the Company and its subsidiaries 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 renew or to terminate.

6.1.2 Incremental borrowing rate

In cases where the Company and its subsidiaries is unable to determine the interest rate implicit in the lease, it uses the incremental borrowing rate (IBR) to measure lease liabilities. The Company and its subsidiaries estimates the IBR using observable inputs, lessee's credit rating, similar security and similar term.

6.1.3 Allowance for expected credit losses of account receivables

In determining an allowance for expected credit losses of account receivables, the management needs to make judgement and estimates based upon, among other things, past collection history, aging profile of outstanding debts and the forecast economic condition for groupings of various customer segments with similar credit risks. The Company and its subsidiaries' historical credit loss experience and forecast economic conditions may also not be representative of whether a customer will actually default in the future.

6.1.4 Allowance for slow - moving and defective inventories

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

6.1.5 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.

6.1.6 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.

6.1.7 Post-employment benefits (defined benefit plans)

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

6.1.8 Deferred tax assets

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

6.2 Capital risk management

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

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

7. CASH AND CASH EQUIVALENTS

(Unit : Baht)

	Consolidated		Separate	
	2020	2019	2020	2019
Cash on hand	6,509,206	5,576,704	6,357,206	5,347,719
Cash at banks				
Current accounts	20,649,356	35,668,545	13,812,260	28,032,098
Saving accounts	43,711,336	76,680,228	30,244,900	58,938,377
Total	70,869,898	117,925,477	50,414,366	92,318,194

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

8. TRANSACTIONS WITH RELATED PARTIES

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

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

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

On August 31, 2020, the Company acquisition of ordinary shares of The Royal Ceramic Industry Public Co., Ltd at a price not exceeding Baht 4.00 per share, 43.11 million shares, totalling Baht 172.44 million.

The significant transactions with related parties for the years ended December 31, 2020 and 2019 are as follows:

(Unit : Baht)

	Pricing Policy	Consolidated		Separate	
		For the years ended December 31,			
		2020	2019	2020	2019
<u>Sales – raw materials and supplies</u>	At cost				
Tile Top Industry Public Co., Ltd.	At cost	-	-	3,437,539	3,609,647
The Royal Ceramic Industry Public Co., Ltd.	At cost	-	-	11,624,524	17,932,728
Total		-	-	15,062,063	21,542,375
<u>Office and branches rental income</u>					
Tile Top Industry Public Co., Ltd.	Contract price	-	-	720,000	720,000
The Royal Ceramic Industry Public Co., Ltd.	Contract price	-	-	720,000	720,000
The Royal Asia Brick and Tile Co., Ltd.	Contract price	-	-	144,000	144,000
Total		-	-	1,584,000	1,584,000
<u>Management income</u>					
Tile Top Industry Public Co., Ltd.	Baht 1,100,000 per month	-	-	13,200,000	12,000,000
<u>Rental machine income</u>					
The Royal Ceramic Industry Public Co., Ltd.	Contract price	-	-	-	800,000
<u>Freight Income</u>					
The Royal Ceramic Industry Public Co., Ltd.	At cost	-	-	52,489,080	50,768,672
<u>Purchases – finished goods</u>					
Tile Top Industry Public Co., Ltd.	At competitive market price but more than cost	-	-	2,140,567,920	2,251,228,257
The Royal Ceramic Industry Public Co., Ltd.	At competitive market price but more than cost	-	-	1,010,280,912	1,156,156,262
Total		-	-	3,150,848,832	3,407,384,519

(Unit : Baht)

	Pricing Policy	Consolidated		Separate	
		For the years ended December 31,			
		2020	2019	2020	2019
<u>Purchases – raw materials and supplies</u>					
Tile Top Industry Public Co., Ltd.	At cost	-	-	2,713,076	2,428,339
The Royal Ceramic Industry Public Co., Ltd.	At cost	-	-	3,408,567	4,624,176
Total		-	-	6,121,643	7,052,515
<u>Management fee</u>					
Tile Top Industry Public Co., Ltd.	Baht 330,000 per month	-	-	3,960,000	3,600,000
<u>Management expense</u>					
Current employment benefits		51,216,486	51,007,762	27,577,709	29,533,531
Post-employment benefits		232,445	160,531	183,842	130,032
Total		51,448,931	51,168,293	27,761,551	29,663,563

The significant balances with related company as at December 31, 2020 and 2019 are as follows:

(Unit : Baht)

	Consolidated		Separate	
	2020	2019	2020	2019
<u>Trade accounts payables – subsidiaries company</u>				
Tile Top Industry Public Co., Ltd.	-	-	1,144,771,545	991,618,041
The Royal Ceramic Industry Public Co., Ltd.	-	-	149,543,710	43,668,664
Total	-	-	1,294,315,255	1,035,286,705
<u>Other receivable - subsidiaries company</u>				
The Royal Ceramic Industry Public Co., Ltd.	-	-	4,944,487	-
<u>Lease liabilities</u>				
Mr. Monrak Saengsastra and Mr. Marut Saengsastra	108,300,400	-	108,300,400	-
Employee benefits obligation				
<u>Executive</u>				
Post – employment benefits	2,493,567	1,642,987	2,024,986	1,366,875

9. TRADE ACCOUNTS AND OTHER CURRENT RECEIVABLE – NET

Consist of:

(Unit : Baht)

	Consolidated		Separate	
	2020	2019	2020	2019
<u>Trade accounts receivable</u>				
Trade accounts receivable	117,386,566	216,156,260	117,386,566	216,156,260
<u>Less</u> Allowance for expected credit losses	(1,301,988)	(1,781,988)	(1,301,988)	(1,781,988)
Trade accounts receivable - net	116,084,578	214,374,272	116,084,578	214,374,272
Other current receivable	27,694,216	94,478,433	21,085,752	88,023,368
<u>Less</u> Allowance for expected credit losses	(264,446)	(324,778)	-	-
Other accounts receivable - net	27,429,770	94,153,655	21,085,752	88,023,368
Trade accounts and other current receivable - net	143,514,348	308,527,927	137,170,330	302,397,640

Outstanding balances of receivable as at December 31, 2020 and 2019 classified by ages are as follows:

(Unit : Baht)

	Consolidated		Separate	
	2020	2019	2020	2019
<u>Trade accounts receivable</u>				
Not over 90 days	115,116,406	212,094,824	115,116,406	212,094,824
Over 90 days to 120 days	-	211,032	-	211,032
Over 120 days to 180 days	154,756	377,369	154,756	377,369
Over 180 days to 365 days	504,722	484,469	504,722	484,469
Over 365 days	1,610,682	2,988,566	1,610,682	2,988,566
Total	117,386,566	216,156,260	117,386,566	216,156,260
<u>Less</u> Allowance for expected credit losses	(1,301,988)	(1,781,988)	(1,301,988)	(1,781,988)
Net	116,084,578	214,374,272	116,084,578	214,374,272

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

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

During the year, the movements in allowance for expected credit losses of trade accounts and other current receivable are as follows:

(Unit : Baht)

	Consolidated		Separate	
	2020	2019	2020	2019
Beginning balance	(2,106,766)	(2,075,812)	(1,781,988)	(1,598,698)
Increase	-	(343,290)	-	(343,290)
Decrease	540,332	312,336	480,000	160,000
Ending balance	(1,566,434)	(2,106,766)	(1,301,988)	(1,781,988)

10. INVENTORIES – NET

(Unit : Baht)

	Consolidated		Separate	
	2020	2019	2020	2019
Finished goods	1,867,526,011	1,920,750,890	1,792,360,719	1,889,681,072
Work in process	36,210,800	39,160,168	16,200,032	15,859,732
Raw materials	82,619,731	97,407,674	22,670,499	25,966,588
Supplies	113,775,000	113,921,705	37,705,495	39,780,237
Goods in transit	855,402	5,019,889	56,134	1,660,092
Total	2,100,986,944	2,176,260,326	1,868,992,879	1,972,947,721
Less Allowance for decline values	(11,576,605)	(11,935,613)	-	-
Net	2,089,410,339	2,164,324,713	1,868,992,879	1,972,947,721

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

(Unit : Baht)

	Consolidated		Separate	
	2020	2019	2020	2019
Beginning balance	11,935,613	12,783,239	-	-
Increase	-	-	-	-
Decrease	(359,008)	(847,626)	-	-
Ending balance	11,576,605	11,935,613	-	-

During the year 2020, the subsidiary reversed allowances for decline value of Baht 0.36 million because the management considered that the inventory has not deteriorated and the subsidiary was used for production Those were reversed in the statement of profit or loss and other comprehensive income. (2019: Baht 0.85 million)

Costs of inventories which were recognized as expenses for the years ended December 31, 2020 and 2019 are as follows:

(Unit : Baht)

	Consolidated		Separate	
	2020	2019	2020	2019
Cost of goods sold	4,972,879,310	4,992,047,050	5,247,571,959	5,343,818,928
Reversal of allowance for decline value	(359,008)	(847,626)	-	-
Cost of sales	4,972,520,302	4,991,199,424	5,247,571,959	5,343,818,928

11. OTHER CURRENT FINANCIAL ASSETS/OTHER INVESTMENTS

As described in Note 8 to the financial statements, other current financial assets/other investments in the consolidated and separate financial statements as at December 31, 2020 and 2019 are as follow:

(Unit : Thousand Baht)

	Consolidated and Separate					
	Paid-up capital		Percentage of shareholding		Amount	
	2020	2019	2020	2019	2020	2019
World Wide Ceramic Co., Ltd.	1,000	1,000	99.93	99.93	1,064	1,064

12. INVESTMENT IN SUBSIDIARIES

12.1 Investment in subsidiaries in the separate financial statement as at December 31, 2020 and 2019 which are stated at cost are as follow:

(Unit : Thousand Baht)

Company's name	Paid-up capital		Percentage of shareholding		Amount		Dividend Income	
	2020	2019	2020	2019	2020	2019	2020	2019
Tile Top Industry Public Co., Ltd.	222,000	222,000	96.83	96.83	109,480	109,480	-	-
The Royal Ceramic Industry Public Co., Ltd.	616,839	616,839	91.87	84.88	2,272,790	2,100,321	-	-
Total					2,382,270	2,209,801	-	-

Change in investments in subsidiaries held by the Company

At the Board of Directors Meeting No.5/2020 held on August 10, 2020, the board of directors pass a resolution to approved the Company purchase of ordinary shares of the Royal Ceramic Industry Public Company Limited ("RCI") through the Stock Exchange of Thailand, at a price not exceeding Baht 4.00 per share. The total purchase value is not more than Baht 180.00 million.

On August 31, 2020, the Company entered into share purchase transaction at a price not exceeding Baht 4.00 per share, 43.11 million shares, totalling Baht 172.44 million.

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

(Unit : Million Baht)

Company	Proportion of equity interest held by on-controlling interests		Accumulated balance of non-controlling interests		Profit/loss allocated to non-controlling interests during the year		Dividend paid to non-controlling interests during the year	
	2020 (%)	2019 (%)	2020	2019	2020	2019	2020	2019
Tile Top Industry Public Co., Ltd.	3.17	3.17	53.53	52.73	0.80	0.55	-	-
The Royal Ceramic Industry Public Co., Ltd. and its subsidiary	8.13	15.12	42.55	99.56	0.34	139.45	-	-

12.3 The summarized financial information before intragroup eliminations of each non-wholly owned subsidiaries which has material non-controlling interests for the years ended December 31, 2020 and 2019, are as follows;

(Unit : Thousand Baht)

	Tile Top Industry Public Co., Ltd.		The Royal Ceramic Industry Public Co., Ltd. and its subsidiary	
	2020	2019	2020	2019
Condensed statement of financial position				
As at December 31,				
Current assets	1,238,608	1,094,519	381,730	320,220
Non-current assets	816,482	891,758	698,106	697,456
Current liabilities	(258,339)	(217,463)	(202,614)	(205,136)
Non-current liabilities	(118,759)	(111,433)	(49,130)	(47,404)
Equity attributable to owners of the Company	(1,624,457)	(1,604,652)	(785,540)	(665,571)
Non-controlling interests	(53,534)	(52,729)	(42,553)	(99,564)
Condensed statement of profit or loss and other comprehensive income				
For the years ended December 31,				
Revenues	2,144,895	2,261,072	1,016,402	1,181,766
Expenses	(2,124,285)	(2,229,463)	(953,445)	(1,016,761)
Profit (loss) for the year	20,610	31,609	62,957	165,005
Profit attributable to:				
Owner of the Parent	19,805	30,607	62,621	25,556
Non-controlling interests	805	1,002	336	139,449
Total comprehensive income for the year				
Owner of the Parent	-	(1,763)	-	-
Non-controlling interests	-	(58)	-	-
Total comprehensive income attributable to:				
Owner of the Parent	19,805	28,844	62,621	25,556
Non-controlling interests	805	944	336	139,449
Condensed statement of cash flows				
Net cash inflow (outflow) from operating activities	30,122	45,054	38,968	218,033
Net cash inflow (outflow) from investing activities	(26,750)	(38,588)	(61,439)	(173,483)
Net cash inflow (outflow) from financing activities	(5,993)	(19)	19,941	(36,168)
Net cash inflow (outflow)	(2,621)	6,447	(2,530)	8,382

13. INVESTMENT PROPERTIES - NET

During the current year, there are significant changes in investment properties as follows:

(Unit : Baht)

	Consolidated/Separate		
	Buildings and structures	Furniture, fixtures and office equipment	Total
Cost			
As at December 31, 2019	21,478,402	2,427,000	23,905,402
Purchase	440,142	-	440,142
Disposals / Amortized	-	-	-
Transfer in (out)	-	-	-
Transferred from property, plant and equipment	48,132,016	-	48,132,016
As at December 31, 2020	70,050,560	2,427,000	72,477,560
Accumulated Depreciation			
As at December 31, 2019	(327,383)	(191,818)	(519,201)
Depreciation for the year	(2,668,248)	(486,190)	(3,154,438)
Disposal / Amortized	-	-	-
Transfer in (out) -	-	-	-
As at December 31, 2020	(2,995,631)	(678,008)	(3,673,639)
Net Book Value			
As at December 31, 2019	21,151,019	2,235,182	23,386,201
As at December 31, 2020	67,054,929	1,748,992	68,803,921
Depreciation in the statement of comprehensive income			
December 31, 2019	327,383	191,818	519,201
December 31, 2020	2,668,248	486,190	3,154,438

14. PROPERTY, PLANT AND EQUIPMENT – NET

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

Consolidated							(Unit : Baht)
	Land	Buildings and structures	Machinery and equipment	Furniture, fixtures and office equipment	Vehicles	Construction in progress and machinery during installation	Total
Cost							
As at December 31, 2019	1,601,876,712	3,514,012,696	6,065,047,836	1,185,385,939	25,247,191	651,899,754	13,043,470,128
Purchase	41,437,987	5,817,727	17,378,746	12,062,600	-	343,015,776	419,712,836
Disposals / Amortized	(3,087,124)	(25,254,816)	(97,531,425)	(11,883,393)	-	-	(137,756,758)
Transfer in (out)	29,378,760	329,185,583	256,390,647	2,201,395	-	(617,156,385)	-
Transferred to investment property	-	-	-	-	-	(48,132,016)	(48,132,016)
As at December 31, 2020	1,669,606,335	3,823,761,190	6,241,285,804	1,187,766,541	25,247,191	329,627,129	13,277,294,190
Accumulated Depreciation							
As at December 31, 2019	-	(1,570,548,387)	(4,593,314,345)	(861,693,982)	(12,425,688)	-	(7,037,982,402)
Depreciation for the year	-	(190,011,333)	(251,571,068)	(117,240,449)	(3,780,060)	-	(562,602,910)
Disposal / Amortized	-	24,637,902	97,531,277	11,741,530	-	-	133,910,709
Transfer in (out)	-	-	(2,858,365)	2,858,365	-	-	-
As at December 31, 2020	-	(1,735,921,818)	(4,750,212,501)	(964,334,536)	(16,205,748)	-	(7,466,674,603)
Net Book Value							
As at December 31, 2019	1,601,876,712	1,943,464,309	1,471,733,491	323,691,957	12,821,503	651,899,754	6,005,487,726
As at December 31, 2020	1,669,606,335	2,087,839,372	1,491,073,303	223,432,005	9,041,443	329,627,129	5,810,619,587
Depreciation in the statement of comprehensive income							
December 31, 2019	-	165,285,307	232,554,453	123,439,039	3,448,757	-	524,727,556
December 31, 2020	-	190,011,333	251,571,068	117,240,449	3,780,060	-	562,602,910

(Unit : Baht)

Separate							
	Land	Buildings and structures	Machinery and equipment	Furniture, fixtures and office equipment	Vehicles	Construction in progress and machinery during installation	Total
Cost							
As at December 31, 2019	1,380,598,223	2,663,621,136	2,286,117,236	1,008,242,451	11,501,207	535,709,900	7,885,790,153
Purchase	42,032,638	3,743,947	6,203,118	8,331,742	-	267,398,598	327,710,043
Disposals / Amortized	(768,848)	(25,254,816)	(1,987,192)	(7,904,044)	-	-	(35,914,900)
Transfer in (out)	29,378,760	299,885,341	109,966,605	5,304,707	-	(444,535,413)	-
Transferred to investment property	-	-	-	-	-	(48,132,016)	(48,132,016)
As at December 31, 2020	1,451,240,773	2,941,995,608	2,400,299,767	1,013,974,856	11,501,207	310,441,069	8,129,453,280
Accumulated Depreciation							
As at December 31, 2019	-	(992,529,444)	(1,726,218,319)	(719,399,416)	(7,550,700)	-	(3,445,697,879)
Depreciation for the year	-	(173,105,412)	(96,519,198)	(109,438,396)	(1,423,110)	-	(380,486,116)
Disposal / Amortized	-	24,637,902	1,987,165	7,776,724	-	-	34,401,791
Transfer in (out)	-	-	(1,261,288)	1,261,288	-	-	-
As at December 31, 2020	-	(1,140,996,954)	(1,822,011,640)	(819,799,800)	(8,973,810)	-	(3,791,782,204)

(Unit : Baht)

Separate							
	Land	Buildings and structures	Machinery and equipment	Furniture, fixtures and office equipment	Vehicles	Construction in progress and machinery during installation	Total
Net Book Value							
As at December 31, 2019	1,380,598,223	1,671,091,692	559,898,917	288,843,035	3,950,507	535,709,900	4,440,092,274
As at December 31, 2020	1,451,240,773	1,800,998,654	578,288,127	194,175,056	2,527,397	310,441,069	4,337,671,076
Depreciation in the statement of comprehensive income							
December 31, 2019	-	163,039,899	92,097,731	115,183,854	1,475,838	-	371,797,322
December 31, 2020	-	173,105,412	96,519,198	109,438,396	1,423,110	-	380,486,116

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

During the years 2020 and 2019, the Company and its subsidiary used loans from banks and related parties for construction and installation of machines and factory equipment. Borrowing costs amounting to Baht 5.52 million and Baht 7.76 million, respectively. (The Company's portions: Baht 5.08 million and Baht 7.76 million, respectively), were capitalised as costs of assets, which were calculated based on capitalisation rates of 0.10% to 0.53% and 1.48% to 1.75%, respectively. (The Company's portions: rates of 0.10% to 0.53% and 1.48% to 1.75%, respectively).

As at December 31, 2019 the subsidiary have mortgaged their property, plant and equipment with total net book value of approximate Baht 554 million, as collateral to secure loans and credit facilities granted by a financial institution. On August 24, 2020, the subsidiary has released the mortgage of such property, plant and equipment.

As at December 31, 2020 and 2019 a portion of the Company's and its subsidiary's buildings and equipment had been fully depreciated but are remained in active use. The gross carrying amounts of such assets before accumulated depreciation are totalling Baht 3,879 million and Baht 3,800 million, respectively. (The Company's portions: Baht 1,760 million and Baht 1,627 million, respectively).

15. INTANGIBLE ASSETS – NET

(Unit : Baht)

	Consolidated		Separate	
	2020	2019	2020	2019
At cost				
Computer software	83,628,010	81,214,911	81,328,533	78,915,435
<u>Less</u> Accumulated amortization	(70,911,620)	(63,527,137)	(68,612,146)	(61,229,317)
Net	12,716,390	17,687,774	12,716,387	17,686,118

16. OTHER NON - CURRENT ASSETS – NET

(Unit : Baht)

	Consolidated		Separate	
	2020	2019	2020	2019
Property foreclosed - net of accumulated depreciation	3,548,719	3,548,720	2,548,719	2,548,719
<u>Less</u> Allowance for impairment	(2,292,119)	(2,292,119)	(1,307,119)	(1,307,119)
Property foreclosed - net	1,256,600	1,256,601	1,241,600	1,241,600
Deposits and guarantee	11,785,720	11,784,394	10,323,094	10,118,784
Lease right - land - net	-	5,412,074	-	5,412,074
Other	10,000	-	10,000	-
Total	13,052,320	18,453,069	11,574,694	16,772,458

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

17. SHORT – TERM LOANS FROM FINANCIAL INSTITUTIONS

(Unit : Baht)

	Interest rate per annum	Consolidated		Separate	
		2020	2019	2020	2019
Bank overdraft	2020 : MOR	-	1,084,367	-	1,084,367
Promissory notes	2020 : 1.15 – 2.55				
	2019 : 1.62 – 2.80	2,165,000,000	3,314,000,000	2,090,000,000	3,234,000,000
Trust receipts	2019 : 1.50	-	1,462,469	-	-
Short-term loans	2020 : 1.90				
	2019 : 2.21	-	650,000,000	-	650,000,000
Total		2,165,000,000	3,966,546,836	2,090,000,000	3,885,084,367

The Company and its subsidiaries have 7 promissory notes will be matured at call after promissory note issuance date.

As at December 31, 2020 and 2019 the Company and its subsidiaries have credit facilities with the financial institutions as follow :

	Credit line (Million Baht)		Interest rate	Maturity Date
	2020	2019		
<u>Bank overdraft</u>				
The Company	40	40	At the floating rate at MOR per annum	Within one year
The subsidiary	65	45	At the floating rate at MOR per annum to MOR - 0.5% per annum	Within one year
<u>Short - term loans</u>				
The Company	3,217	3,967	At the floating rate at MLR - 1.5% or MRR per annum, whichever is the lower Average floating rate In 2020 : 1.21 per annum In 2019 : 1.97 per annum	Due at call
	-	1,000	THBFIX3M+1%	Within one year
The subsidiary	520	520	At the floating rate at MRR per annum	Due at call
	200	200	According to the reference commercial bank	Maturity on agreement

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

	Credit line (Million Baht)		Interest rate	Maturity Date
	2020	2019		
Liabilities under trust receipts				
The Company	60	60	At the floating rate at MLR - 1.5% per annum	Maturity on agreement
The subsidiary	150	-	Market rate According to the reference commercial bank	Maturity on agreement

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

18. LEASES

The company and its subsidiaries have entered into lease agreements to rental of land and rental of vehicles for use in their operation. The terms of the agreements are generally between 1 to 20 years

18.1 Right-of-use assets

The net book value of right-of-use assets related to land and rental of vehicles equipment lease contracts and the movement for the year 2020 are presented below.

(Unit : Baht)

	Consolidated		
	Land	Vehicle	Total
Cost			
December 31, 2019	-	-	-
Effects of the adoption of TFRS16	553,779,052	75,291,939	629,070,991
January 1, 2020	553,779,052	75,291,939	629,070,991
Addition	54,665,346	11,060,376	65,725,722
Written-off	(2,082,493)	(11,762,387)	(13,844,880)
December 31, 2020	606,361,905	74,589,928	680,951,833
Accumulated depreciation			
December 31, 2019	-	-	-
Effects of the adoption of TFRS16	-	-	-
January 1, 2020	-	-	-
Depreciation for the year	(103,785,865)	(45,553,350)	(149,339,215)
Depreciation - written-off	2,082,493	2,972,067	5,054,560
December 31, 2020	(101,703,372)	(42,581,283)	(144,284,655)
Net book value			
December 31, 2019	-	-	-
January 1, 2020	553,779,052	75,291,939	629,070,991
December 31, 2020	504,658,533	32,008,645	536,667,178

(Unit : Baht)

	Separate		
	Land	Vehicle	Total
Cost			
December 31, 2019	-	-	-
Effects of the adoption of TFRS16	553,779,052	60,761,408	614,540,460
January 1, 2020	553,779,052	60,761,408	614,540,460
Addition	54,665,346	7,090,313	61,755,659
Written-off	(2,082,493)	(11,762,387)	(13,844,880)
December 31, 2020	606,361,905	56,089,334	662,451,239
Accumulated depreciation			
December 31, 2019	-	-	-
Effects of the adoption of TFRS16	-	-	-
January 1, 2020	-	-	-
Depreciation for the year	(103,785,865)	(38,093,333)	(141,879,198)
Depreciation - written-off	2,082,493	2,972,067	5,054,560
December 31, 2020	(101,703,372)	(35,121,266)	(136,824,638)
Net book value			
December 31, 2019	-	-	-
January 1, 2020	553,779,052	60,761,408	614,540,460
December 31, 2020	504,658,533	20,968,068	525,626,601

18.2 Lease liabilities

As at December 31, 2020, lease liabilities are as below.

(Unit : Baht)

	Consolidated	Separate
Lease liabilities	552,282,125	540,928,959
Less: Deferred interest expense	(37,918,059)	(37,748,023)
Total	514,364,066	503,180,936
Less: Current portion	(106,084,879)	(98,387,270)
Lease liabilities - net of current portion	408,279,187	404,793,666

The following are the amounts for the years ended December 31, 2020 recognised in profit or loss:

(Unit : Baht)

	Consolidated	Separate
Depreciation of right-of-use assets	149,339,215	141,879,199
Interest expense on lease liabilities	9,228,563	8,994,425
Expense relating to short-term lease	3,417,210	1,660,543
Leases of low - value assets	1,935,840	1,590,240
Total	163,920,828	154,124,407

19. UNFUNDED PROVIDENT FUND – NON CONTRIBUTORY

(Unit : Baht)

	Consolidated	
	2020	2019
Beginning balance	49,278,480	50,980,356
Increase during the year – interest	2,487,707	2,545,688
Payment during the year	(578,435)	(4,247,564)
Ending balance	51,187,752	49,278,480

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

20. PROVIDENT FUND

The Company and its subsidiary had established a provident fund covering all of its employees in accordance with the provident Fund Act B.E. 2530. The employees contribute to the fund at the amount equivalent to 5% of the basic salaries and the Company and its subsidiary contribute to the fund for each employee at amount based on the number of years employed at the specified rate. The Company and its subsidiary appointed fund managers to manage the fund in accordance with the terms and conditions prescribed in the Provident Fund Act B.E.2530. The Company's and its subsidiary's contribution for the years ended December 31, 2020 and 2019 amounted to Baht 45.39 million and Baht 44.29 million, respectively. (Separate F/S: Baht 23.44 million and Baht 24.62 million, respectively)

21. EMPLOYEE BENEFITS OBLIGATION

- Movements in employee benefits obligation for the years ended December 31, 2020 and 2019 are as follows:

(Unit : Baht)

	Consolidated		Separate	
	2020	2019	2020	2019
Defined benefit obligation at January 1,	190,997,839	160,243,824	81,439,135	78,113,931
Current service cost	11,469,398	11,579,041	5,598,143	5,659,787
Past service cost	-	41,775,358	-	17,523,112
Interest expense	4,979,889	4,802,196	2,192,227	2,094,014
Re-measurement – actuarial (gains) loss	-	(14,461,194)	-	(16,737,926)
Benefits paid	(10,268,719)	(12,941,386)	(5,266,337)	(5,213,783)
Defined benefit obligation at December 31,	197,178,407	190,997,839	83,963,168	81,439,135
Wholly unfunded	197,178,407	190,997,839	83,963,168	81,439,135

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

- Principal actuarial assumptions at the reporting date for the years ended December 31, 2020 and 2019 are as follows:

(Unit : Percent)

	Consolidated		Separate	
	2020	2019	2020	2019
Discount rates	2.40 – 2.71	2.40 – 2.71	2.71	2.71
Salary growth rate	5.00	5.00	5.00	
Staff Turnover rate**	1.91 – 34.38	1.91 – 34.38	2.87 – 34.38	2.87 – 34.38

**Upon the length service

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

- Defined benefit plan expenses

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

(Unit : Baht)

	Consolidated		Separate	
	2020	2019	2020	2019
Current service cost	11,469,398	11,579,041	5,598,143	5,659,787
Net interest expense	4,979,889	4,802,196	2,192,227	2,094,014
Total expenses recognized in profit or loss	16,449,287	16,381,237	7,790,370	7,753,801

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

- Sensitivity analysis

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

Changes in the significant actuarial assumptions

(Unit : Baht)

	Consolidated		Separate	
	2020		2019	
	Increase 1%	Decrease 1%	Increase 1%	Decrease 1%
Discount rate				
Increase (decrease) in the defined benefit liability	(12,353,939)	13,948,603	(5,069,809)	5,748,957

(Unit : Baht)

	Consolidated		Separate	
	2020		2019	
	Increase 1%	Decrease 1%	Increase 1%	Decrease 1%
Salary growth rate				
Increase (decrease) in the defined benefit liability	13,668,047	(12,358,855)	5,607,182	(5,050,649)

(Unit : Baht)

	Consolidated		Separate	
	2020		2020	
	Increase 20%	Decrease 20%	Increase 20%	Decrease 20%
Staff Turnover rate				
Increase (decrease) in the defined benefit liability	(11,981,025)	14,005,733	(7,031,201)	8,517,708

As at December 31, 2020 expected maturity of employee benefits obligation before discount are as follow :

(Unit : Baht)

	Consolidated	Separate
Within one year	16,214,721	7,611,617
Between 2 – 5 years	65,561,290	24,686,697
Between 6 – 10 years	61,202,439	24,958,873
Total	142,978,450	57,257,187

22. WARRANTS

The warrants are detailed as follows:

Name of warrants	Date of issue and offer of warrants	Exercise price (Baht Per Share) (ordinary share)	Exercise right (warrant per (million units))	Number of allotted shares	First exercise date of warrants	Last exercise date of warrants
DCC-W1	April 24 ,2018	1.15	1 : 1	1,907.75	May 8 ,2019	May 7 ,2021

At the Annual General Meeting of Shareholders held on April 24, 2018 approved date of issuance of the warrants to purchase the ordinary shares of the Company No.1 (“the Warrants DCC-W1”) would like to announce that the Company has issued 2,611,197,583 units of warrants to the existing shareholders in a ratio of 1 warrant for every 2.5 existing ordinary shares, without specifying the offer price. (The fraction of the warrants shall be discarded in whole amount.)

Subsequently, On May 8, 2019, the holders of 703,438,699 warrants exercised options to purchase 703,438,699 ordinary shares at an exercise price of Baht 0.1 each, resulting in an increase in the issued and paid-up share capital from Baht 652,799,396 to Baht 723,143,266. The Company registered the increase in the issued and paid-up share capital with the Ministry of Commerce on May 10, 2019.

On May 8, 2020, the holders of 967,509,538 warrants exercised options to purchase 967,509,538 ordinary shares at an exercise price of Baht 0.1 each, resulting in an increase in the issued and paid-up share capital from Baht 723,143,266 to Baht 819,894,219. The Company registered the increase in the issued and paid-up share capital with the Ministry of Commerce on May 13, 2020.

23. LEGAL RESERVE

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

24. DEFERRED INCOME TAX

Deferred income tax asset and liability are as follows:

(Unit : Baht)

	Consolidated		Separate	
	2020	2019	2020	2019
Deferred income tax asset	65,436,930	52,015,278	16,837,939	16,287,827
Deferred income tax liability	(49,436,582)	(46,435,171)	(49,436,582)	(46,435,171)
Deferred income tax - net	16,000,348	5,580,107	(32,598,643)	(30,147,344)

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

(Unit : Baht)

	Consolidated			
	Recognized as income (expense)			
	January 1, 2020	Statement of income	Shareholders' equity	December 31, 2020
Deferred income tax asset :				
Inventories From profit in inventories	3,960,014	11,729,867	-	15,689,881
Leases	-	73,816	-	73,816
Employee benefits obligation				
From employee benefits obligation	38,199,568	1,236,114	-	39,435,682
From unfunded provident fund	9,855,696	381,855	-	10,237,551
	52,015,278	13,421,652	-	65,436,930
Deferred income tax liability :				
From difference of depreciation between accounting and tax bases	(46,435,171)	1,533,028	-	(44,902,143)
Leases	-	(4,534,439)	-	(4,534,439)
	(46,435,171)	(3,001,411)	-	(49,436,582)

(Unit : Baht)

	Consolidated			
	Recognized as income (expense)			
	January 1, 2019	Statement of income	Shareholders' equity	December 31, 2019
Deferred income tax asset :				
Inventories				
From profit in inventories	860,675	3,099,339	-	3,960,014
Loss carry forward	40,064,728	(40,064,728)	-	-
Employee benefits obligation				
From employee benefits obligation	32,048,765	9,043,042	(2,892,239)	38,199,568
From unfunded provident fund	10,196,071	(340,375)	-	9,855,696
	83,170,239	(28,262,722)	(2,892,239)	52,015,278
Deferred income tax liability :				
From difference of depreciation between accounting and tax bases	(47,905,939)	1,470,768	-	(46,435,171)

(Unit : Baht)

	Separate			
	Recognized as income (expense)			
	January 1, 2020	Statement of income	Shareholders' equity	December 31, 2020
Deferred income tax asset :				
From employee benefits obligation	16,287,827	504,807	-	16,792,634
Leases	-	45,305	-	45,305
	16,287,827	550,112	-	16,837,939
Deferred income tax liability :				
From difference of depreciation between accounting and tax	(46,435,171)	1,533,028	-	(44,902,143)
Leases	-	(4,534,439)	-	(4,534,439)
	(46,435,171)	(3,001,411)	-	(49,436,582)

(Unit : Baht)

	Separate			
	Recognized as income (expense)			
	January 1, 2019	Statement of income	Shareholders' equity	December 31, 2019
Deferred income tax asset :				
From employee benefits obligation	15,622,786	4,012,626	(3,347,585)	16,287,827
Deferred income tax liability :				
From difference of depreciation between accounting and tax	(47,905,939)	1,470,768	-	(46,435,171)

Deferred tax asset and deferred tax liability presented by considering net position of each taxable unit as at December 31, 2020 and 2019 comprises the following:

(Unit : Baht)

	Consolidated		Separate	
	2020	2019	2020	2019
Deferred income tax asset	48,598,991	35,727,451	-	-
Deferred income tax liability	(32,598,643)	(30,147,344)	(32,598,643)	(30,147,344)
Deferred income tax - net	16,000,348	5,580,107	(32,598,643)	(30,147,344)

25. INCOME TAX

Income tax expenses for the years ended December 31, 2020 and 2019 are as follows:

(Unit : Baht)

	Consolidated		Separate	
	2020	2019	2020	2019
Current income tax expense	370,426,852	248,326,761	356,426,184	236,154,523
The amount of deferred income tax expense relating to the initial and reversal of temporary differences	(10,420,240)	26,791,953	2,451,299	(5,483,394)
Income tax expense	360,006,612	275,118,714	358,877,483	230,671,129

Income tax recognized directly equity

(Unit : Baht)

	Consolidated		Separate	
	2020	2019	2020	2019
Accounting profit before tax	1,946,491,841	1,387,967,546	1,813,821,374	1,193,123,731
Tax at the applicable tax rate of 20%	389,298,368	277,593,509	362,764,275	238,624,746
Tax effect :				
Exemption of income and additional expenses	(20,348,752)	(13,199,332)	(12,435,665)	(10,109,206)
Non – deductible expenses	(8,943,004)	51,490,274	8,548,873	2,155,589
Loss carry forward, from five years	-	(40,765,737)	-	-
Income tax expense	360,006,612	275,118,714	358,877,483	230,671,129
Effective tax rate (Percentage)	18.50	19.82	19.79	19.33

26. DIVIDEND PAYMENTS

Description	Date of Board Approval	Date Payment of dividend	Declaration of dividend		Dividend paid
			Per share (Baht)	Amount (Million Baht)	Amount paid (Million Baht)
The board of directors meeting passed the resolution to approve :					
- payment of final dividend for year 2020*	On February 10, 2021	On April 27, 2021	0.044	360.80	-
- payment of interim dividend 3/2020	On November 4, 2020	On November 30, 2020	0.045	369.00	369.00
- payment of interim dividend 2/2020	On August 10, 2020	On September 4, 2020	0.045	369.00	369.00
- payment of interim dividend 1/2020	On May 5, 2020	On June 4, 2020	0.031	254.20	254.20
- payment of interim dividend 4/2019	On March 30, 2020	On April 24, 2020	0.027	195.25	195.25
Total					1,187.45
- payment of interim dividend 3/2019	On November 12, 2019	On December 11, 2019	0.022	159.09	159.09
- payment of interim dividend 2/2019	On August 6, 2019	On September 4, 2019	0.023	166.32	166.32
- payment of interim dividend 1/2019	On May 3, 2019	On May 31, 2019	0.0324	234.30	234.30
- payment of final dividend for year 2018**	On February 18, 2019	On May 3, 2019	0.027	176.30	176.30
Total					736.01

* The shareholders approved such dividend payments at the Annual Shareholders' Meeting for 2020.

** The shareholders approved such dividend payments at the Annual Shareholders' Meeting for 2019, held on April 19, 2019.

27. EARNINGS (LOSS) PER SHARE

27.1 Basic earnings (loss) per share

The calculations of basic earnings (loss) per share for the years December 31, 2020 and 2019 were based on the profit (loss) for the period attributable to equity holders of the Company and the weighted average number of ordinary shares outstanding during the periods as follows:

	Consolidated		Separate	
	For the years ended December 31,			
	2020	2019	2020	2019
Profit (loss) attributable to ordinary shareholders of the Company (basic) (Thousand Baht)	1,585,345	972,791	1,454,944	962,453
Weighted average number of ordinary shares outstanding (basic) (Thousand Shares)	7,847,361	6,982,820	7,847,361	6,982,820
Basic earnings (loss) per share (Baht)	0.202	0.139	0.185	0.138

27.2 Diluted earnings (loss) per share

The calculations of diluted earnings (loss) per share for the years December 31, 2020 and 2019 were based on the profit (loss) for the period attributable to equity holders of the Company and the weighted average number of ordinary shares outstanding during the period after adjusting for the effects of all dilutive potential ordinary shares as follows:

	Consolidated		Separate	
	For the years ended December 31,			
	2020	2019	2020	2019
Profit (Loss) attributable to ordinary shareholders of the Company (Diluted) (Thousand Baht)	1,585,345	972,791	1,454,944	962,453
Weighted average number of ordinary shares outstanding (basic) (Thousand Shares)	7,847,361	6,982,820	7,847,361	6,982,820
Effect exercise of warrant to purchase ordinary shares (Thousand Shares)	412,788	805,281	412,788	805,281
Weighted average number of ordinary shares outstanding (Diluted) (Thousand Shares)	8,260,149	7,788,101	8,260,149	7,788,101
Diluted earning (loss) per share (Baht)	0.192	0.125	0.176	0.124

28. SEGMENT 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 chief operating decision maker has been identified as the Company's Board of Directors.

The Company and its subsidiaries are principally engaged in the manufacturing and selling of ceramic wall and floor tiles, together with space rental and provide utilities service (as having revenue and/or operating profit and/or assets less than 10% of total revenue and/or total operating profit and/or total assets of all segments, which do not meet the quantitative thresholds as set out in the financial reporting standard).

Segment performance is measured based on operating profit or loss, on a basis consistent with that used to measure operating profit or loss and total assets in the financial statements. As a result, all of the revenues, operating profits and assets as reflected in these financial statements pertain exclusively to the aforementioned reportable operating segment.

Geographic information

The consolidated financial information for the years ended December 31, 2020 and 2019 of the Company and its subsidiaries presented by geographical segment are as follows:

(Unit : Thousand Baht)

	Consolidated					
	Domestic		Overseas		Total	
	2020	2019	2020	2019	2020	2019
Revenue from sale to external customers - net	8,202,487	7,816,023	298,765	301,565	8,501,252	8,117,588
Cost of sales	(4,779,111)	(4,779,434)	(193,409)	(211,765)	(4,972,520)	(4,991,199)
Gross income	3,423,376	3,036,589	105,356	89,800	3,528,732	3,126,389
Other income					88,107	72,882
Interest expense					(48,904)	(41,807)
Depreciation and amortization					(722,481)	(533,933)
Income before income tax					1,946,492	1,387,968
Property, plant and equipment - net					5,810,619	6,028,874
Other assets					2,985,012	2,693,025
Total assets					8,795,631	8,721,899

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

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

Major Customer

The Company does not have major customer from external sales.

29. OTHER INCOME

(Unit : Baht)

	Consolidated		Separate	
	2020	2019	2020	2019
Rental machine and office and branches	-	-	1,584,000	2,384,000
Management income	-	-	13,200,000	12,000,000
Interest Income	1,691,237	511,790	227,509	424,623
Gain on exchange rate	-	2,525,074	-	696,411
Gain from disposal of fixed assets	-	5,417,263	-	3,602,199
Rental income	61,352,247	27,415,555	61,411,763	27,415,555
Income service system IT	705,869	3,765,051	705,869	3,765,051
Other	24,357,755	33,246,889	23,829,822	18,144,191
Total	88,107,108	72,881,623	100,958,963	68,432,030

30. EXPENSES BY NATURE

(Unit : Baht)

	Consolidated		Separate	
	2020	2019	2020	2019
Changes in finished goods and work in process	(56,174,246)	229,783,619	(96,980,053)	199,044,605
Raw materials and supplies used	2,244,178,255	2,400,319,676	827,547,776	906,084,378
Salaries, wages and other employee compensation	1,087,950,528	1,092,954,842	581,619,671	639,068,846
Depreciation and amortization	722,481,045	533,932,653	532,902,583	380,639,254
Transportation expense	593,298,316	638,709,283	506,535,475	536,005,817
Electricity and fuel expenses	1,387,225,421	1,639,696,567	573,163,211	646,244,870

31. COMMITMENTS AND CONTINGENT LIABILITIES

As at December 31, 2020 the Company and its subsidiaries have:

- 31.1 Outstanding letters of guarantees issued by bank for electricity usage and importation of machineries approximately Baht 20.92 million for the Company and Baht 23.72 million for the subsidiaries.
- 31.2 Commitment to pay under the agreement for construction of building of the Company amounting to Baht 108.75 million
- 31.3 Unused credit facilities from bank in consolidated and separate financial statements amounted to Baht 2,309.36 million and Baht 1,249.08 million, respectively.

32. 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 statement is 0.81:1.00 and is 1.48 : 1.00, respectively (the separate financial statements is 0.96 :1.00 and 1.66:1.00, respectively).

33. FINANCIAL INSTRUMENTS

A) Accounting policies

Details of the significant accounting policies are disclosed in Note 5 to the financial statements.

B) Financial risk management

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

C) Credit risk

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

D) Interest rate risk

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

E) Foreign currency risk

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

The Company and its subsidiaries have foreign currency liabilities as follows:

	Consolidated		Separate	
	2020	2019	2020	2019
Liabilities – USD	107,036	32,811	102,962	32,811
Liabilities – EURO	97,488	242,725	40,454	89,250

F) The fair value of financial instrument

Since the majority of financial instruments of the Company and its subsidiaries are short-term in nature. Bank overdrafts, loans and lease liabilities carry interest at rates close to market rates. Its fair value are not expected to be materially different from the amounts presented in the statements of financial position.

34. RECLASSIFICATION OF ACCOUNTS

Certain accounts in the statement of financial position as at December 31, 2019 have been reclassified to conform to the presentation in the 2020 financial statements as follows:

(Unit : Baht)

	Consolidated			Separate		
	Before reclassification	Reclassification	After reclassification	Before reclassification	Reclassification	After reclassification
As at December 31, 2019						
Investment properties - net	-	23,386,201	23,386,201	-	23,386,201	23,386,201
Property, plant and equipment - net	6,028,873,927	(23,386,201)	6,005,487,726	4,463,478,475	(23,386,201)	4,440,092,274

35. EVENT AFTER THE REPORTING PERIOD

At the Board of Directors Meeting held on February 10, 2021, the Board of Directors' Meeting pass a resolution to approved the for the delisting of the securities of the Royal Ceramic Industry Public Company Limited from being the listed securities on Stock Exchange of Thailand (the "SET") and the submission of a letter of intention to make a tender offer for the delisting of the securities of RCI by making a tender offer for all RCI's securities. At present, the shareholding structure of RCI comprises of The Company, which holds shares in RCI totaling of 566,692,024 shares (representing 91.87 percent of the total issued and sold shares of RCI) and the minority shareholders which hold the remaining shares in RCI totaling 50,147,341 shares (representing 8.13 percent of the total issued and sold shares of RCI). in making a tender offer for delisting the securities of RCI from being the listed securities on the SET, The Offeror intends to make a tender offer for the securities of RCI at the offering price of THB 3.90 per share. The offering price is not lower than the highest price calculated based on the methods for the determination of offering price for the delisting of securities prescribed under the Notification of the Capital Market Supervisory Board No. TorJor. 12/2554 Re: Rules, Conditions, and Procedures for the Acquisition of Securities for Business Takeovers (including any amendment thereto) (the "Notification TorJor. 12/2554")

Moreover, the abovementioned offering price may be adjusted if there is an occurrence of incident which causes or may cause the damage to the business, asset status, or RCI's share price, or any other incidents which cause material effect to the determination of the offering price, or any other incidents as prescribed under the Notification TorJor. 12/2554.

In this respect, the Offeror will make a tender offer for delisting the securities of WG from being the listed securities on the SET after the following conditions have been satisfied:

- a) A shareholders' meeting of RCI resolves to approve the delisting of the securities of RCI from being the listed securities in the SET by votes of no less than three-quarters of the total issued and sold shares of RCI, with no shareholders holding shares in an aggregate amount of more than 10 percent of the total issued and sold shares of RCI opposing such delisting, in accordance with the criteria on the delisting of securities of the SET; and
- b) The delisting of the securities from being the listed securities in the SET is approved and/or waived by the relevant regulatory agencies, including the SET, the financial institutions, and other contractual parties under the relevant agreements (where this is necessary).

36. APPROVAL OF FINANCIAL STATEMENTS

These financial statements were authorized by the Company's authorized directors on February 10, 2021.