

# 64

บริษัท ไดมัสตี้ เซรามิค จำกัด(มหาชน)  
รายงานประจำปี 2564 แบบ 56-1 One Report

DYNASTY TILETOP

# ANNUAL 2021 REPORT

Dynasty Ceramic Public Company Limited

<b>CONTENTS</b>	<b><i>Page</i></b>
<b>Part I : Business Operation and Results</b>	
1. Structure and Operation of the Company	4
2. Risk Management	24
3. Business Operation and Performance	27
4. Management Discussion and Analysis: MD&A	44
5. General Information and other Information	51
<b>Part II : Corporate Governance</b>	
6. Corporate Governance Policy	53
7. Corporate Governance Structure and Key Data on the Board of Directors, Sub-Committees, Executive, Employee and others	68
8. Corporate Governance Milestones	85
9. Control and Related Transaction	97
<b>Part III : Financial Statement</b>	101
<b>Part IV : Data Authorization</b>	155
<b>Attachments</b>	
1 Information of the Board of Directors, Executives, Controlling Persons, Person Receiving Assigned to the Highest Responsibility in Accounting and Finance, Assigned to be Directly Responsible for Supervising Accounting and Company Secretary	156
2 Details of directors of company's subsidiaries	174
3 Details of Head of Internal Audit and Head of compliance department	175
4 Assets used in business and Details of property appraisal items	176
5 Corporate Governance Policy and Guidelines and Code of Business Ethics Handbook prepared by the company	177
6 Report of the Audit Committee	211
7 Report of the Sub-Committee	214

## Message from Chief Executive Officer

Dear Shareholders,

In 2021, it was the year that Thailand's economy has been slowdown. Forecasted by several economic bureaus estimating the full year of gross domestic product (GDP) figure at 1% - 1.3%. Especially in the third quarter, GDP was decreased -0.3%, the main factor was caused by the Covid-19 epidemic which caused widespread impact. Although sales in 2021 was less than the previous year 1.2% but with the cooperation of all employees in every department of the company and the company's structure with high business flexibility, the company could be able to adapt well to the economy situation. It because of starting from the production process to the distribution sales channel of company 203 outlets, leads the company through 2021 with the highest profits record.

Moreover, the company has developed tiles product to have a variety of sizes and design that cover all group of customer. The main factor for adapt to the epidemic situation and the economic slowdown is the company manage all sales channel by ourselves. This make the possible to control costs and manage efficiency in work system thoroughly. And with a large number of outlets, medium-small sizes covering all regions of Thailand. It create possible to reach all levels of customers to home, shops, housing estate or projects and closing a sale in a short time.

Operational guidelines for 2022 in term of product, the company has developed porcelain tile which has characteristic on low water absorption, high durability and with competitive price in market equivalent to imported tiles. This is to reduce risk in losing market share of import tiles that have been increased during the past year. In term of the outlet management, the company has developed a stock replenishment system refers to ensure products stock for sell in anytime. Increase the development of site data collection system to analysis and evaluate by use enormous data that has been collected but still not useful and waste time of collecting, to reformat and most importantly determine work plan according to the strategy of all channels. Resulting to fast service and in the right point.

In term of outlets image improvement, the company plans to expand 10 more showrooms. From the current number of 60 locations. In addition to make more convenience for customers, also expand size of showroom to be larger than the existing from 400 square meters to at least 1,000 square meters. In order for the company's partners in construction materials business to rent a space which create products variety and increase traffic in Dynasty's outlets. Purchase land, relocating outlets that lease has expired. The company has studied on investment, location and income that could be generate from that investment thoroughly. Furthermore, create traffic for construction materials with Dynasty's outlets located on the main roads throughout of Thailand. The company has also increased rental space for other business such as restaurants, coffee shops, gas stations, charging station, car repair shops and souvenir shops for the rest area that we will use the name Dynasty Park. A project will be start at the outlets in Nakorn Pathom, Hat Yai, Surat Thani, Udon Thani, Prachuap Khiri Khan, Nakhon Si Thammarat, Nakhon Ratchasima, Khon Kaen, Sisaket and Chiang Mai. The first project is expected to be complete in this quarter 4/2022. The management team has carefully considered a working policy in all sectors. This is to create revenue, increase efficiency and the potential for sustainable profit and stable for the benefit to all shareholders. And also thank you to all shareholders for always support the company operation.

Yours Faithfully,



(Mr. Maruth Saengsastra)  
Chief Executive Officer

# Part I : Business Operation and Results

## 1. Structure and Operation of the Company

### 1.1 Policy and Overview of business

#### 1.1.1 Vision, Mission, Values, Corporate Culture, Work plans and strategies

#### DCC Group Vision

**“The Leader of Tile Business with Outlets throughout Thailand”**

#### DCC Group Mission

To Country	To produce tiles with creative production process that meets international standard at the lowest cost to manufacture quality products at reasonable prices
To customers	To serve our customer with wide variety of tiles at reasonable prices, easy access through our outlets throughout Thailand, high service quality, fast delivery, and continuity of products is guaranteed
To Shareholders	To have high dividend payout
To employees	To create stability for employees with Encourage employee involvement and creativity Improve employee skill with continuous training Develop key capabilities Build corporate culture Strengthen employee network and relationship
To suppliers	To operate business with fairness and integrity with suppliers
To Corporate Social	To incorporate the Corporate Social Responsibility strategy directly into the business strategy

#### DCC Group Values

D	Differentiation
C	Cost Leadership
C	Continuous Improvement
T	Total Management System
T	Trustworthy Product Quality
O	On Time Delivery
P	Profit, People, and Planet

#### Corporate Culture

1. Investigate the area to realize
2. Self-reliance, Skill development
3. Spend efficiency to deduce waste cost
4. Pay attention to quality, inspect every step

5. Work as team and supporting
6. Work consistent supporting each other
7. Do not hide mistakes, do not reject responsibility
8. Extend knowledge, communicate to other
9. Think creatively, continue improvement
10. Many point to views, more choices
11. Work safe, protect yourself.
12. Promote good people, eliminate bad person.
13. Risk control, avoid loss.

### **1.1.2 Major changes and development**

#### **Factory Part**

##### **❖ Production of Large Ceramic Tiles**

In the past year 2021, the proportion production of large ceramic tiles 60X120, 80X80, 40X80 has increased. The factory has improved the existing production line to be able to support the production for 1 more large tile production line.

##### **❖ Starting the Soalr Rooftop Alternative Project Solar Rooftop**

A subsidiary company has resigned a contract to install a solar rooftop power generation system which is expected to start using renewable energy by 2022 and expected to reduce the company's greenhouse gas by more than 1,700 tons carbon dioxide, equivalent (tonCO<sub>2</sub>eq) per year.

##### **❖ Initiation of the process control project with IoT (Internet of Things)**

Installing an IoT (Internet of Things) to monitor and display the machine's performance resulting in an energy saving effect by joining the project with government agencies and education institutions to be a model unit of the project.

#### **Head Office**

##### **❖ The making of a tender offer by the Company for the delisting of the securities of RCI from being the listed securities on Stock Exchange of Thailand**

The Board of Directors' Meeting No.2/2021 held on 10 February 2021 had considered and approved the making of a tender offer by the Company for the delisting of the securities of RCI from being the listed securities on Stock Exchange of Thailand, 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) 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")

With the main objective, to eliminate the Conflict of Interest with DCC, major shareholder of the company. Similar to the Company, DCC main business comprises of manufacturing and distribution of ceramic floors and wall tiles. Moreover, as both companies currently share the same Board of Directors, Managements, Employee, and the Office.

After the tender offer for the delisting of RCI, the company received an additional number of 40,700,796 shares, representing 6.60 % of the total issued and paid-up shares of RCI, totaling 566,692,024 shares, or equivalent to the total number of shares previously held by the company at 91.87% of total issued and paid-up shares of RCI, resulting in the company holding 607,392,820 shares in RCI or 98.47 % of the total issued and paid-up shares of RCI, and RCI was notified of the delisting from the SET on 16 July 2021 onwards. Thailand Securities Depository Co., Ltd. (TSD) as a share registrar, effective from 1 September 1, 2021.

### ❖ **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 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.

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.

7 May 2021, the last exercise of warrants is 926,669,071 units. Buying 926,669,071 the ordinary shares at Par Value 0.10 Baht per share, equivalent to 92,666,907.10 Baht. Resulting in paid-up capital of the company increased from 819,894,219.50 Baht to 912,561,126.60 Baht. Listed companies increase the issued and paid-up capital with the Ministry of Commerce on May 11, 2021.

### ❖ **Personal Data Protection Act**

Operating in accordance with the requirements of Personal Data Protection Act by established Privacy Policy according to the resolution of the Board of Directors No.5/2021 dated on August 9, 2021 to maintain or conceal information to protect confidentiality by specify who can access the information only an authorized person and to maintain the integrity of data from being modified, altered or destroyed, including the availability of data so that it can be accessed and retrieved at any time only by authorized person.

### ❖ **Employee efficiency development and work processes**

The company maintains its goals and focuses on efficiency and quality by allowing employees to use their creativity, presenting to improve the work quality in accordance with each department. Including providing internal and external training in each department throughout the year. Emphasis on the use of various software for maximum efficiency.

## **Outlet**

### **❖ Push system inventory management**

Use sales data to add top selling products, clearance of non-moving products to set a promotion that could be manage outlet storage space efficiently. There are a full range of products available for sale all the time. Reduct the transfer products between outles, deduct waiting products from factory, deduct chance of losing sales which those are all a hidden costs.

### **❖ Collect information of customer group into a system**

Information of retails store by manage credit, credit limit with marketing information per store individually complete which can be able to traking sales more efficiently. Resulting to sales volume increased by 6.06%.

Contractor information, develop information individually to be able to tracking sales withmost outstanding. Resulting the sales of contractors increased by 15.31%.

### **❖ Using online media information for public relation**

Design team of the company have studied information, pictures, keywords, location, coverage of gender, age, and occupation used in public relation. These are to reduce cost of public relation in term of offline. In addition, online expense can be assess as a number of accessibility for public relation being more effective.

### **❖ Management Tracking by using LINE**

Due to the new normal lifestyle reduce cost of transportation of sales executive. Technolog plays an important role which the company use LINE to communicate, report information or work orders such as sales target, number of employees, setting daily work plans and work summary report. This makes a possibility to monitor every outlet work performance for more than 200 outlets closely and quickly. Also if unsual is found, it can be able to slove in time. Resulting to the outlests with low sale average have a higher sales average.

### **❖ Outlet expansion and image improvement**

The company is still looking for locations to add new outlets and relocating a new outlet to replace the old outlet that cannot renew the lease agreement. This is to make Dynasty cover more areas and focus on changing the image of the branch but due to the COVID-19 epidemin situatoun, cause to slow down investment on 2021.

### **❖ Rental space and Construction material center**

Since the end of 2018, the company has proceeded with the plan to open the area in the branch for other manufacturers and importers of construction materials and equipment for rent. In order to achieve the goal of being a construction material center in the future. At the end of 2021, the company has already opened space for rent in totally 86 outlets or 50,415 S.q.m.



## ❖ Awards and Recognition

- The company received the Best Company Performance Awards from the SET Award 2021 on November 3, 2021 in the category of Business Excellence Award, Listed Company Performance Awards. Listed companies with a market value of 10,000 million baht but not more than 30 million baht, which is the first year to be nominated and awarded.



- Products manufactured from Dynasty Tiletop and RCI are all certified “it is a product made in Thailand” from the Federation of Thai Industries from the policy of the Ministry of Finance and the Federation of industries that encourage both the public and private sectors turned to use products made in Thailand Strengthen Thai entrepreneurs and raise MiT standard (Made in Thailand).



- Dynasty Ceramics Public Company Limited, Amnat Charoen outlet received the certificate of the organization that have adopted good labor practices (GLP) in their workplace.





## 1.2 Nature of Business

### 1.2.1 Income Structure

#### Income Structure of the Company and Subsidiaries

- Sales from tiles produced 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 etc.

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

Type of Income	by	Y2021		Y2020		Y2019	
		MB	%	MB	%	MB	%
<b><u>Domestic</u></b>							
Sales from tiles	DCC + Purchases from subsidiaries	7,601	90	7,717	90	7,446	91
Sales from grout and others	DCC and Outlets	493	6	486	6	370	4
<b>Total Sales - Domestic</b>		<b>8,094</b>	<b>96</b>	<b>8,203</b>	<b>96</b>	<b>7,816</b>	<b>95</b>
<b><u>Overseas</u></b>							
Sales from tiles	DCC +TTOP	302	3	298	3	302	4
Sales from grout and others	DCC	0	0	0	0	0	0
<b>Total Sales - Overseas</b>		<b>302</b>	<b>3</b>	<b>298</b>	<b>3</b>	<b>302</b>	<b>4</b>
<b>Total Sales</b>		<b>8,396</b>	<b>99</b>	<b>8,501</b>	<b>99</b>	<b>8,118</b>	<b>99</b>
Others income		85	1	88	1	73	1
<b>Total income</b>		<b>8,481</b>	<b>100</b>	<b>8,589</b>	<b>100</b>	<b>8,191</b>	<b>100</b>

### 1.2.2 Product information

#### (1) Characteristics of products or services and business innovation development.

#### Product Types

##### 1.1 Ceramic Tiles

1.Floor Tiles: It has a low water absorption properties which sintering at high temperature, resulting to be durable to support a lot of weight. Also has a pattern and polished surface with matt, glossy or rectified which easy

to clean. These are to be selected to meet a various needs where there are also has various sizes to choose, such as (Unit: Centimetre) Size 60 x 60, 60 x 60 (Digital) Size 30 x 60 (Rectified), 30x60(Digital Rectified) Size 40x 40, 40x40 (Rectified), 40x40 (Digital), 40x40 (Digital Rectified) Size 30x30, 30x30(Digital) Size 20x20

2. Wall Tiles: It has light weigh characteristic. There are various size suitable for indoor such as (Unit: Centimetre) Size 20 x 20 Size 20 x 25, 20 x 25(Digital) Size 20 x 30, 20x30(Digital) Size 25x40, 25x40(Digital) Size 30x50, 30x50(Digital)

3. Porcelain Tiles: is a tiles that have been fired at a high temperatures until the tile has a homogenous appearance. Tile texture is strong, not easily broken, resistant to scratching and support impact resistance. Porcelain tile texture is less porous which characterised to low water absorption, result in excellent prevent moisture or algae problems on floor. It can be install in wet areas or use as paving in heavy-duty area such as walkways or stairs. Also can be use to tilling outside the building such as garage floor or edge of the swimming pool that is expose to both sun and must be always wet. This is a tiles that can be use covering both inside and outside the building.



**1.2 Grout** (Produces by the subsidiary) under Top Stick Trademark

**1.3 Trading goods**

Grout

under Weber Trademark

Tile Adhesive

under Top Stick Trademark

Tile Trim

under Thai Standard Pipe Trademark and OD Trademark

Stair nose

under OD Trademark

## **Brands**

The ceramic tiles produced by the Company and its subsidiaries comprise under the trademark “Dynasty”, “Tile Top”, “Jaguar”, “Value”, “Mustang”, “Chicken”, “Birdie”, “Ducky”, “Swan”, “M”, “Cosmo”, “Rover”, “Monte”

## Doing Research and Development by Technology and Innovation

Research and development of technology and innovation. Expenses incurred for personnel, experiment and research. Results of success of research and development causing to a new product development which save cost of raw materials and reduce rate of energy consumption per product unit in the past

year. The company still focus on research and development for the production innovation, add product cost and able to compete in business sustainably.

The company has expenditures for research and development of technology and innovation since 2019-2021, totaling 795,720 baht 855,200 baht and 898,140 baht, respectively.

## (2) Marketing and Competition

### 1. Policy of competition and products distribution channel of the company

#### ❖ Distribution channel

The company distribute tiles through outlets, more than 200 outlets which are the company outlets. Also sell through agents and exporters with still mainly focusing on domestic sales in year 2021 for 97%, divided into the following proportions:

% Distribution	Y2021	Y2020	Y2019
<i>Domestic</i>			
- Outlets	78	78	72
- Agents	19	19	24
<b>Total Domestic</b>	<b>97</b>	<b>97</b>	<b>96</b>
<i>Export</i>	3	3	4
<b>Total</b>	<b>100</b>	<b>100</b>	<b>100</b>

❖ % Proportion type of products sold with statistic in the past 3 years as follows:

No.	Type	Y2021	Y2020	Y2019
1.	Floor	85	84	85
2.	Wall	12	13	12
3.	Other	3	3	3
	<b>Total</b>	<b>100</b>	<b>100</b>	<b>100</b>

### 2. Industry conditions and competition

In 2021, the economic situation in Thailand is still inevitable due to COVID-19. The real estate sector has been affected, with slowdowns in construction or the opening of new projects which affects intense of business competition. Also many business had to close down including the company's partner. However, the government has announced periodic reopening of the country. All sectors must adapt greatly to cope with the COVID-19 epidemic situation, including various measures. People's lifestyles have to change into the New Normal way.

In the company's outlets was classified as a small shop not a shopping center. Therefore, our business can be still operate and we have closely increased disease control measures recommended by Ministry of Public Health control. The company's employees are fully vaccinated to build confidence for all employees and customers. So that customers who used to use services of large shopping centers turned to choose the company's channels. The company has adjusted its marketing strategy to suit this epidemic situation by maintaining the

standard of aggressive marketing. Increasingly being use communication tools to catch up with customer, such as sending out promotional materials by social media chat channels. Aiming to finish the sale without customer going out to outlet, resulting to the satisfaction of work.

In term of cost control policy in 2021, the company still has measures to increase work efficiency of employees in all sectors. Audit and cost control in every working process. The thing that we get from working in the “New Normal” style is the reduction of transportation expense.

In term of product, the company has developed new products to penetrate the upper market by producing large tiles of 60x120, 80x80 and 30x50. More than 200 outlets still being use to be a distribution channel which can distribute products throughout the country in a short time. Mostly of the price in range of 200-400 baht per squaremeter, which can make the average price better. Sales of these products continue to increase and we will continue to develop in other sizes in 2022.

At the end of the year, the company began to produce porcelain tiles which has more durable, expected to sell on market in early 2022.

The main strategy and potential of the company’s distribution channels covering throughout country. Cost control for maximum efficiency, focus on improving the quality of life in the community, reduce global warming and manage business with good governance to support sustainable growth.

### **Sales and %Market Share classify by floor and wall tiles business in the ceramic group in 3 years**

Company	Y2020		Y2019	
	Sales (Million Baht)	%Market Share	Sales (Million Baht)	%Market Share
DCC	8,501	39	8,118	36
RCI	1,010	5	1,156	5
UMI	2,215	10	2,275	10
COTTO	9,951	46	10,871	49
<b>Total</b>	<b>21,677</b>	<b>100</b>	<b>22,420</b>	<b>100</b>

Source: Annual performance data year 2019-2020 from the Stock Exchange of Thailand

DCC = Dynasty Ceramic Public Co.Ltd., RCI = Royal Ceramic Industry Public Co.Ltd. ,UMI = The Union Mosaic Industry Public Co. Ltd., COTTO = SCG Ceramic Public Co.Ltd.

### **(3) Product Supply**

#### **1. Characteristics of product supply**

The company owned 1 factory and other 3 factories of 2 subsidiaries Company located in Nong Khae district, Saraburi province.

#### **1.Product that the company owned produce, the factories that produce products of Dynasty Ceramic Public company Limited.**

Located at 54/8 Moo 3, Suwannasorn road, Khok Yae sub district, Nong Khae district Saraburi province.

Product type: Floor tiles

#### **2.Products purchase from subsidiaries, the factories that produce products of Tile Top Industry Public Company Limited**

Located at 3/2 Moo 8, Phaholyothin road, Nong Kai Num sub district, Nong Khae district, Saraburi province.

*Product type:* Floor tiles

**3. Product purchase from subsidiaries, the factories that produce products of The Royal Ceramic Industry Public Company Limited**  
*Located at 54/7 Moo 3, Suwannasorn road, Khok Yae sub district, Nong Khae district Saraburi province.*

*Product type:* Floor and Wall tiles

### **Production Capacity**

The production capacity and % utilization of the capacity in the past 3 years of the company and its subsidiaries are as follows:

Company	Quatity of Production (Million Sqm. / year)		
	Y2021	Y2020	Y2019
<b>Dynasty Ceramic Public Company Limited</b>			
Full Capacity	32.12	32.94	31.20
Produce	20.42	21.36	21.64
% Capacity	63.57%	64.85%	69.36%
<b>Tile Top Industry Public Company Limited – subsidiary</b>			
Full Capacity	39.09	38.72	38.98
Produce	28.62	30.47	30.13
% Capacity	73.22%	78.69%	77.30%
<b>Royal Ceramic Industry Public Company Limited –subsidiary</b>			
Full Capacity	13.14	15.37	11.83
Produce	9.15	9.68	10.67
% Capacity	69.63%	62.98%	90.19%
<b>Total Full Capacity</b>	<b>84.35</b>	<b>87.03</b>	<b>82.01</b>
<b>Total Produce</b>	<b>58.19</b>	<b>61.51</b>	<b>62.44</b>
<b>% Total Capacity</b>	<b>68.99%</b>	<b>70.68%</b>	<b>76.14%</b>

*Production capacity can be adjust according to the situation and marketing plan. Because the company's machinery can be adjusted flexibly, in some kilns can be produce both floor and wall tiles.*

### **Wall tiles and Floor tiles Manufacturing Process**

The Company's process of ceramic tiles both for wall tiles and floor tiles can be classified in dry-pressed the group which has 8 main processes as following

1. **Ball Mill Process**- The production process of ceramic tile begins from taking raw materials in the form of clay and other minerals and grinding them in ball mill in accordance with the specified production formula. Raw materials will be transformed into liquid with fine waste. After being grinded, this liquid will be sent to slip storage for future production of tile texture.
2. **Spray Dryer Process** – Liquid and slurry will be pumped from water storage pond and sprayed into spray dryer. Under this process, tile texture will be changed from liquid to small dry particles by spray dryer. As a result of for this process, tile texture

will be transformed from liquid to small clay by the method of drying the water mass out of the clay. The clay coming out from the spray dryer will be stored into body powder storage for the next process.

3. **Press Process** –Small Clay will be processed through the Hydraulic Press to compress the clay into the desirable pattern and size. The tile which has gone through this process is called raw tile.
4. **Dryer** –After having the raw tile, it will be processed through dryer to reduce the moisture out and prepare to send through the glazed and pigment preparation process
5. **Glazed and Pigment Preparation Process**- All materials for glazed and pigment preparation process will be used during this procedure for the glazed and printing process.
6. **Glazed and Printing Process**- Glazed and printing will be used for decoration as designed.
7. **Kiln Firing Process**- When the raw tiles have been patterned, they will be sent to kiln to transform from raw to ripe tiles.
8. **Sorting Process**- Once the ripe tiles are out of kiln, they will go through the sorting process before final packing into boxes for storage and distribution.

## **2. Raw material procurement**

### Important raw material to the production

- ❖ **Soil, Crushed stone and ore** order to purchase in country in the area of Lampang, Kanchanaburi, Ratchaburi, Chaiyaphum, Prachinburi, Narathiwat, etc. There is no shortage of raw materials in the long run because the company has a reserve plan in case of lack of stock by researching and developing properties of all types of soil to reserve for use in case of emergency and it is in the company's risk management plan.
- ❖ **Color** for the production of ceramic and frit and adheres color of ceramic tiles that is order from abroad. There is no risk in long-term procurement of raw materials as well but there is an impact on price of raw materials purchase from abroad accordingly to the value of foreign currency exchange rate against the value of Thai baht.

### Source

- ❖ **Domestic** approximately 90-95% of raw materials purchase from multiple vendors with no monopoly which have no risk of price bargaining and change of the seller
- ❖ **International** approximately 5-10% of raw materials purchase from countries such as China, Turkey, Singapore, Italy, Spain and Indonesia, which are known from producing ceramic tiles by various vendors, so there will be no risk of changing sellers.

The company has a good relationship with sellers who are the main manufacturers. There are many sources of raw materials both domestic and international. If the vendor is changes, the company may easily find another supplier because there are several suppliers' reserve. The company also testing raw material trails for a small seller for more choice to find source of raw materials with cheap price, if there is an emergency case which is in risk management program.

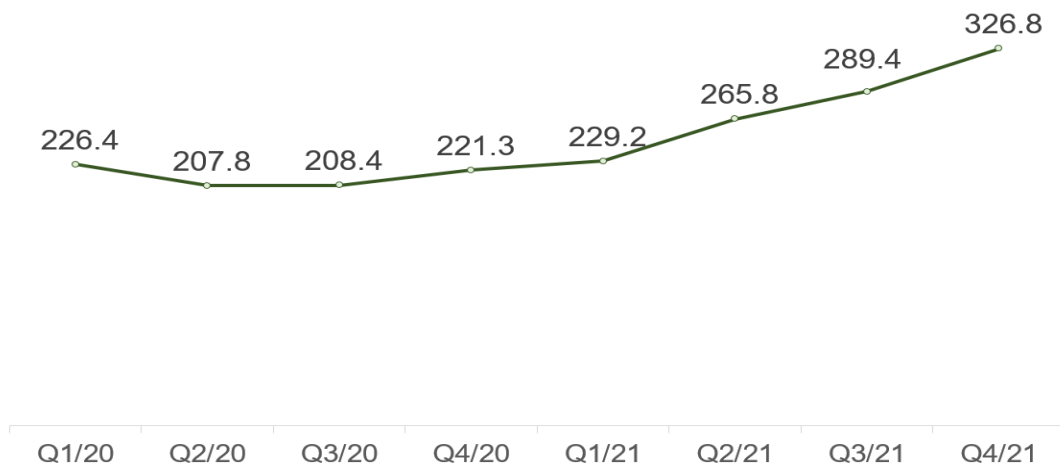
The company does not purchase raw materials or spare parts with any trade partner, both domestic and international more than 30%.

The main energy cost as follows:

- Natural gas that the company purchase from PTT, in which production cost increase mainly form gas cost by reference to the price of oil from the world market.
- Electricity purchase from the Provincial Electricity Authority, the company own factories and subsidiaries have substation as a connection unit between the Provincial Electricity Authority. Price are in accordance with the conditions of the Provincial Electricity Authority.

**Natural Gas Price History 2020-2021**

Unit: Baht/MMTBU



**Acquiring land to build outlets**

The company has outlets across country (as of the end of 2021, there are 203 outlets), with 60 outlets Company owns the land by itself, accounting for 30% while the other 70% are rental outlets of 1-20 years contract. In the past, the company began to set up a policy to buy a land for its own. So the company researching the possibility by exploring the market situation and competition as well as needs of customers in the target area to purchase land with focus on the area conjunction to the main road which has relatively high price so that must be carefully researching for;

1. Replace the existing outlet: Since the lessor does not renew the lease or increase the rental price much higher. The company already have the same customer base in that area. So that the company will offer to purchase the said land, if the owner does not wish to be sell the company will find another location nearest to the existing outlet (if there is and the price is not too high). In order not to lose the existing customer base. If cannot find a proper land, the other area will be the next choice by focusing on locations that are expect to gain new customer base for not effect on reduction in sales.

2. To increase the number of outlet: At present the company has delay the investment in the purchase land due to the economic slowdown. The company will purchase the land directly from the owner, not through a broker. There will be business development department team who operate, compare the price with the appraised price or market price to ensure that the land purchase is reasonably price and not too expensive. Along with checking rights and laws on that plot of land, including planning a budget to propose to the Board of Directors for approval in every time.

In 2021, the company reduced the investment expenditure on land acquisition due to the economic slowdown. There will be focus on improving outlets that continue to build from 2020 to be able to generate income. Including the existing outlets utilize a space to generate more income as much as possible. In this regard, purchased the additional land to built 2 outlets in Songhla and Surat Thani provinces.

#### **(4) Asset use in business operation**

##### **1. Main assets and its subsidiaries**

Assets according to the consolidated financial statements as of December 31, 2021 amounted to 8,942.8 million baht, 28% of which were current assets consisting of inventories. Trade accounts receivable and other currents accounts receivable 72% of PPE , Right-of-use assets

Type / Characteristics of Property	Ownership	Y2021 MB.	Y2020 MB.	Y2019 MB.	Obligation
Land	Owner	1,887	1,670	1,602	No Obligation <sup>(1)</sup>
Buildings and structures	Owner / On lease agreement	3,920	3,824	3,535	
Machinery and equipment	Owner	5,605	6,241	6,065	No Obligation
Furniture, fixtures and office equipment	Owner	1,109	1,188	1,188	No Obligation
Vehicles	Owner	36	25	25	No Obligation
Construction in progress and machinery during installation	Owner	435	330	652	No Obligation
Total		12,992	<b>13,278</b>	<b>13,067</b>	
Less: Accumulated Depreciation		(7,199)	(7,467)	(7,038)	
Grand total-net		5,793	<b>5,811</b>	<b>6,029</b>	

<sup>(1)</sup> On August 24, 2020, a subsidiary (Royal Ceramic Industry PLC.) has released the mortgage of land, plant and equipment without any quarantine.

On August 31, 2019, plant and equipment-net of a subsidiary (Royal Ceramic PLC.) amounting 554 million baht, is bound by mortgage obligations with financial institutions as collateral for loans and credit lines.



##### **2. Intangible Assets**

2.1 Software for data management Software on accounting, inventory, sales, including other information management system, etc. Book value as of December 31, 2021, remaining 9.9 million baht.



2.2 Trademark with a trademark at the Department of Intellectual Property,  
Ministry of Commerce.

No.	Registration number	Request number	Issued to	date of issue	End date	Type	Trademark
1	201117514	190110947	DCC	05-Aug-2020	20-Mar-2029	Ceramic floor and wall tiles	
2	201115107	190104735	DCC	05-Jul-2020	29-Jan-2029	Ceramic floor and wall tiles	
3	211103775	190136009	DCC	22-Feb-2022	20-Sep-2029	Provide rental space to sell products	
4	191116083	180109845	DCC	12-Sep-2019	28-Mar-2028	Ceramic floor and wall tiles	
5	191120169	170139323	DCC	30-Oct-2019	07-Nov-2029	Ceramic floor and wall tiles	
6	181108449	1025478	DCC	05-Apr-2018	31-Jan-2026	Ceramic floor and wall tiles	
7	181108450	1025480	DCC	05-Apr-2018	31-Jan-2026	Ceramic floor and wall tiles	
8	181108957	1025482	DCC	10-Apr-2018	31-Jan-2026	Ceramic floor and wall tiles	
9	191116096	180109844	DCC	12-Sep-2019	28-Mar-2028	Ceramic floor and wall tiles	
10	181108961	1025479	DCC	10-Apr-2018	31-Jan-2026	Ceramic floor and wall tiles	
11	181108960	1025481	DCC	10-Apr-2018	31-Jan-2026	Ceramic floor and wall tiles	
12	C248796	615395	DCC	10-Apr-2016	17-Jan-2026	Ceramic floor and wall tiles	
13	C248797	615396	TTOP	15-Apr-2016	17-Jan-2026	Ceramic floor and wall tiles	
14	C266795	644304	DCC	23-Aug-2017	08-Nov-2026	Ceramic floor and wall tiles	
15	C266794	644303	DCC	23-Aug-2017	08-Nov-2026	Ceramic floor and wall tiles	
16	C263983	615402	DCC	10-Apr-2016	17-Jan-2026	Ceramic floor and wall tiles	
17	C263982	615401	DCC	10-Apr-2016	17-Jan-2026	Ceramic floor and wall tiles	
18	C248800	615399	DCC	10-Apr-2016	17-Jan-2026	Ceramic floor and wall tiles	
19	C248798	615397	DCC	10-Apr-2016	17-Jan-2026	Ceramic floor and wall tiles	
20	C248799	615398	DCC	10-Apr-2016	17-Jan-2026	Ceramic floor and wall tiles	

21	C248801	615400	DCC	10-Apr-2016	17-Jan-2026	Ceramic floor and wall tiles	
22	C250480	615861	DCC	10-Apr-2016	17-Jan-2026	Ceramic floor and wall tiles	

## 2.2 Rights and Benefits from receiving investment promotional

The company is not in the Board of investment program (BOI) but participate in the corporate income tax benefit program.

-The Royal Decree Issued under the Revenue Code Regarding Exemption from Revenue Taxes (NO. 604) BE 2559

-The Royal Decree Issued under the Revenue Code Regarding Exemption from Revenue Taxes (NO. 690) BE 2563

-The Royal Decree Issued under the Revenue Code Regarding Exemption from Revenue Taxes (NO. 695) BE 2563

## 3. Investment in of subsidiaries and Investment Policy in Subsidiaries

3.1 Investment in ordinary shares of subsidiaries 28% of total assets as of December 31, 2021 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
<b>Subsidiaries companies:</b>						
Tile Top Industry Public Co., Ltd	300,000,000	222,000,000	10.00	96.83	109,479,530	None
The Royal Ceramic Industry Public Co.,Ltd <sup>(1)</sup>	616,839,365	616,839,365	1.00	98.47	2,435,376,987	Remark 1
World Wide Ceramic Co., Ltd <sup>(2)</sup>	1,000,000	1,000,000	100.00	99.93	1,063,937	None
<b>Total</b>	<b>917,839,365</b>	<b>839,839,365</b>			<b>2,545,920,454</b>	

<sup>(1)</sup> By the resolution of the Board of Directors No.2/2021, dated on February 10, 2021 has considered and approved a tender offer for the delisting of RCI's securities from the Stock Exchange of Thailand. After the tender offer for delisting of RCI, the company received additional ordinary shares representing 6.60% of the total issued and paid-up shares of RCI, including the company existing shares in total of 98.47% of the total issued and paid-up shares of RCI.

<sup>(2)</sup> 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) Accounted for 13% of total assets as of December 31, 2021.

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)
<b>Subsidiaries company:</b>							
Royal Asia Brick and tiles Co.,Ltd.	80,000,000	80,000,000	10.00	100.00	139,987,400	(66,547,734)	73,439,666
<b>Non-marketable equity securities:</b>							
Cermas Co.,Ltd	21,000,000	21,000,000	100.00	1.50	314,300	-0-	314,300
<b>Total</b>					<b>140,301,700</b>	<b>(66,547,737)</b>	<b>73,753,966</b>

In early of 2021, RCI sold all investments of Baan Somthawin Company Limited (Associated Company) which held for 45%.

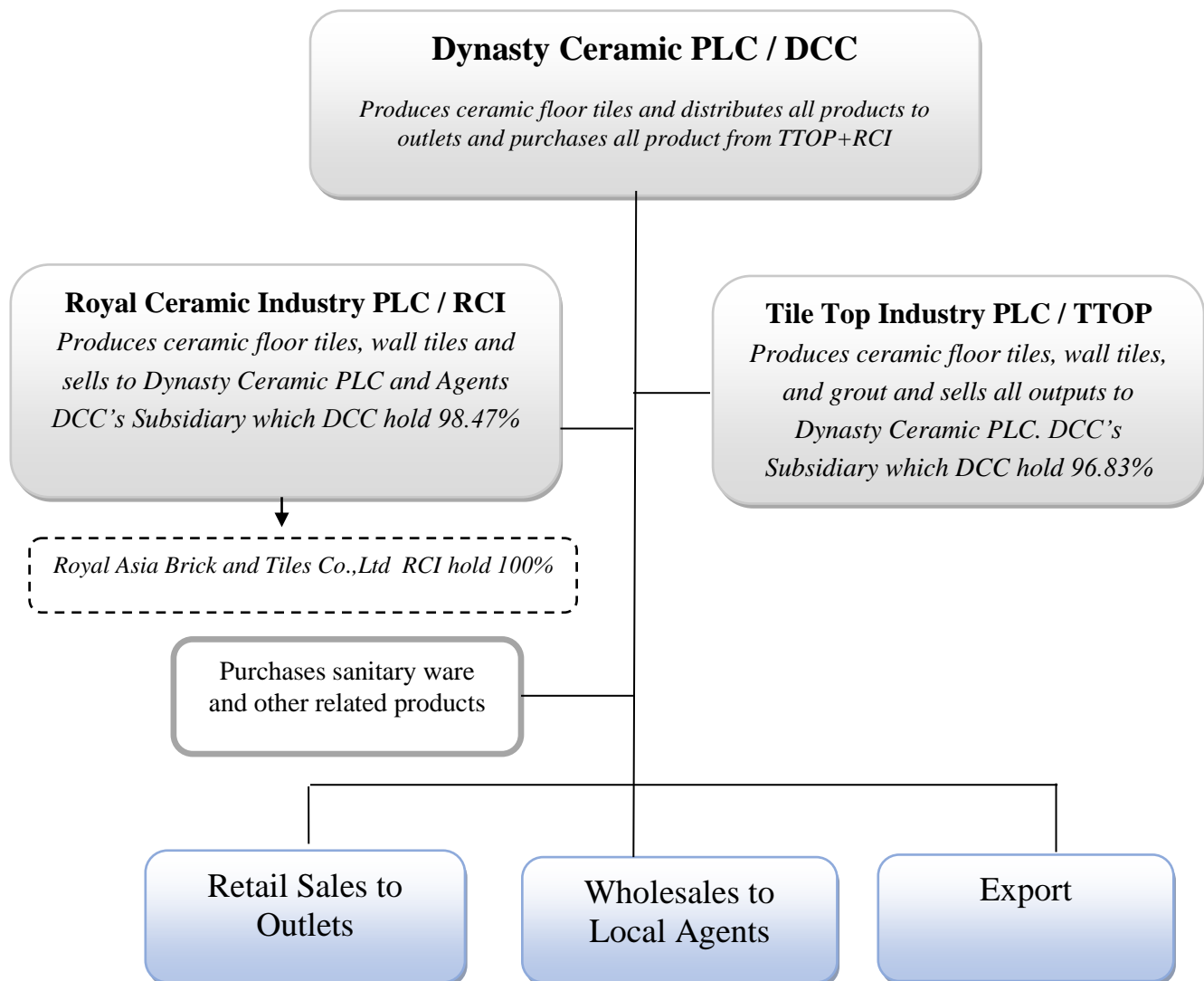
### 3.2 Investment Policy and Subsidiaries Control

The company has a policy to invest in businesses that support the company's core business operations which will help promote the company a better performance or profit, which will take into the benefits as important.

### 1.3 Shareholding Structure of the Company Group

#### 1.3.1 Shareholding Structure of the Company Group (at 31 December 2021)

##### ORGANIZATION STRUCTURE



The management policy of all subsidiaries are in the same with DCC, both RCI and TTOP wholesaling mainly to DCC.

### 1.3.2 A person who may have a conflict of interest holds more than 10% of the shares with voting rights of the subsidiaries or associated company.

None.

### 1.3.3 Relationship with the business group of major shareholders.

Saengsastra group is a major shareholding of DCC share of 43.661 % (at 30 December 2021)

### 1.3.4 Shareholding Structure

List of 10 major shareholders at 30 December 2021 as follows:

No	Shareholder name	No. of shares	% of shareholding
1	Mr. Monrak Saengsastra	1,425,000,000	15.615
2	Mr. Maruth Saengsastra	1,425,000,000	15.614
3	Mr. Roongroj Saengsastra	600,000,000	6.575
4	Mr. Chaikasith Viriyamettakul	505,000,000	5.534
5	Mr. Nakarin Saengsastra	348,835,100	3.823
6	Thai NVDR Company Limited	305,479,419	3.347
7	Miss Supanee Thongplengsri	224,585,000	2.461
8	Mr. Viboon Wadcharasurang	210,426,124	2.306
9	Miss Rosukhon Wadcharasurang	206,241,700	2.260
10	Mr. Kuntawat Wadcharasurang	194,503,700	2.131
<b>Total 10 major shareholders</b>		<b>5,445,071,043</b>	<b>59.666</b>
Total number of ordinary shares (Shares)		9,125,611,266	100.000
Issued and Paid-up share capital (Baht)		912,561,126.60	
Authorized Share Capital (Baht)		913,919,154.10	
Par Value (Baht per share)		0.10	

Shareholders who are eligible for Strategic Shareholders, Directors, Managers and Executives, including related party and related persons as follows:

No	Shareholder name	Quantity	No. of shares	% of Paid-up share capital (Ordinary Share Only)
<b>1. Directors, Managers and Executives, including related party and related persons</b>				
1.	Mr. Monrak Saengsastra	1	1,425,000,000	15.62
2.	Mr. Maruth Saengsastra	1	1,425,000,000	15.62
3.	Mr. Totsaporn Banyongwate	1	1,368,080	0.01
4.	Mr. Chaikasith Viriyamettakul	6	698,500,000	7.64
	4.1 Mr. Chaikasith Viriyamettakul		505,000,000	5.53
	4.2 Mrs. Pimpa Viriyamettakul (spouse)		5,500,000	0.06
	4.3 Mr. Pijit Viriyamettakul (child)		76,000,000	0.83

4.4 Mr.Pichit Viriyamettakul (child)		26,000,000	0.28
4.5 Mr.Pipat Viriyamettakul (child)		23,000,000	0.25
4.6 Mr. Pisuth Viriyamettakul (child)		63,000,000	0.69
5. Mr. Jaruwat Traithavil	2	15,203,952	0.16
5.1 Mr. Jaruwat Traithavil		11,200,000	0.12
5.2 Mr. Jira Traithavil (Father)		4,003,952	0.04
Total	11	3,565,072,032	39.07
2.Shareholders > 5% including relate persons			
1. Mr. Roongroj Saengsastra	2	602,400,000	6.60
1.1 Mr. Roongroj Saengsastra		600,000,000	6.57
1.2 Mrs.Pacharawan Saengsastra		602,400,000	6.60
2. Mr. Viboon Wadcharasurang	6	966,599,004	10.60
2.1 Mr. Viboon Wadcharasurang		210,426,124	2.31
2.2 Mrs Luksana Wadcharasurang (spouse)		33,467,480	0.37
2.3 Mr. Kanthawat Wadcharasurang (child)		194,503,700	2.13
2.4 Mr. Phakorn Wadcharasurang (child)		156,800,000	1.72
2.5 Miss Rosukhon Wadcharasurang (child)		206,241,700	2.26
2.6 Miss Supunnika Wadcharasurang (child)		165,160,000	1.81
Total	8	1,568,999,004	17.20
3.Controlling Shareholder			
Total	-	-	-
Grand Total	19	5,134,071,036	56.27

#### Shareholding distribution information as of December 30, 2021

Number of shares holding	No. of shareholders		No. of shares	
	No. of shareholders	Shareholding Proportion (%)	No. of shares	Shareholding Proportion (%)
1-999	4,379	23.74	1,272,849	0.01
1,000-10,000	6,300	34.15	22,215,272	0.24
10,000-100,000	6,131	33.23	200,989,727	2.20
100,000 – Less than 5% of no. of shares sold	1,635	8.86	4,946,133,418	54.20
5% more of the total number of shares sold	4	0.02	3,955,000,000	43.34
<b>Total</b>	<b>18,449</b>	<b>100.00</b>	<b>9,125,611,266</b>	<b>100.00</b>

Data as of 30 December 2021

- ❖ Shareholders that are Thai legal entities 49 entities; holding 587,900,429 shares or 6.44%
- ❖ Major shareholder that is Thai legal entity is Thai NVDR Company Limited; holding 305,479,419 shares or 3.35%
- ❖ Shareholders that are foreign legal entities 47 entities; holding 489,808,514 shares or 5.37%
- ❖ Major shareholder that is foreign legal South East Asia UK (Type C ) Nominees Limited ; holding 130,877,664 shares or 1.43%

## 1.4 Amount of registered capital and paid-up capital

### 1.4.1 The securities of Dynasty Ceramic Public Company Limited consists of:

	January 1, 2021	Increase/(Decrease)	December 31, 2021
Registered Capital – Ordinary Shares (Baht)	913,919,154.10	-	913,919,154.10
Registered Capital – Ordinary Shares (Shares)	9,139,191,541	-	9,139,191,541
Value per share (Baht)	0.10	-	0.10
Issued and Paid-up Capital (Baht)	819,894,219.50	92,666,907.10	912,561,126.60
Issued and Paid-up Capital (Shares)	8,198,942,195	926,669,071	9,125,611,266

*There are in amount of 926,669,071 units exercised in the last exercise of warrants.*

1.4.2 The company has not others types of shares with rights or conditions different from ordinary shares.

1.4.3 The company has no holds shares or convertible securities of the company as the underlying securities for issuing investment units of the Foreign Investors Fund (Thai Trust Fund) and the Certificate of benefit arising from Thai Underlying Securities (NVDR).

## 1.5 Issuance of other securities

### 1.5.1 In case the company has convertible securities

The Company has allocated the warrants to purchase ordinary shares No. (DCC-W1) to the existing shareholders. According to the resolution of the 2018 Annual General Meeting of Shareholders on April 21, 2018. The number of warrants 2,611,197,583 units with the exercise period once a year, which are on May 8, 2019, May 8, 2020 and the last exercise date on the 3rd years of warrants from the issuing date of the warrant which was on May 7, 2021 (in the event that the exercise dates falls on a holiday, the exercise date will be postpone to be in the last business day preceding the exercise date). The rate and exercise price on 1 unit of warrant can be exercise to purchase 1 new ordinary share at 1.15 Baht per share. For the first second and last exercise 703,438,699 units 967,509,538 units and 926,669,071 units a respectively, total of 2,597,617,308 units worth 2,987.26 million baht.

1.5.2 The company does not have bond securities.

## 1.6 Dividend Payment Policy Company

*“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 2022 be proposed to consider and approve the payment of the annual dividend of the year 2021 at the rate of 0.185 Baht per share or the dividend payout ratio of the Company shall be 99.2% 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 9,125,611,266 shares as the issued and paid-up share capital of the Company, totally 1,688.2 Million Baht, of which cash totally 1,277.6 Baht or 0.140 Baht per share was paid as interim dividend during the year 2021. The remaining (Quarter 4 Oct-Dec 2021) of 0.045 Baht would be further paid out totally 410.6 Million Baht or the dividend payout ratio of the Company shall be 105.9% . In case of the Meeting of Shareholders for the year 2022 approves the dividend payment as proposed.

#### **Total dividends paid in the past 3 years**

<b>Dividend Details</b>	<b>Y2021</b>	<b>Y2020</b>	<b>Y2019</b>
1.Consolidated Net Profit (Million Baht)	1,700	1,585	973
2.Retained Earnings (Million Baht)	3,242	3,179	2,790
3. Number of shares and Paid (Million Shares)	9,126	8,199	7,231
4. Earning per Share (Baht)	0.193	0.202	0.139
5. Dividend paid per share (Baht)	0.185	0.165	0.1044
6. Total Dividend Paid (Million Baht)	1,688	1,353	755
7. Dividend Payout Ratio (%)	99	85	78
8. Appropriated for legal reserve (Million Baht)	91	82	72

<b>Y2021</b>	<b>Consolidated Net Profit (Million Baht)</b>	<b>Directors approved to pay Dividend</b>		
		<b>Interim Dividend Paid (Million Baht)</b>	<b>Interim Dividend Paid (Baht per Share)</b>	<b>Dividend Payout Ratio (%)</b>
Quarter 1	493.1	456.3	0.050	92.5
Quarter 2	453.3	456.3	0.050	100.7
Quarter 3	366.4	365.0	0.040	99.6
Quarter 4	387.6	410.6	0.045	105.9
<b>Total</b>	<b>1,700.4</b>	<b>1,688.2</b>	<b>0.185</b>	<b>99.2</b>

#### **Subsidiaries**

-Tile Tip 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.

## **2. Risk Management**

### **2.1 Policy and Risk Management Plan**

The company has established a risk management policy as follows:

1. Establish an international risk management system and effectively to reduce the risk in business operation to a level that is acceptable and contribute to stable growth.
- 2 . Make and plan risk management at least once a year and report the risk management results at least once a quarter to the Audit Committee and collect every 6 months to propose to the Board of directors.
- 3 . Determine the preparation of alarms before reaching the critical point. To have time to manage risks.
- 4 . Disseminate to all department to understand and implement the same standard of risk management.

### **Policy & Principle**

To operate in accordance with the objectives, the principles are as follows;

- 1 . Business group operates by Dynasty Ceramic Public Company Limited, a business group operated by its subsidiaries that DCC has control over. Risk management must be established in accordance with the manual. Except business units established for the benefit of internal management and business units whose operations are insignificant.
- 2 . Determine risk management to be a part of operation, not a specific task for the committee. This is including a preparation of business plan, investment decision, administration and projects.
- 3 . The management and employees involved in the company are owned the risks. They are responsible for risk assessment and report results to the management team, the board of directors within a specified period.
4. Risk management encompasses the most important tasks as follows:
  - 4.1 Main Mission Risk Factors
  - 4.2 Consideration of alarms
5. Risk management committee required to review the risk assessment at least once a year or when there is a change that significantly affect the business and report the risk management results to consider quarterly for management committee / audit committee and complied on 6 months for further submission to the committee.
6. In case of significant risk still cannot manage to be at an acceptable level or there is a risk warning signal, should be set up a corrective measure until the risk is at an acceptable level.
7. The risk management manual must be updated to reflect changes in operations and economic conditions.

### **2.2 Operational Risk Factors**

The situation of the Covid-19 virus epidemic and economic volatility in the past year, resulting to the operations group of Dynasty Ceramic Public Company Limited by epidemic control policy effect in some of period and slowdown of economic growth in the country. However, the company has made a strategic plan to review the operating result and to make all departments aware



and perform to respond risk covering marketing, competition, financial, production and occupational safety and health risk of company's worker. The result of risk assessment and strategic adjustment, recognize company the future potential opportunities such as condition of product demand in the future, condition of import products that affected by business volatility.

## 1. Business Risks

### 1.1 Price Competition Risk

The company has a price competition risk, especially for small size of tiles. It is because this product price is affordable for target group and not different in characteristic with competitors. In addition, a domestic production capacity is still excess effect to intense competition in small size of tiles market. The company has policy to prevent this risk by adjust to focus on providing service. Consistently launch products for customer to make a better difference. Moreover, company has set a strategy and policy that focus more on large size of tiles into the market. This is to maintain ability for making overall profit of the company.

### 1.2 Changing Behavior and Customers Expectation Risk

Change in customers' expectation and behavior effect on adjustment to the needs in service standard and the way to respond more challenge in business operation. These demand are not only on delivery, the company has respond these changes by adjust model to approach the needs and the characteristics of customers to be use in manage a good relationship between company and customer. Therefore, receive supported information system from all over the company. In addition, the group of company has brought customer's opinion to be use in product development and also in service.

## 2. Operational Risk

### 2.1 Risk from rising of energy price

Since the company production process is a process that has natural gas energy as a mainly cost. Over in 2021, natural gas and fuel prices have continued to rise, resulting the production cost of energy is higher as well. Therefore, the company has improved the production process to use energy in the production process to be the most efficient and effective. By stipulate the production capacity to be appropriate and reduce production line that excess market capacity with consumption more energy compared to other production lines. Focus on reducing energy in the production process from the adjustment of the production formula or modify machinery to reduce rate of energy consumption per unit of production. In addition, the company has also improved the transportation process to reduce the company's transportation costs as well.

### 2.2 Risk in sourcing raw materials and rising of raw materials price

Mainly raw materials of ceramic tiles consists of soil, stone, minerals, coating and water. A risk of shortage and the price of raw materials that may increase. The company has diversified risk by sourcing raw materials from many sources in the country, abroad and from various trading partners that could deliver raw materials continuously. The company also set a

strategy policy to develop production formula to reduce risk of shortage of raw materials. Moreover, company cooperate with partner to observe, improve and forecast raw material inventory quantity for the ceramic tiles production process.

### 2.3 Personal Risk

Due to the situation of Coronavirus outbreak, the company has risk in occupational health and safety of staff in the organization. This may result in lack of staff in manufacturing sector and higher staff cost. The company has manage, develop, retention staff and give importance to taking care of staff to avoid from epidemic. Also to be in good health welfare, provide an appropriate and fair compensation. In addition, the company has also develop production process to be automated for reduce risk that may cause accident and replace staff position where there is a lot of work and not appropriate for manual labor.

## 3. Financial Risk

### 3.1 Liquidity Risk

To ensure that the company has sufficient liquidity. The company has continuously monitored and assessed the liquidity of the company to prepare credit lines from financial institutions and maintain reserve fund in sufficient for business operation. Also prevent risk from cash flow volatility that may occur.

### 3.2 Credit Risk

To reduce company's risk, the company has manage and control risk of account receivable by controlling, operating and use of various financial instruments such as use a letter of guarantee from financial institutions, creditworthiness assessment of debtor, setting a credit limit to control credit of debtor, etc.

## 4. Environmental and Social Risks

Social awareness and measures of the government that focus on reducing and preventing negative impacts of business operation from industrial sector. It may cause to the operation risk and reputation of the company. The company has manage risk in many ways both emergency and long term. In addition, the company determine to responsible of the environment and communities near by the company's area. By strictly adhere to the industry standard procedure and regulations. There is a continuously operation according to ESG framework.

## 3. Drive Business For Sustainability

### 3.1 Sustainable Management Policy and Goals

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 2021 disclosed according to the form 56-1 One Report of the Securities and Exchange Commission and the Stock Exchange of Thailand. As at 31 December 2021.

### 3.2 Managing impact on stakeholders in business value chain

#### 3.2.1 Value Chain

Value chain of business represent the relationship of key stakeholders in activities related to business operation from upstream to downstream, where the company is a manufacturer and distributor of ceramic floor and wall tiles products. With the distribution channel over 200 outlets all over the country along with stable and sustainable growth which consist of value chain activities of 2 types businesses as follows:

**1. Primary activities** consist of 5 activities

*(1) Management of input or inbound logistics:*

-The company has set guidelines starting from selection of raw materials with quality from the standard manufacturer. Frequently research and product development to make product meet standard. There are new types of products that is conducive for wide application and constantly meet the market demand. There were used resources in the most efficient and beneficial way.

-Research, development and design still be on focus in research development to support the reduction of energy consumption. In order to move towards the development of new products for market demand, new types of applications as well as focusing on saving cost of production in terms of raw materials and reduce rate of energy consumption per unit for the production of product with value added to be able to compete in the business sustainability.

*(2) Operations*: The Company focuses on producing product with efficiency. Reduce complex procedure, reduce energy consumption to promote sustainable energy use. Focus on researching and creating new product to meet market demand along with taking into safety of employee's work as important. The company is aware of the impact of business operation the production process, power consumption and transportation. Therefore, set up

guideline of environmental management in accordance clearly tightened with the standard to prevent and create sustainability of environment and communities surround factory in the long run.

(3) Outbound logistics : the company distribute products through company outlets more than 200 outlets over the country by a transportation from more than 20 transport operator who have entered into transport contracts, enabling customer to access products conveniently and quickly.

(4) Marketing and Sales: Company's marketing and sales team determine plan of selecting customer or agent, marketing plan, advertising and public relations central office to distribute plans through area managers to outlets over country, together with pass to customer with the same policy and adds communication channels of products information via social media such as website, facebook and also instagram.

(5) Customer services : there was a monitor and consultant with suggestion about products including accessories to help facilitate and easy to use the products.

## **2. Support activities**

The company has set up a framework for the above primary activities for good coordination which create value, should rely on supporting activities for all 4 activities by setting the same policy for the whole group.

2.1 Procurement procurement of raw materials and machinery for production. Procurement of land or land lease for built outlet.

2.2 Technology Development it covers technology to support the execution of all core activities such as warehouse and inventory management system.

2.3 Human Resources Management selection and development of personnel in the organization. This includes all management related to personnel such as employment policy and compensation management.

2.4 Firm infrastructure primary activities require by company are financial management, accounting system, strategic planning, management structure, etc.

Besides support activities functions refer to support the primary activities, supporting activities should be act to support each other.

### **3.2.2 Stakeholder Analysis of Business Value Chain**

Stakeholder is a person or enterprise that is directly and/or indirectly related to company's business operations which can be divided into internal stakeholders and external stakeholder. The company assesses the expectation of stakeholder once a year, through the process open to listening to the opinions, meeting and other channels. In order to summarize guidelines for treat with different groups of stakeholders as follows:

Stakeholder Group	Stakeholder expectations	Meeting Stakeholder Expectation
<b>Internal Stakeholders</b>		
1.Shareholder	1) Organization that is transparent with ethics 2) Equal right to receive information about the status and company performance 3) The right to receive profit share in form of dividend and have sustainable growth.	1) Fundamental rights stipulate by laws and the Company's Articles of Association. 2) Right to attend the shareholder's meeting to consider in each agenda. 3) Right to propose meeting agenda and elect directors in advance. 4) Right to express opinion as a business owner through independent directors.
2.Employee	1) Salary and welfare including fair compensation. 2) Developing body of knowledge 3) Respecting human rights, prosperity and stability in financial functions. 4) Safety, health, working environment and promoting fair working condition for employees.	1) Compliance with labor contract, not against the law, pay reasonable compensation. 2) Develop employee to have knowledge and ability for competition, not engaging in acts that violate human rights principles. 3) Compliance with labor standards that support and respect human rights principles. Uphold the labor law as an important. 4) Participation, listen for information by human resource department. 5) Due to the epidemic crisis of COVID-19, the company has implemented measures according to the procedure of the Department of Disease Control. Ministry of Health to ensure the safety of employee. 6) Conduct work environment inspections, including noise, light, heat, chemicals, dust and well. 7) Safety equipment is inspected and installed to meet the standards and to be in the line with the Department of Industrial Works law regularly every year. 8) Arrange the environment improvement at working place to be safe, both health care and sanitation such as providing a rest area or 5S activities. 9) Arrange the annual physical

		<p>examination of employee.</p> <p>10) There is a campaign to use the equipment to give knowledge and news of safety activity.</p> <p>11) Cultivate the mind of safety for employee and related persons to follow the prescribed guidelines.</p> <p>12) Arrange the meeting of safety committee in monthly.</p>
External stakeholders		
1.Customer	<p>1) A quality product, safe, reasonable price and environment friendly.</p> <p>2) Sales department present products and promotions politely and sincerely.</p> <p>3) Track a good after sales service and fast.</p>	<p>1) Deliver products with quality and on time.</p> <p>2) Follow up on customer satisfaction.</p> <p>3) Receive complaints, quality of products and services.</p>
2.Partner	<p>1) Conduct business with transparency and honestly in accordance with trade conditions.</p> <p>2) Jointly promote and develop.</p>	<p>1) Operate in accordance with code of conduct of the organization.</p> <p>2) Meeting with partners.</p> <p>3) Make a contract with fairness.</p>
3.Competitor	<p>1) Competing fairly with competitor in accordance with the law</p> <p>2) Compliance with the trade competition policy.</p>	<p>1) Do not take any action that is an infringement of rights.</p> <p>2) Do not destroy reputation or slander competitors.</p> <p>3) Promote free trade.</p>
4.Community	<p>1) Does not cause pollution.</p> <p>2) Develop, create a career and support people in the community.</p> <p>3) Compliance with the law.</p>	<p>1) Build a good relationship.</p> <p>2) Promote job creation in community.</p> <p>3) Listen the complaints or impact that affect the community in order bring to improve.</p>
5.Government Agency	<p>1) Compliance with relevant law and regulations.</p> <p>2) Cooperation in various projects of government agencies.</p>	<p>1) Strictly compliance with applicable laws.</p> <p>2) Not asking, not receiving or pay any dishonest benefits.</p> <p>3) Anti-Corruption policy</p>
6. Mass Media	<p>1) Disclosure of information accurately, promptly, timely and transparently.</p>	<p>1) Build a good relationship with mass media by provide actual information and not distorted.</p> <p>2) Communication through the investor relation team.</p>

### **3.3 Sustainability Management in Environmental Dimensions**

#### **3.3.1 Environmental Policies and Practices Guidelines**

The company considered in management and create a positive impact on the environment for business operation. Although the company is a manufacturer that use natural resources as the main raw material. The company is still aware of risk that may effect the environment. Therefore, attaching great importance in the development of production process and create new innovation for the most cost effective use of resources including reducing the use of limited energy to operate business sustainably based on environmental responsibility.

#### **3.3.2 Environmental Performance**

The company continues to operate continuously on residual heat from production process on renewable energy. To reduce energy consumption and reduce waste from the production process including closed system water management by taking water from the production process to be treated to reuse, reduce dust pollution with dust collector in order not to affect the communities surrounding the factory and reduce use of some water resources as well.

In addition, the company has prepared and design many measures to deal with problem of climate change or a shortage of resources by promoting highly efficient water management research for raw materials or alternative materials, including joint development and support partner to develop and modify production process. In order to control the cost of raw materials or together with develop packaging to reduce use of natural materials but still maintain the same quality for the most efficient use of resources.

#### **Energy Management**

The company is committed to efficient energy management. In 2021, the subsidiaries have signed a contract to install a solar rooftop electricity generation system which is expected to start using renewable energy by 2022 and is expected to reduce the company's greenhouse gas emissions by more than 1,700 tonCO<sub>2</sub>eq per year.

Natural Gas Power- The company has installed natural gas meter for every process that used natural gas and analyzed in the form of gas usage index per unit of production or weight of products (Specific Energy Consumption –SEC). Natural Gas consumption in year 2019-2021 are as follows : 80,903,327 Kg., 81,167,769 Kg. and 77,777,673 Kg., respectively and Fuel consumption in year 2019-2021 are as follows: 950,448 liters 856,559 liters and 762,856 liters ,respectively.

Electricity- The company has analyzed the electricity consumption in the form of an index of electricity per unit of output or weight of products (Specific Energy Consumption-SEC) At present. It has been started the installation of electric energy meter tools in form of IoTsystem. In some of process is under the testing expansion. Electricity consumption in 2019-2021 are as follows: 127,770,856 Kw-hour, 132,001,168 Kw-hour and 122,926,268 Kw-hour , respectively.

Environment- The company has an annual environment audit. At present, the company is studying to apply technology in online monitoring system. To comply with environmental policy and support regulatory laws that will be enforces in the future.

Energy reduction consumption target in 2%, calculated by the SEC. At present, there are internal research department to develop products to reduce energy consumption and

replace products that must be imported from abroad. The budget for research is 1% of all employees in the production department.

## **Water Management**

From the ceramic tiles production technology of Dynasty Ceramic Public Company Limited use water as an important element in the production of ceramic clay powder. The company has designed the production system by using internal recirculating water system. This is to reduce the impact on the environment, community and production process. The area of factory has a large raw water reservoir to store water during rainy season and sufficient for use during the dry season. There is a waste water treatment system that arises from the production process. All waste water will be treated and reused in the production process and there will be Zero Waste Water Discharge.

At present the production and utilities within the factory have a tap water usage rate of less than 10 percent of the total water demand. There is a measure to prepare and manage water in the factory to increase the efficiency of water use in the production process. Production planning in line with water reserves and the preparation of an emergency plan in case of water shortage to avoid interruption of the production process. Reduction of using raw water from water supply target by 5% from the previous year. Water consumption in 2019-2021 are as follows: 378,943 cubic meters, 345,834 cubic meters and 328,993 cubic meters, respectively.

## **Management of Waste, Solid Waste and Pollution**

The company has a systematic management of waste and solid waste in the business process. Waste is sorted by type together with creating a spirit and participation. In 2021, it was found that air quality standards, smells, noise and lights were within the normal range as required by law and no chemicals or toxic substances were found to leak from business operation.

## **Reducing greenhouse gas management**

The company did not verify the amount of greenhouse gas emissions from external agencies, which the company has a management team responsible for environmental care and control. In 2021, the company has direct greenhouse gas emission 242,068 tons carbon dioxide equivalent (TonCO<sub>2</sub>e) and indirect greenhouse gas emission 61,451 TonCO<sub>2</sub>e, in total of 303,518 TonCO<sub>2</sub>e. A decrease from the previous year by 15,268 TonCO<sub>2</sub>e or 4.79% (Therefore, depending on the production volume)

<b>Greenhouse gas emission (TonCO<sub>2</sub>e)</b>	<b>Y2019</b>	<b>Y2020</b>	<b>Y2021</b>
Direct (Emissions Scope 1)	252,263	252,799	242,068
Indirect (Emissions Scope 2)	63,873	65,987	61,451
<b>Total</b>	<b>316,136</b>	<b>318,786</b>	<b>303,518</b>
<b>Greenhouse gas emission per Ton Product (KgCO<sub>2</sub>e/Ton)</b>			
Direct (Emissions Scope 1)	250	251	251
Indirect (Emissions Scope 2)	63	66	64
<b>Total</b>	<b>313</b>	<b>317</b>	<b>315</b>

## **3.4 Sustainability Management in Social Dimension**

### **3.4.1 Social Policies and Practices**

The company is confident that in order for the organization to develop a growth in sustainability, it requires development from internal staff level to understand job description in expertise. Empowering employees and encouraging employees to participate in job analysis, make recommendations and listen to the opinions of employees at all levels on the basis of fairness and equality to achieve long-term development. By taking care of all employees to



have a good working place and safety both in factories, outlets and head office. There was development a knowledge, opportunity to advance in job and have a better quality of life including society outside the organization, both partner, community, society and all groups of stakeholders for sustainability of society as a whole.

### **(1) Conducting Business with Fairness**

The company is one of the manufacturer of ceramic floor and wall tiles that is committed to operating with the intention of being a leading organization in the country with good management system, efficient, transparent, fair and verifiable. The Board of Directors give important to good corporate governance and operating business with fairness to all groups of stakeholders. The company realize that fair business practice will be a tool to help prevent any conflicts that may arise. It also makes the company gain confidence and accepted by all groups of stakeholders.

The company operates its business with equality and fairness. Operate business compliance with laws, regulations, rules and procedure of the governance agencies for executives and employee. There are clear guidelines for dealing with all group of stakeholders. Also strengthens and instill in employee at all levels to perform their duties with fairness by setting a common goal based on obtaining fair returns for both parties. Avoid situation that cause conflicts of interest as well as complying with the obligation to provide truthful information and accurate reporting. Work together to for the solution based on business relationship whether being a partner, customer, for employee, community and society. The company adheres to the principle of respecting the laws and human rights in accordance with the culture and tradition of each locality.

Competitors, the company is open for free competition under framework of rule according to the fair market mechanism with no sale monopoly power, not seeking or disclosing information or acting improperly in a place that may damage the reputation of a trade competitor. The company takes into account the interest of customers as the main priority in order to purchase quality products. Received impressive service and respond to the best needs of all group of customers.

Partners, the company operate on the basis of business relationship with international principle equally and fairly with all group of partners. Whether group of material, equipment in the production process, carrier group, contractor group or others financial institutions. To built confident of performance comply to contract and conditions. Adhere to equality , integrity in business and mutual benefits of all group of partners.

### **(2) Respect for Human Rights**

The company operates business with respect to laws and human rights principles without discrimination on race, religion, nationality and culture. By give importance to both internal and external stakeholders to receive the rights under the relevant laws. The company has guidelines for employee to follow, the employees shall behave to their colleagues and other equally. Respect humanity without violating the rights of employee and non discriminatory.

In 2021, the company has no complaints about human rights violations.

### **(3) Anti-Corruption**

The company has announced an anti-corruption policy. It has been clearly written since 2013 as a guideline for the operation that the company does not accept any form of corruption. By disseminating to both employee, business partner and stakeholders through communication channels, both in document for employee in the company and being an electronic system via company's website to be acknowledge. Including clarification to new employee to acknowledge the policy every time in the employee orientation in the factory, outlets and head office.

In addition, the company has a policy to provide protection and fairness to employee who report whistleblowers about corruption and/or non-compliance with laws , rules, regulations and company's code of conduct (Whistle Blower Policy). The complainant and the whistleblower can notify through the channels provided by the company as follows:

- 1.Submit document at all 3 complaint cabinet, at 2 factories in Saraburi province and at the head office.
- 2.Send a letter by post to Internal Audit Office at the head office
- 3.Send email to wecare@dynastyceramic.com
- 4.Company's Hotline call 084-7514747 (during business hours Mon-Fri 8.30-16.30)

#### **(4) Fair treatment of Labor**

(a) The company complies with labor standards that support and respect human rights principles by adhering to the labor laws of Thailand as an important. This was set out in personnel management policy, focus on sustainable business operations within the scope of the company and will not engage in acts that violate human rights principles.

(b) The company complies to the stakeholders with mutual respect. Respect on communication and understanding to all parties involved.

(c) The company operate business in accordance with labor laws. There is no child labor, treat workers equally, no gender differences or religious differences.

(d) The company has a process of recruiting and selecting personnel with equality. Non discriminatory, use the principle of consideration according to the characteristics, qualification and ability of person.

(e) The company take responsible of benefits, provide occupational health welfare and safety in work according to the law. Emphasis on working safe and hygiene in the workplace both factories and outlets properly.

(f) Employee received benefits from workplace according to ability and responsibility. Both male and female employees receive benefit in equal.

(g) Encourage training for employees at all levels to enhance knowledge and improve the quality of work to be more efficient.

#### **3.4.2 Social Performance**

The company also recognizes the importance of social and community quality development. Treats on labor with fairness, no gender differences or religious differences. Responsible on manufacturing for customer, provide occupational health welfare and safety in workplace by the law. Emphasis on working safe and have a proper sanitation in the workplace , both factories and outlets in properly. Support for the employment of people with disabilities in the organization and has delivered the contribution in the proportion prescribed by law.

##### **1. Employees and Workers**

The company adheres to the principles of human rights from the employment to the care of employees and personnel in order for employees and personnel to feel connected with the same group of organization. In 2021, the company and its subsidiaries have significant employee operations as follow:

*Employment (Information as of October 1, 2021)*

Description	DCC	TTOP	RCI	Total
Number of employees, not disabled (persons)	2,124	646	346	3,116
Number of employees, disabled (persons)	4	4	0	8
Number of disabled, employed in ratio: 100 : 1 (persons)	21	6	3	30
Contributed to Fund, (Million Baht)	1.94	0.23	0.34	2.51

*Number of Employees and Employee remuneration (Information as of December 31, 2021)*

Description	Y2021	Y2020	Y2019
Male (persons)	2,013	2,022	2,185
Female (persons)	1,071	1,069	1,163
Total (persons)	3,084	3,091	3,348
Employee remuneration (Million Baht)	1,046	1,003	1,022
Number of employees participating in the provident fund (persons)	2,613	2,758	2,655

*Staff Training*

In the past 2021, the world is still experiencing the epidemic situation of the Covid-19 virus. It causing inadequate training management. Due to training may cause risk of spreading such virus. The company continue to promote learning opportunities in all levels, encourage in learning continuously. Either to enhance skills including learning new knowledge to adapt to changing of business trend by organize training within small groups or continually organize online training to educate employee at all level. Since employee have joined the company, initially will receive an orientation course for new employee to gain knowledge and understanding about company's culture, information on basic work knowledge, regulations for coexistence so that new employee can adapt to working conditions. This will have a positive effect on the overall performance or the organization.

Including develop employees potential along with encourage employee to take responsibility for their job with the right of ethics. Inter-functional learning to enhance knowledge, build a bond between related department to create an understanding of the collective goals of the company together and grow with organization sustainably.

In 2021, the company and its subsidiaries have promoted training courses for employees to increase their skills and potential of work for employees.

**Factory part**

- Training to enhance knowledge in 2 courses, totaling 12 hours, for 632 trainees.

No.	Courses	Number (hours)	Number (persons)
1	Lean Principle for Leadership	6	626
2	Drive and maintenance electric forklift in proper and safe	6	6
	<b>รวม</b>	<b>12</b>	<b>632</b>

**Branch part**

- There is training for driving and maintaining of electric forklift, in 1 courses, totaling 6 hours, for 98 trainees.

No.	Courses	Number (hours)	Number (persons)
1	Correct and safe driving and maintaining of electric forklift for the year 2021	6	98

**Head office**

- Information of fire fighting training of head office employees of 2021, total: 6 hours, 56 trainees
- Information of outside training of head office employees of 2020, in 13 courses, totaling 115 hours, for 63 trainees

No.	Courses	Number (hours)	Number (persons)
1	Case Studies Expenditure issue to be aware of prohibited expense and With Holding tax issues	6	3
2	With Holding tax and e-Wtth Holding Tax issue, 2 With Holding tax systems	6	3
3	Cutomer Account Record, Accounts Receivable and Bad Debt Management and Internal Control according to accouting standard	6	3
4	Training on the Personal Data Protection Act (Course no.35)	6	1
5	Safety Officer Management level course	12	2
6	Training on the Personal Data Protection Act (Course no.36)	12	2
7	Training and Consult PDPA for SMEs	13	33
8	Mobile App Development by Flutter 2.x (Android and iOS)"	24	1
9	TAS19 to calcutaes employee benefits and TFRS9 reserve impairment of financial instruments	6	5
10	Training on using accounting software M3	6	1
11	Understand financial assets of TFRS 9 in terms of knowledge of accountant	6	2
12	Attention for preparing financial statements, Closing Entries and presenting financial statement in the line with financial reporting standard before submitting financial statement ( training online via Zoom)	6	4
13	Issue of document receiving-paying. How to be correct and not be assess by the Revenue Department (training online via Zoom)	6	3
	Total	115	63



### *Safety, Occupational Health and Work Environment*

Due to the epidemic of the COVID-19 which continues to spread throughout the world since 2020, affecting the lives of many people. There has changed in lifestyle of new normal to prevent risk and protect the welfare of employees. The company has implement measures according to the Department of Disease Control precedures, Ministry of Health to take care of the safety of employees at the factories, outlets and the head office. The company has already provided a vaccine against COVID-19 to employees in both the factories, outlets and the head office.

The company continuously develops and improves the efficienct of safety operations to reduce the risk of illness, injury or death with a target to decrease the number of fatality accidents to zero in every year, by 2021 the mortality rate is equal to zero.

Statistics of occupational hazards (Dynasty Ceramic Public Company Limited and Subsidiaries)

Year	Number of employees (persons)	Total injured	Death	disability	Loss of organs	Over3 day off work	Not over 3 day off work	No off work
2019	1,215	25	0	0	0	3	1	21
2020	1,194	16	0	0	0	4	5	7
2021	1,535	37	0	0	1	13	9	14

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.
- 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.
- 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 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.
- 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.
- 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.
- 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.

## **2. Customers**

The company is constantly striving to deliver products and service to meet the needs and satisfaction of customers. Both in terms of quality and in fair price. The products and services are safe and environment friendly. There are new products development in term of size, characterize surface of tilws to suit the needs. Also add varius patterns to be more modern, collecting customer information in database for use in analysis of consumption behavior. Also learn about the needs of customers as a way to create new innovations in the future.

In 2021, the company has proven the customer satisfaction level with increasing sales. Even though the economy is in the midst of the COVID-19 edipemic. There were 44 cases of complaints from customers regarding service and product quality. The company has already handled such complaints.

## **3. Society and community**

The company operate business with responsibility to communités and society. Emphaisis on reducing environment impact and avoiding operation that many have a negative impact on the quality of life of the communities surrounding the factory. In 2021, there was no complaint from the community on social or environmental issue.

In addition, the company also participate in improving the quality of life and promoting participation with the community through the following 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, supported over 7,000 square meters of ceramic tiles. By year 2021, volunteer camps activities have slowed down due to the COVID-19 epidemic situation.

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 and 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 2021, the company has supported 47 locations through the operation of 33 branches. The total number of tiles supporting to volunteer camps of higher education institutions and through direct operations of the branch, is 7,747 square meters of tiles.



## Dynasty Retail Network (DRN) Project

It is a project that the company willing to open for small business partner join to promote information of the shop or small group of customers who use the company's to build or decorate the shop through the company's social media networks, including facebook and IG to increase sales channels to be more known by customers without any cost which has obtained a lot of attention from stores because the company have outlets all over the country. And there are customers who are the shops in all over country as well. Including customer groups of coffee shops, accommodation, resorts, car wash shops, etc.





# Bunny Moon Cafe, The Lakefront Phrayao

DYNASTY RETAIL NETWORK

## โปรโมชั่น ซื้ออาหารและเครื่องดื่ม ครบ 300.- ลด 10%

Cafe and Restaurant  
Location: ต.สีมงาม อ.เมืองราชบุรี จ.ราชบุรี  
Tel: 084-617-5765  
Open: วันพุธ-วันศุกร์ 11:00-19:00 น.  
เสาร์ - อาทิตย์ 10:00-20:00 น.  
FB: @bunnymooncafe



สำหรับลูกค้าที่สนใจรับส่วนลด  
โปรโมชั่นนี้ กรุณาแสดง QR code  
นี้แก่พนักงานต้อนรับ ณ ร้าน  
Bunny Moon Cafe

### ร้านตกแต่งด้วย Modern Loft Style

เป็นร้านที่ตกแต่งด้วยสไตล์โมเดิร์น  
ตกแต่งด้วยเฟอร์นิเจอร์ไม้และ  
สีโทนอบอุ่น มีพื้นที่นั่งเล่นที่  
สามารถนั่งพักผ่อนได้สบายๆ มี  
เครื่องดื่มและอาหารที่อร่อย  
หลากหลายเมนู

การบริการที่อบอุ่น พร้อมให้บริการ  
ตลอดทั้งวันทุกวันจากเช้าถึงเย็นทุกวัน



DYNASTY  
RETAIL  
NETWORK

Promotion  
พิเศษ!!



Winnipeg  
R2C 0A8

OPENING  
HOURS

Thursdays, Fri, Sat

บ้านพักหัวหิน-ชะอำ ชัยพ็ญ

DYNASTY RETAIL NETWORK

**โปรโมชั่น**  
**ค่าเครื่องเต็มทุกชนิด**  
**ลด 10%**

Hotel and Resort  
 Location: 888/1 หมู่ 9 ตำบลชะอำ  
 Tel: 082-515-4110  
 Open: 24 ชั่วโมง  
 E-mail: [manager@dynastyhotel.com](mailto:manager@dynastyhotel.com)  
 FB Page: บ้านพักหัวหิน-ชะอำ ชัยพ็ญ

ที่พักสวยๆ บ้านพักหัวหิน-ชะอำ ชัยพ็ญ  
 อาหารเช้าฟรี 24 ชั่วโมง  
 สระว่ายน้ำกลางแจ้ง 25 เมตร  
 บริการรถรับส่ง ฟรี

ที่พักตกแต่งสวยๆ ด้วย Style ที่พิเศษสุด  
 พิเศษสุดเมื่อเข้าพักฟรี

ห้องพักสวยๆ บ้านพักหัวหิน-ชะอำ ชัยพ็ญ  
 อาหารเช้าฟรี 24 ชั่วโมง  
 สระว่ายน้ำกลางแจ้ง 25 เมตร  
 บริการรถรับส่ง ฟรี

โปรโมชั่นพิเศษสุด! จองห้องพักวันเดียว  
 ได้อาหารเช้าฟรี 24 ชั่วโมง

DYNASTY RETAIL NETWORK  
**Promotion พิเศษ!**

**Aliz wedding studio**  
DYNASTY RETAIL NETWORK

**โปรโมชั่น  
ค่าใช้บริการ  
ลด 10%**

Other services  
Location: อ.ปัทมาธิราช ถนนพหลโยธิน  
Tel: 085-198-0025  
Open: ทุกวัน  
FB: @Alizweddingstudio

กรุณาใช้โปรโมชั่นลด 10%  
เฉพาะลูกค้าใหม่เท่านั้น  
ไม่รวมค่าบริการช่างแต่งผม  
และช่างแต่งหน้า

**ร้านตกแต่งบ้าน Modern Style**  
เป็นร้านที่ทันสมัยและตกแต่งบ้าน  
ด้วยเฟอร์นิเจอร์และของตกแต่งบ้าน  
ที่มีสไตล์ทันสมัยและสวยงาม  
เหมาะสำหรับลูกค้าที่ต้องการ  
ตกแต่งบ้านให้ดูทันสมัยและ  
สวยงาม

ร้านตกแต่งบ้านสไตล์ โมเดิร์นสไตล์  
เหมาะสำหรับลูกค้าที่ต้องการ  
ตกแต่งบ้านให้ดูทันสมัยและ  
สวยงาม

ร้านตกแต่งบ้านสไตล์ โมเดิร์นสไตล์  
เหมาะสำหรับลูกค้าที่ต้องการ  
ตกแต่งบ้านให้ดูทันสมัยและ  
สวยงาม

DYNASTY  
RETAIL  
NETWORK  
**Promotion  
พิเศษ!!**

# บ้านนา ผาสุก

DYNASTY RETAIL NETWORK

## โปรโมชั่น

ราคาเครื่องต้นทุกชนิด

# ลด 10%

Cafe and Restaurant  
 Location: อ.เมืองปทุมธานี 50110  
 Tel: 090-328-6286  
 Open: Everyday 10:00-22:00 น.  
 FB Page: บ้านนา ผาสุก



รหัสส่วนลดนี้ใช้ได้เฉพาะ  
 เวลาทำการเท่านั้น ไม่สามารถ  
 ใช้ลดราคาเครื่องดื่มได้  
 สอบถามรายละเอียด  
 เพิ่มเติมได้ที่

### ร้านพิเศษด้วย Traditional Thai Style

เปิดบริการอาหารไทยจัดจ้านแบบดั้งเดิม  
 ไทยบ้านนาผาสุกบ้านนา ผาสุกบ้านนาผาสุก  
 ไทยบ้านนาผาสุกบ้านนา ผาสุกบ้านนาผาสุก  
 ไทยบ้านนาผาสุกบ้านนา ผาสุกบ้านนาผาสุก  
 ไทยบ้านนาผาสุกบ้านนา ผาสุกบ้านนาผาสุก  
 ไทยบ้านนาผาสุกบ้านนา ผาสุกบ้านนาผาสุก  
 ไทยบ้านนาผาสุกบ้านนา ผาสุกบ้านนาผาสุก

ขอเชิญทุกท่านมาลิ้มลองรสชาติอาหารไทย  
 บ้านนาผาสุกบ้านนา ผาสุกบ้านนาผาสุก



เมนูพิเศษ  
 100 บาท



DYNASTY  
 RETAIL  
 NETWORK  
 Promotion  
 พิเศษ!!

## 4.Management Discussion and Analysis: MD&A

### Financial Highlights

<i>CONSOLIDATED THE STATEMENTS OF COMPREHENSIVE INCOME (Unit:MB.)</i>	Y2021	Y2020	Y2019
Total Revenues	8,481	8,589	8,190
Net Sales	8,396	8,501	8,118
Gross Profit	3,637	3,529	3,126
%Gross Profit	43.3	41.5	38.5
Distribution costs and Administrative expenses	(1,582)	(1,621)	(1,769)
Net Profit Before Interest & Depreciation	2,813	2,717	1,964
Net Profit	1,700	1,585	973

<i>Consolidated the Statements of Financial Position (Unit:MB.)</i>	Y2021	%	Y2020	%	Y2019	%
Total Assets	8,943	100%	8,796	100%	8,722	100%
Total Liabilities	3,106	35%	3,938	45%	5,203	60%
Total Shareholders' Equity	5,837	65%	4,858	55%	3,519	40%

<i>Authorized Share Capital</i>	Y2021	Y2020	Y2019
Authorized Share Capital - Baht	913,919,154.10	913,919,154.10	913,919,154.10
Total number issued of shares –Shares	9,139,191,541	9,139,191,541	9,139,191,541
Total number paid-up share-Shares	9,125,611,266	8,198,942,195	7,231,432,657
Booked Value - Baht	0.640	0.593	0.487
Earning Per Share - Baht	0.193	0.202	0.139

## **4.1 Summary of Operating Results and Financial Analysis**

### **Overview**

In 2021, the economic situation in Thailand is still inevitable an epidemic of the COVID-19. The real estate sector has been affected with slow down in construction or opening of new project, which affect the competition in the business more intense and many businesses had to shutdown. Including the many of company's partner stores also have to shutdown. However, the government has announced to open and close the country in periodically. All sectors must adapt greatly to cope with the COVID-19 epidemic situation with others measures. People's lifestyle have changed into New Normal way.

In the part of the company has increased the proportion of large tiles 60X120 cm., 80X80 cm. and 40X80 cm. The factory has renovated the existing production line to be able to support the production of 1 more large size production line. And then the distribution ratio of floor tiles is 85, wall tiles 12% and other products related such as sealant, cement glue, tile trim, etc. for another 3%. The company distributes its products through outlets over 200 outlets around country for 78%, also sell to distributors for 19%, and export 3% but still focus on domestic sales for 97%

At the end of 2019, the company invested in the ordinary shares of Royal Ceramic Industry Public Company Limited ("RCI") by making a voluntary tender offer for all securities of RCI from all shareholders of RCI. As result of the tender offer for all securities of RCI, the company has invested in RCI shares at 84.88% of all paid-up ordinary shares. At the end of 2020, the company has invested in purchasing an additional 6.99% of ordinary shares, totaling invested in RCI shares at the end of 2020 equivalent to 91.87%. In July 2021, the company received an additional 6.60% of the ordinary shares from a tender offer of RCI for delisting (Tender Delist). At the end of 2021, the company has a stake in RCI share of 98.47% (RCI has ended as a listed company from the Stock Exchange on July 16, 2021).

### **Operating results of the consolidated financial statements**

Operating resulting for the year of 2021 compared to the previous year. Total sales were 8,396.0 million baht, a decrease of 105.2 million baht or 1% due to an increase in average selling price 5% and the launch of new products in higher price. Even a gas price which is an energy cost and the main factor of production cost, increased by 27.5% and the total production volume decreased by 5%. Because of the efficient of production cost management, controlling of production cost is not increasing much. From the increased of selling price with ability to control production cost, resulting a gross profit margin increased from 41.5% of the previous year to 43.3%. Distribution cost increased by 1% mainly is a transportation cost which depended on diesel fuel prices, increased by 14%. Administrative expense decreased by 5% according to the management policy to reduce expenses for continuous efficiency. Finance costs decreased by 64% from short-term loan by 915.0 million baht or 42%. Income tax increased by 16% because last year there was an exercise of tax deduction for investment in assets. Which in this year has no longer resulting in a net profit for the year in amount of 1,703.6 million baht. Remeasurement of the net defined benefit of employee 10.4 million baht from hypothesis changes in each volume of benefit plans, remaining as net profit attributable to shareholders of the company totaling 1,700.4 million baht, an increase of 115.1 million baht or 7% from the previous year. This is another year that the company has the best performance since running business.

## Statement of financial Position

**Total Assets** of the company and its subsidiaries as of 31 December 2022 amounted 8,942.8 million Baht, increased from the previous year of 147.1 million Baht or 2%. From group of current assets of 28%, which have cash and cash equivalents decreased by 12.6 million baht or 18%. Trade accounts receivable and other current receivables increased by 20.2 million baht or 14% due to higher credit sales. Inventories increased 184.1 million baht or 9% from finished products and raw material that stock was increased. Group of non-current assets 72%, mostly are land, buildings and equipment net amount 5,790 million baht or 65%.

**Total Liabilities** of the company and its subsidiaries as of 31 December 2021 amounted in 3,105.7 million Baht decreased from the end of 2020 amount 831.7 million Baht or 21% from short-term loan payments decreased by 915.0 million baht or 42%. Trade payables and other current payables increased by 136.2 million baht or 17% from increasing of order volume and concise more in planning of payment term. Non-current liabilities provision for employee benefits decreased by 16.3 million baht or 8% due to the retirement of employees and there was a debt equity ratio of 0.54 times, a decrease of 0.83 times from the previous year.

**Total shareholder's equity** of the company and its subsidiaries as of 31 December 2021 amounted in 5,837.1 million Baht, increase from the end of 2020 by 978.8 million baht or 20% from the increase in issued and paid-up ordinary shares of 92.7 million baht or 11%. Share premium of ordinary shares increased by 973.0 million baht or 43% from the last exercise of warrants (DCC-W1) on May 7, 2020, amounting to 926,669,071 shares at a price of 1.15 baht per share. Unappropriated profit increased by 63.2 million baht or 2% from the total comprehensive income of the company. In the year 2021, amounted to 1,700.4 million baht and decreased from dividend payment Q4/2020 and Q1-Q3/2021 amounted to 1,638.3 million baht. Changes in other components of shareholders' equity increased by 106.2 million baht or 7% from the company's acquisition of tender to delisting RCI's common stock in July 2021, with increase of ordinary shares from 91.87%. At the end of 2020, it was increased to 98.47% with interest in non-controlling subsidiaries, decreased by 53.1 million baht or 55% from the fact that the company increased the company proportion in the operating results of its subsidiaries.

*Note Please see details in the company's financial statement that has been audited by the auditor, including the notes to the financial statements for the operating results and financial status of the company.*

## 4.2 Factor or Event that may significantly affect the financial position or operation in the future. (Forward looking)

In the current situation, many businesses have been affected by the economic slowdown. The company still committed to carefully in management. Adjustment a situation according to the economic trend and change in market conditions, including give importance to the internal management, cost control, especially reduction in cost with manage a variety products to have choices and able to meet needs of all customers. Expanding sales channels in a new way, use electronic media to complement changing of lifestyle such as online sales for better performance and increase market share.

## 4.3 Financial Statement and Financial Ratios

### Comparative of Statements of Financial Position in 3 years

Statements of Financial Position	Consolidated (Audited)					
	at 31 Dec 2021		at 31 Dec 2020		at 31 Dec 2019	
	MB.	%	MB.	MB.	%	MB.
<b><u>ASSETS</u></b>						
<b>CURRENT ASSETS</b>						
Cash and cash equivalents	58.24	0.65	70.87	0.81	117.93	1.35
Trade account and other current receivables - net	163.69	1.83	143.51	1.63	308.53	3.54
Inventories - net	2,273.49	25.42	2,089.41	23.76	2,164.32	24.82
Other investments	-	-	-	-	1.06	0.01
Other current financial assets	1.06	0.01	1.06	0.01	-	-
Non - current assets classified as held for sale	8.69	0.10	-	-	29.00	0.33
<b>TOTAL CURRENT ASSETS</b>	<b>2,505.15</b>	<b>28.01</b>	<b>2,304.85</b>	<b>26.21</b>	<b>2,620.84</b>	<b>30.05</b>
<b>NON - CURRENT ASSETS</b>						
Other non-current financial assets	0.31	0.00	0.31	0.00	-	-
Other long - term investments	-	-	-	-	0.31	0.00
Investment property - net	72.85	0.82	68.80	0.78	23.39	0.27
Property, plant and equipment - net	5,793.08	64.78	5,810.62	66.06	6,005.49	68.86
Right-of-use assets	504.54	5.64	536.67	6.10	-	-
Intangible asset - net	9.85	0.11	12.72	0.14	17.69	0.20
Deferred income tax asset	42.86	0.48	48.60	0.56	35.73	0.41
Other non - current assets	14.13	0.16	13.05	0.15	18.45	0.21
<b>TOTAL NON- CURRENT ASSETS</b>	<b>6,437.62</b>	<b>71.99</b>	<b>6,490.77</b>	<b>73.79</b>	<b>6,101.06</b>	<b>69.95</b>
<b>TOTAL ASSETS</b>	<b>8,942.77</b>	<b>100.00</b>	<b>8,795.63</b>	<b>100.00</b>	<b>8,721.90</b>	<b>100.00</b>

Statements of Financial Position	Consolidated (Audited)					
	at 31 Dec 2021		at 31 Dec 2020		at 31 Dec 2019	
	MB.	%	MB.	MB.	%	MB.
<b><u>LIABILITIES</u></b>						
<b>CURRENT LIABILITIES</b>						
Short - term loans from financial institutions	1,250.00	13.98	2,165.00	24.61	3,966.55	45.48
Trade account and other current payables	921.93	10.31	785.77	8.93	857.14	9.83
Lease liabilities - current portion	99.02	1.11	106.09	1.21	-	-
Accrued income tax	179.13	2.00	183.44	2.09	103.40	1.18
<b>NON - CURRENT LIABILITIES</b>	<b>2,450.08</b>	<b>27.40</b>	<b>3,240.30</b>	<b>36.84</b>	<b>4,927.09</b>	<b>56.49</b>
<b>NON - CURRENT LIABILITIES</b>						
Unfunded provident fund - non contributory	49.66	0.56	51.19	0.59	49.28	0.56
Lease liabilities - net of current portion	385.13	4.30	408.27	4.64	-	-
Employee benefits obligation	180.84	2.02	197.18	2.24	191.00	2.19
Deferred income tax liability	32.80	0.37	32.60	0.37	30.15	0.35
Other non-current liabilities	7.17	0.08	7.84	0.09	5.46	0.06
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>655.60</b>	<b>7.30</b>	<b>697.08</b>	<b>7.93</b>	<b>275.89</b>	<b>3.16</b>
<b>TOTAL LIABILITIES</b>	<b>3,105.68</b>	<b>34.73</b>	<b>3,937.38</b>	<b>44.77</b>	<b>5,202.98</b>	<b>59.65</b>
<b><u>SHAREHOLDERS' EQUITY</u></b>						
Share capital -Registered common share	913.92	10.22	913.92	10.39	913.92	10.48
Share capital Issued and paid - up	912.56	10.20	819.89	9.32	723.14	8.29
Premium on share capital	3233.50	36.16	2,260.49	25.70	1,244.61	14.27
Retained earnings						
Appropriated for legal reserve	91.26	1.02	81.99	0.93	72.32	0.83
Unappropriated	3,241.82	36.25	3,178.60	36.14	2,790.25	31.99
Other components of equity	(1,684.99)	(18.84)	(1,578.81)	(17.95)	(1,463.69)	(16.78)
Total Shareholders' equity of the Company	5,794.15	64.79	4,762.16	54.14	3,366.63	38.60
Non-controlling interests	42.94	0.48	96.09	1.09	152.29	1.75
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>5,837.09</b>	<b>65.27</b>	<b>4,858.25</b>	<b>55.23</b>	<b>3,518.92</b>	<b>40.35</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>8,942.77</b>	<b>100.00</b>	<b>8,795.63</b>	<b>100.00</b>	<b>8,721.90</b>	<b>100.00</b>

The accompanying notes form an integral part of these financial statements.



## Comparative of Statements of Comprehensive Income in 3 years

STATEMENTS OF COMPREHENSIVE INCOME	Consolidated (Audited)					
	Y2021		Y2020		Y2019	
	MB.	%	MB.	MB.	%	MB.
Revenue from sales	8,396.03	100.00	8,501.25	100.00	8,117.59	100.00
Costs of sales	(4,758.22)	(56.67)	(4,972.52)	(58.49)	(4,991.20)	(61.49)
<b>Gross profit</b>	<b>3,637.81</b>	<b>43.33</b>	<b>3,528.73</b>	<b>41.51</b>	<b>3,126.39</b>	<b>38.51</b>
Other income	84.59	1.01	88.11	1.04	72.88	0.90
Distribution costs	(782.82)	(9.32)	(777.61)	(9.15)	(842.00)	(10.37)
Administrative expenses	(799.52)	(9.52)	(843.83)	(9.93)	(927.49)	(11.43)
Finance costs	(17.65)	(0.21)	(48.90)	(0.58)	(41.81)	(0.51)
<b>Profit (loss) before income tax</b>	<b>2,122.41</b>	<b>25.29</b>	<b>1,946.49</b>	<b>22.89</b>	<b>1,387.97</b>	<b>17.10</b>
Income tax	(418.79)	(4.99)	(360.01)	(4.23)	(275.12)	(3.39)
<b>Profit (loss) for the years</b>	<b>1,703.62</b>	<b>20.30</b>	<b>1,586.49</b>	<b>18.66</b>	<b>1,112.85</b>	<b>13.71</b>
<b>Other comprehensive income:</b>						
Gain on remeasurement of defined benefit plans-net	10.43	0.12	-		-	
<b>Total comprehensive income for the years</b>	<b>1,714.05</b>	<b>20.42</b>	<b>1,586.49</b>	<b>18.66</b>	<b>1,112.85</b>	<b>13.71</b>
<b>Profit (loss) attributable to:</b>						
Owner of the Company	1,700.43	20.25	1,585.35	18.65	972.79	11.98
Non-controlling interests	3.19	0.05	1.14	0.01	140.06	1.73
<b>Earnings per Share</b>						
Profit attributable to equity holders of the Company (Baht per share)	0.193		0.202		0.139	
The number of ordinary shares weighted average (Unit : shares)	8,795,564,748		7,847,360,860		6,982,820,076	

## Financial Ratio (Consolidated Financial Statement)

<b><u>LIQUIDITY RATIO</u></b>	<b>Unit</b>	<b>Y2021</b>	<b>Y2020</b>	<b>Y2019</b>
Current ratio	Time	1.02	0.71	0.53
Quick ratio	Time	0.91	0.63	0.46
Cash ratio	Time	0.81	0.63	0.35
Receivable turnover	Time	69.31	50.98	37.81
Collection period	Day	5	7	10
Inventory-FG turnover	Time	2.42	2.63	2.76
FG Holding period	Day	151	139	132
Inventory turnover	Time	2.18	2.34	2.42
Holding period	Day	167	156	151
Account Payable turnover	Time	5.57	6.05	5.62
Average Payment Period	Day	65	60	64
Cash Cycle	Day	107	103	96
<b><u>PROFITABILITY RATIO</u></b>				
Gross profit margin	%	43.33	41.51	38.51
Operating Profit Margin	%	25.49	23.47	17.61
Other profit margin	%	1.00	1.03	0.89
Cash to profit margin	%	108.08	129.00	102.67
Net profit margin	%	20.09	18.47	13.59
<b><u>(EFFICIENCY RATIO)</u></b>				
Return On Assets : ROA	%	19.21	18.11	13.31
Return On Fixed Assets	%	38.55	36.38	28.52
Total asset turnover	Time	0.96	0.98	0.98
<b><u>(FINANCIAL POLICY RATIO)</u></b>				
Debt to Equity ratio	Time	0.54	0.83	1.55
Interest coverage ratio	Time	175.58	61.09	54.03
Interest bearing debt to EBITDA ratio	Time	0.62	0.99	2.02
Commitment coverage ratio	Time	2.09	1.20	0.50
Dividend Payout	Time	99.28	85.33	77.61

## 5. General Information and Other Information

### 5.1 General Information

Company	Dynasty Ceramic Public Company Limited (DCC)
Company Registration	Bor.Mor.Jor. (PCL) 321 (0107537000742)
Established	1 August 1989
Listing on the SET	3 January 1992, trading under the abbreviation “DCC” under the construction materials group
Registered Capital	913,919,154.10 Baht, comprising of 9,139,191,541 shares with a par value of 0.10 Baht per share
Registered Paid-up Capital	912,561,126.60 Baht, comprising of 9,125,611,266 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 <a href="http://www.dynastyceramic.com">http://www.dynastyceramic.com</a>
DCC Factory	Address 54/8 Moo3, Suwannasorn Road, Koke Yae Sub-District, NongKae District, Saraburi Province 18230 Tel. 036-305914-9 Fax. 036-263663
Subsidiaries	
1. Tile Top Industry PLC	Manufacturer of ceramic floor and wall tiles  <u>Head Office</u> Address 37/7 Suthisarn-Vinijchai Road, Samsen-Nok Sub-district HuayKwang District, Bangkok 10310 Tel. 02-276-9275-81 Fax. 02-276-0313-17

Factory Address 3/2 Moo 8, Paholyothin Road, Nong Khai Nam Sub district, Nong Khae District, Saraburi Province 18140 Tel. 036-371815 Fax. 036-371111

## 2. Royal Ceramic Industry PLC.

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 Tel. 0-2276-9275-80

Factory Address 54/7 Moo 3, Suwannasorn Road, Koke Yae Sub-District, NongKae District, Saraburi Province 18230 Tel. 036-305249, 036-305979-81 Fax. 036-305988

## 5.2 Other Important Information

### 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](mailto: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](mailto: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](mailto:Cattleya.sa@dynastyceramic.com)

### Legal advisor

None

## 5.3 Legal Dispute

The company and subsidiaries have no lawsuits or disputes that materially affect the business operations.

## 5.4 Secondary Market

The company has no securities listed on the Stock Exchange in other country.

## 5.5 Financial institutions that are in constant contact (Only if the company issues debt securities)

None

## Part II : Corporate Governance

### 6. Corporate Governance Policy

#### 6.1 Overview of Corporate Governance Policy and Practice

##### **6.1.1 Policy and practice related to Board of Directors cover director the nomination and remuneration and executive. Independence of the Board of Director from managing director, director development and the evaluation the performance of directors including subsidiaries 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. Continue to improve, edit and add more for the Board of Directors, Executives and employees use as a guideline for their work. Therefore, the Good Governance Principle for Listed companies 2017 (CG Code 2017) issued by the Securities and Exchange Commission (SEC), to prescribe as a policy for the company's good corporate governance. This is to set as a principle of practice for the Board of Directors who are the leader or the highest responsible person in the organization with apply as a guideline for creating sustainable business value. CG Code 2017 has laid down 8 main guidelines for the committee and has informed employees and related parties with adhere a guideline all along the main point of corporate governance. Mainly focus on business ethics and control business operation in accordance with related business laws, regulations, meeting resolutions as well as the requirement of the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand as follows:

##### **Principle 1 : Establish Clear Leadership Role and Responsibilities of the Board**

The Board of Directors consists of persons with knowledge and a lot of experience suitable for efficient overall performance of directors. At present, the company has 11 directors which are suitable for the company's business structure. It is consists of non-executive directors (Independent Director) 5 persons (45%), 6 persons from an executive directors (55%). The boards involved in determining, considering and giving approval on vision, mission, strategy, goals, business plans, budgets and risk management as a guideline for the operation. The Boards has given importance and sufficient time to consider the corporate governance. Considering conflicts of interest transaction carried out in accordance with establish procedure and for the most benefit to the company. Review to ensure that the company has a good internal control system that make the company's operation successful. Consider the company's risk management. Evaluate the effectiveness of risk management by monitor the performance of management team to be in accordance with policies or boards resolution. Manage the preparation of financial statement in accordance with generally approval accounting standard. Manage disclosure of information in accordance with rules.

Determine the process for considering an appropriate remuneration of directors with transparency to present to shareholders.

Boards is responsible to set policy and manage the operation of the management. The management has responsibility for managing work in accordance with policy. Therefore, the chairman and the chief executive officer must be a different persons. The director can discuss with the chief executive officer straightforwardly. Have a good relationship with management team. The chief executive officer can ask for advice from directors when necessary. The boards did not take part the management's performance but take part in considering the appropriate solution, in case of management's performance duty is not follow the business plan and the specify budget.

### **Principle 2: Define Objectives that Promote Sustainable Value Creation**

The committee determine, manage objectives and goals of business to be in sustainable way. The objective and goal that is compliant with creating value for business, customers, stakeholders and society in generally, in accordance with the mission of the organization as follows:

- 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

### **Principle 3: Strengthen Board Effectiveness**

The Boards assigns the Nomination and Remuneration Committee responsible for considering the selection of directors with criteria for recruiting. Considering by type of business and strategy. Accordingly, determine the qualification of director to be nominate with appropriate and in accordance with business strategy, especially skills that is still missing and diversity of policy in the structure of the board. In both terms of skill, professional, specialization knowledge and experience in various fields related to business operations with no restriction on age, gender, and religion or any other restriction, including considering from knowledge, ability and experience related to business and strategy. However, the person who has been appointed to be a director or an executive must have a qualification under the Public Limited Companies Act, B.E. 2535 (1992), other laws and related regulations.

### (a) Subcommittee

Board of Directors has a power to appoint subcommittee through the nomination and remuneration committee by carefully consideration, in appropriate and necessary for lead to achieve successful of business as a goal set.

### (b) Remuneration for the Directors

Remuneration policy should reflect duties and responsibilities in achieving goals expected of all stakeholders. Moreover, directors should have an appropriate experience and qualifications to perform such duties. Boards' remuneration must be approved by the Annual General Meeting of shareholders in every year. In accordance with duties and responsibilities of directors which should perform the obligations stipulated by the law and director should be held liable for civil and criminal liability if they fail to comply. Moreover, each directors must give a dedication as well as give value received from the performance of the directors. Directors should be specify a criteria for directors remuneration divided in to two parts as follows:

*1. Attendance Fee* 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 that 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.

The Annual General Meeting of Shareholders Year 2021, held on March 30, 2021 resolved to approve meeting allowances and remuneration for the directors at the following rates:

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

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

<b>Directors' remuneration</b>	<b>(Baht/person)</b>
	<b>Y2020</b>
1. All directors (11 persons)	300,000
2. Directors (5 persons)	300,000

### (c) 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 of the Board of Directors and other committees for the year 2021. The evaluation topic included

1. The evaluation of the structure and the qualification of the directors
2. The role and responsibility of the directors
3. The meeting of the directors
4. The performance of the directors
5. The relationship with the Management
6. The self-development of the directors and the Management

The Nomination and Remuneration Committee Meeting No.1/2022, held on February 8, 2022 has Considered the summary of the performance appraisal of the Board of Directors. By comparing with the assessment results and presented to the Board of Directors No.1/2022, held on February 22, 2022 to consider the advantages as well as guidelines for corrections and improvement by evaluating the performance of the committee as stated. Focus on utilizing the evaluation results to improve the performance of the Board of Directors. As overall in 2021, the Board of Directors see that most of the performance have been perform or have been done well.



<b>Committees / Sub-Committees</b>	<b>Board Self-Assessment (%)</b>	<b>Result of the Assessment of all Committees (%)</b>
Board of Directors	96	96
<b>4 of Sub-Committees</b>		
1. Audit Committee	97	96
2. Nomination and Remuneration Committee	96	96
3. Risk Management Committee	97	96
4. Executive & Corporate Governance Committee	97	97

#### **(d) 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.

## **Principle 4: Ensure Effective CEO and People Management**

### **(a) Recruit of Senior Executive**

The Nomination and Remuneration Committee is responsible for considering the nomination of persons. According to the specified qualifications by selecting person who have knowledge, abilities, work experience related to business or benefit to the operation. These are to help in management by having annual performance evaluation.

### **(b) 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.

### **(c) Management and Development of personnel to have an appropriate knowledge, experience and motivation**

Board of Directors has set forth treatment of employees in the organization by taking care of labor and human rights, safety, environment, sanitation in workplace, promote training to develop knowledge including compensation, annual rewards, welfare such as provident fund, etc.

## **6.1.2 Policies and Practices relating to shareholders and stakeholders covering care of shareholder, equitable treatment of shareholder, encourage rights of shareholder in exercise, preventing use of inside information, prevention conflict of interest, responsibility to stakeholder, compensation in case of infringement, anti-corruption measure to take action against those who do not comply with policies and guidelines.**

The company has policies and guidelines for corporate governance in accordance with relevant CG Code as follows:

## **Principle 5: Nurture Innovation and Responsible Business**

The company is committed to developing products and services with opening of outlet distribution throughout the country. So that customers can easily access the products. There is a product development of anti-slip tiles for a better quality of life. It also encourages employees to have creative initiatives, create new innovation to reduce production cost, reduce production time, reduce waste, reduce energy consumption, reduce gas consumption, reduce use of waste with give compensation and certificate to encourage innovating and improving for launch more new products.

The Company 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; The Company 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

**Government Agency** The Company strictly complies with relevant laws and regulations. There is no action that may induce or attract employees in government agency to do illegal.

**Mass Media** The Company recognized the importance of disclosing information that is transparent, accurate and in time.

## **Principle 6: Strengthen Effective Risk Management and Internal Control**

### **Risk Management and Internal Control**

The company has a risk management and internal control system that will effectively achieve its objectives and compliance with the law and related standards by appointing the Audit Committee, consisting of 4 independent directors who are responsible for overseeing the risk management process (as the scope of duties and responsibilities which have been prepared in writing in Audit Committee Charter, attachment 5 and disclosed on the company's website as well) through the Internal Audit of the company which has reviewed the internal control system and report to the Audit Committee every quarter.

### **Conflict of Interest**

The board of directors monitors and manage conflicts of interest that may arise between companies with administration department, boards and shareholders including the prevention of unreasonable use of assets, information and company's opportunities and making transaction with those who are related to the company in an unreasonable manner. The transaction that may give rise to conflict of interest or may have transaction which may lead to conflict of interest and/or transaction with related parties must be carefully consider in order to comply with applicable rule and regulations of The Stock Exchange of Thailand. In addition, such transitions must be done in the same manner as transaction with third parties who have no relationship with the company and proceed with the full benefit of the company and all shareholders.

The company requires directors and executives of the company to submit a report of conflict of interest which summarize the shareholding and directorship in other company of the company's directors and executives. Also a person related to a directors and executives, this information will be kept with company to follow up on connected transactions or transactions with related person that may occur. A new directors and executives will submit this report within 30 days after the appointment date.

In the event that there is a change of connected person and a close relative. Directors and executives will submit the revised report to the company within 3 days after the date of change. In addition, directors are require to report the company's shareholding to the board of directors through the Audit Committee at the end of each quarter. The Audit committee will consider the director's shareholding and report to the Board of Director every quarter. The Board also monitors practice with regulation on criteria, methods and disclosure of such transactions. The company has a policy to disclose information of such transaction in detail which include the amount counterparty to the reason of transaction and the necessity of the transaction in the company's annual report and in the relevant notes to the financial statements. The company has a policy to prevent directors, executives and employees from using their status for personal gain. Therefore, directors, executives and employees must abstain from any related transactions that may lead to a conflict of interest with company. In addition, directors, executives and employees who have interests will not be allow to participate in the decision-making process. In particular, directors are prohibit from considering or voting on matters that may have conflicts of interest between those directors and the company. The board and management also emphasized the consideration of intercompany transactions which mean a transaction between company and its subsidiaries, with carefully and without prejudice.

### **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 the Company's shares and securities for their own interest and against giving insider information to other persons or entities to buy or sell the Company's shares. Directors and executives are required to report trading transactions in the Company'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 code of Conduct provide additional guidelines for prohibiting employees from using company assets or spending time on a regular basis in searching for information, contacting, or trading securities for benefit of themselves or others without reasonable cause and not for the benefit of the company.

### **Anti-Corruption**

The company is committed to anti-corruption in all forms and set company and its subsidiaries including those involved in business operations, implement in compliance with anti-corruption policy as mentioned above. In which covers compliance with all relevant departments to ensure that Dynasty Group has policy for defining responsibility, regulations, and appropriate performance require. These are to prevent corruption in all activities and in order to make decision and business operation that may be cause in risk of corruption to be consider and treat carefully. Accordingly, propose a policy "*Anti-Corruption Policy*" in writing to be a clearly guideline and develop into a sustainable organization.

The company has express the intention to join the Anti-Corruption project, Thai Private Sector Collective Action Coalition Against Corruption (CAC) on February 3, 2015 which was endorsed by the Thai Private Sector Collective Action Coalition Against Corruption Committee and present a certificate of membership of The Thai Private Sector Collective Action Coalition Against Corruption. By certified as a coalition member of Dynasty Ceramic Public Company Limited in a first time, effective from July 10, 2015 - July 9, 2018. The certificate is valid in 3 years and certified one time for renewal, effective from February 4, 2019 – February 3, 2022. When the certificate expire, the company will be

recertified in accordance with the process determined by CAC at least 6 months in advance of the certificate's expiration date. The company applied for renewal in the second time of membership on August 27, 2021 and received the approval for the second round of the membership on January 6, 2022.

### **Receiving Complaints and handling cases where clues are identified**

Whistleblower project is another activity for good corporate governance of the company. It is a part of the policy business operations. The company has prepare work manual about regulations and ethics, including determination whistleblower policy which is a measure to protect employees who complain, report clues or provide information about non-compliance with laws, rules, regulations, company regulations and code of conducts. Therefore, propose "Protection and fairness policy to employees who report clues about fraud or non-compliance with laws, rules, regulations, company regulations and code of conducts (Whistleblower Policy)" on writing in 2015 and published on company website.

### **Principle 7: Ensure Disclosure and Financial Integrity**

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**

The Company 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**

Investor relations department has proposes <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 2021, Thailand is still experiencing the Covid-19 epidemic situation, cause to making of event to meet with investor is difficult with regulations, measures to control the epidemic. Otherwise, the company continue to encourage investors to receive news and information in regularly. Consequently, the event has been changed to be given information by telephone (Conference Call) in total 15 times with investors and analyst from both domestic and foreign countries.

If you have any queries or require any further information, please mail directly to [IR@dynastyceramic.com](mailto:IR@dynastyceramic.com) Tel. 02-2769275 ext 251 Fax:02-2760313

## **Principle 8: Ensure Engagement and Communication with Shareholders**

### **Shareholders participation in decision-making on company significant matters**

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.

1. 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 2021, Meeting of shareholders have 1 time, the 2021 Annual General Shareholders' Meeting was held on Tuesday 30 March 2021 at the Main Meeting Room, 4th floor DCC Head Office Building, 37/7 Suttisarnvinichai Samsennok Huay-Kwang District Bangkok 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 shareholders. 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. The 2021 Annual General Shareholders' Meeting such information will be posted on DCC's website on 12 March, 2021, 18 days in advance of the previously scheduled date. The meeting is scheduled on Tuesday 30 March, 2021 and published in newspapers for 3 consecutive days. In addition, the Company has clarified all detailed information in the meeting invitation as follows,
  - The rights of shareholders entitled to attend and vote of the shareholders clearly.
  - The company has stated the purpose/reason, as well as the comments of the Board of Directors clearly on each agenda.
  - Regarding the dividend payment proposal, the Company has informed the dividend payment policy and dividend payment historical data of the past 3 years for consideration.



- For shareholders to consider the appropriateness of the external auditor, which has passed the approval of the Audit Committee, the Company has given details of the auditor's name, 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.
- In the event that shareholders cannot attend the meeting in person. The company allows shareholders to appoint an independent directors as their proxies, in which the company nominates 2 persons or any person to attend the meeting on their behalf by using any proxy forms submit together with Notice of the Annual General meeting of Shareholders. The company has prepared a proxy form in which shareholders can determine the direction of voting in accordance with the form prescribed by the Ministry of Commerce. Shareholders can also download a proxy form through the company's website.
- All shareholders have equal in rights to exercise as a shareholders. The company has prepared documents related to the meeting in English to give convenience for foreign shareholders.

The proceedings on the date of shareholders meeting were conducted in orderly, transparency, efficient manner and enables the shareholders to exercise their rights.

- Before the meeting, the company explained voting procedure and method of display score to acknowledge for the meeting
- Arrange for a representative to count the votes. May use an independent director, auditor or legal advisor.
- Provide opportunities for shareholders to raise issue or ask related question in each agenda.

Disclosure of meeting resolutions and preparation of minutes of shareholder's meeting in accurate and complete.

In every minutes of shareholder's meeting, the company has recorded number of attendees both in person and by proxy. Together with the number of shares in accordance with rules and regulations of the company. Inform the method of voting and counting list of directors and executives attending the meeting. The resolutions of the meeting and the number of votes in each agenda were clearly stated: agree, disagree and abstain. Questions and answers from shareholders to ask question and disclose voting results of each agenda in the Annual General Meeting of shareholders via SET system in the same day and disseminate the minutes of the Annual General Meeting of Shareholders within 14 days from the date of shareholder's meeting. In 2021, the meeting date is schedules on Tuesday, March 30, 2021. It has published the minutes of the meeting on April 12, 2021.

#### **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.

## **6.2 Business Ethics**

Board of Directors with the intention to promote the company to be an efficient organization in business operations with good corporate governance. Conduct business with ethical responsibility, fairness, transparency and accountability by aiming to create the maximum benefits for shareholders and realize of stakeholders involved. This is to build trust and sustainable growth together. (Refer Full Business Ethics Attachment 5 page 182-189)

### **Business Ethics Guidelines**

- To get the most favorable of consumers and meet the needs of customers through the outlets of Dynasty Ceramic PLC which settle all provinces of Thailand with good quality, inexpensive price, easy to find and convenient. There are many types of products to choose from with ready in stock and continuously add a stock.
- In order to voluntarily comply with laws, rules, voluntary regulations.
- To be socially responsible for both health, improving education and environment. Awareness of corporate governance.

In 2021, the company continues to publicize through various channels to encourage employees to understand the code of conduct, regards to the efficient performance of employees. About gift ethics and accepting gifts during each festivals.

## **6.3 Significant changes and developments in policies, practices and corporate governance systems in the past year**

6.3.1 In 2021, the company reviewed the implementation of 8 practices in accordance with the Good Corporate Governance Principles of Listed Companies 2017 (CG Code) issued by the Securities and Exchange Commission (SEC) in accordance with the Board's resolution No. 6/2020, on November 4, 2020, announced the good corporate governance policy CG Code as a guideline for the group of the company. The management has reported to the Corporate Governance Committee for review at least once a year.

The company has applied the CG Code principles further since 2020, along with 2012 Corporate Governance Guidelines (Revised). In 2021, the company has revised the practice guidelines, the corporate governance system. This demonstrates the upgrading of the Company's corporate governance standards as follows:

1. The Chairman of the board is an independent director

According to the resolution of the Board of Directors No.1/21, held on January 26, 2021, appointed Mr. Trakul Winitnaiyapak, an independent director as the chairman of the board. He is fully qualified according to the Company's independent director qualifications by roles and duties of the directors are clearly defined in the charter of the Board of Directors instead of Mr. Roongroj Saengsastra, Chairman of the Board, which is a major shareholder.

6.3.2 The company has not implement some principles of the CG Code by the Board of Directors added measures to be part of the annual review as follow:

1. The Board should specify that the independent directors have a term of take a position not exceeding 9 years from the date of the first being appointed as an independent directors. In case of the appointing that independent director to holding a position, the Board should reasonably consider such necessity.

At present, the company has 1 independent director who has been holding a position for more than 9 years, namely Mr. Surasak Kosiyachinda who is knowledgeable, legal expertise and experience. He was also appointed as an audit committee which able to give opinions independently, fully qualified and able to perform duties as an independent director very well.

2.Nomination and Remuneration Committee are all the independent directors.

At present, the Nomination and Remuneration Committee consist of 3 directors whose are all the Executive Directors. However, the directors are all work in full time with use knowledge and ability to manage work effectively which the Board of Directors can prove with the past performance.

6.3.3 Other practices in accordance with good corporate governance principles in 2021 include:

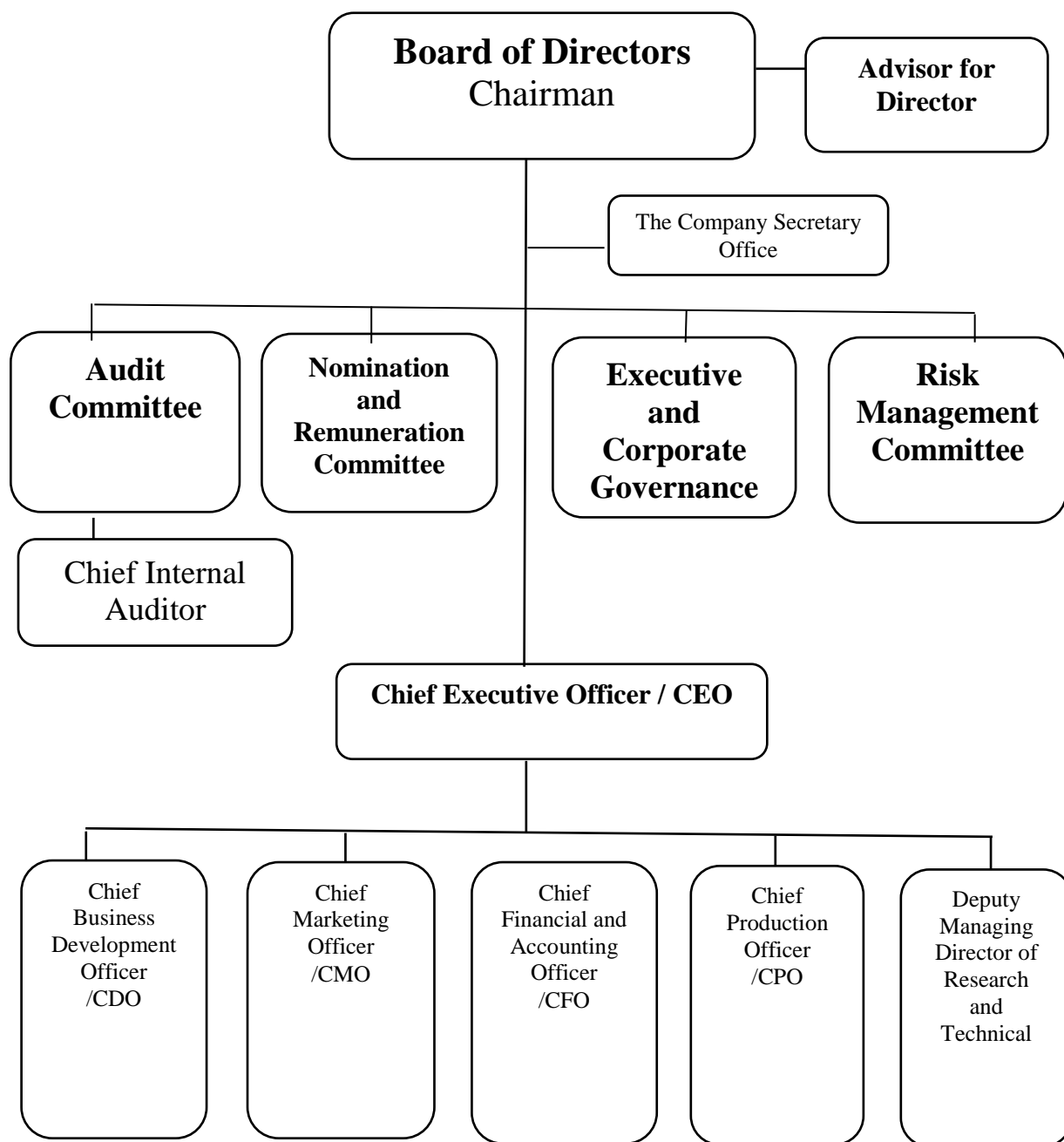
- The company received as assessment result according to the Corporate Governance report of Thai Listed Companies (CGR) 2021 from IOD in the range of 80-89 (average score 88%) "Very Good" with a 4-stars logo.
- The company has been assessed according to the Annual General Shareholder's Meeting (AGM Checklist) assessment project by Thai Investors Association with a score of 98%, equal to year 2020.

In addition, the company has also conducted a policy review practices including the charter of the committees and sub-committees to demonstrate the upgrading of corporate governance standards according to the CG Code 2017.

- Review the vision, values, organization
- Review the rules for allowing minor shareholders to propose agenda and names of persons as directors in advance of the meeting date.
- Review the performance assessment form of the committee and sub-committees.
- Determine Personal Data Privacy Policy.

## 7. Corporate Governance Structure and Important Information about the Board of Directors, Sub-Committees, Executives, Employees and others

### 7.1 Organization Chart (at 31 December 2021)



## 7.2 Information about the Board of Directors

### 7.2.1 Composition of the Board of Directors

The number of committees is as stated in Article 13 of the Articles of Association of Dynasty Ceramic Public Company Limited which stipulates that the Board of Directors shall consist of not less than 5 directors as of December 31, 2021. The Board consisting of 11 directors in accordance with the Company's Articles of Association, consisting of 6 non-executive directors (55%) of the total number of directors and 5 executive directors (45%) of the total number of directors as the following list.

No.	Name Of Directors	Position	Type of director		Authorized Signatory <sup>(1)</sup> According to company's certificate	
			Non-Executive	Executive	YES	NO
1	Mr. Trakul Winitnaiyapak	Independent Director / Chairman	✓			✓
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. Chaikasith Viriyametakul	Director	✓		✓	
7	Mr. Monrak Saengsastra	Director / VP of the Board		✓	✓	
8	Mr. Maruth Saengsastra	Director / CEO		✓	✓	
9	Mr. Jaruwat Traithavil	Director		✓	✓	
10	Mr. Chanin Suppapinyopong	Director		✓	✓	
11	Ms. Somruthai Boonyarit	Director		✓	✓	

<sup>(1)</sup> Two directors jointly sign together with the company seal, have authority to bind the company according to the certificate Department of Business Development Ministry of Commerce Information as of December 20, 2021.

With Mr. Roongroj Saengsastra as the advisor to the Board of Directors and Ms. Cattleya Saengsastra as the company Secretary.

All 11 directors have no prohibited qualifications and no criminal record in property related offenses committed in corruption. There are no history of transactions that may cause conflict of interest with the company in the past year.

Details appear in the information of the Board of Directors in Attachment 1, pages 156-170.

## **Executive Director**

A director who performs management duties in full time. Understand the roles, duties and responsibilities towards shareholder and receive monthly remuneration from the company in the form of salary or other equivalent compensation.

## **Independent Director**

A director who does not manage the company or a subsidiary of the company. They are independent from the management team, major shareholders and have no business related to the company which may affect the potential conflict of interest of the company and/or interest of shareholder. Able to perform check and balance sufficiently.

### **Important qualifications of independent directors are as follows:**

1. The Independent directors hold shares no more than 1% of the share issued by the company or subsidiaries, joint ventures or related company. In case of being a member of the Audit Committee such shareholding will be limited not more than 0.5%.

2. The Independent directors shall not be or used to be a director who are involved in the management of employee, major shareholder or consultant who receives a regular salary or the person having control over the company, subsidiaries, joint ventures, related company or a subsidiary in the same level unless aforementioned persons have not the aforementioned characteristics for no less than two years before the date of appointment. However such prohibited characteristics do not include the case where the independent director used to be a government official or an advisor of a government agency which is a major shareholder or person with a controlling authority in the company.

3. The independent directors shall be no interest in financial or other interests in management or business both directly or indirectly of the company or subsidiaries company, joint ventures, related company, major shareholder or person with a controlling authority in the company, in a manner that may obstruction of independent judgement including not being or have been a significant shareholder or a controlling person of business relationship with the company, subsidiaries, joint ventures, related company or major shareholder of the company, unless aforementioned persons have not the aforementioned characteristics for no less than two years before the date of appointment.

4. The independent directors having no relationship with executive directors, management, controller or major shareholder of the company Whether related by blood or legal registration status of being a parent, spouse, sibling or children, including spouses of the children of the member of management, major shareholder and a person with a controlling interests, as well as of a person about to be nominated as a management member or someone with a power over the company and/or its subsidiaries companies.

5. The independent directors shall not be a director appointed to represent company's directors, major shareholders or shareholders who are related to the company's major shareholders.

6. The independent directors shall not be or have been an auditors of the company, subsidiaries, joint venture, related company, major shareholder or person with a controlling authority in the company and are not significant shareholders, or a partner of the audit firm which has auditors of the company, subsidiaries, joint venture, related company, major shareholder or person with a controlling authority unless aforementioned persons have not the aforementioned characteristics for no less than two years before the date of appointment.

7. The independent directors shall not be or have been a providers of any professional services including services as legal consultants or financial consultants with service fees of more than two million baht per year from the company, subsidiaries, joint venture, major

shareholder or person with controlling authority in the company, unless the aforementioned persons have not has the aforementioned characteristics for no less than two years before the date of appointment.

8. The independent directors shall not operate businesses in the same conditions in significant competition with the business of the company or subsidiaries or are not significant partners in partnership or a director involved in management, an employee or a consultant with monthly salaries or a person holding shares at more than one percent of all shares with voting rights in other companies operating business with the same conditions in significant competition with the business of the company or subsidiaries.

9. The independent directors have no other characteristics preventing expression of independent opinions regarding the company's operations.

As of December 31, 2021, the company has 5 independent directors more than one-third of the total number of directors and have qualifications according to the definition of the company which is more intense than the rules of the Capital Market Supervisory Board. Directors have no authority to sign in the certificate binding the company. The independent directors are responsible for monitoring the performance of the management and able to express their opinion independently on the company's operations.

#### 7.2.2 Information of the Board of Directors and the Company's controllers individually

No.	Name	Board of Director	Audit Committee	Nomination and Remuneration Committee	Executive & Corporate Governance Committee	Risk Management Committee
1	Mr. Trakul Winitnaiyapak	Independent Director / Chairman	-	-	-	-
2	Gen. Yuthasak Sasiprapha	Independent Director	Chairman	-	-	-
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. Monrak Saengsastra	Director/ VP of the Board	-	Director	Director	Director
8	Mr. Maruth Saengsastra	Director / CEO	-	Chairman	Chairman	Director
9	Mr. Jaruwat Traithavil	Director		Director	Director	Chairman
10	Mr. Chanin Suppapinyopong	Director	-	-	-	-
11	Miss Somruthai Boonyarit	Director	-	-	-	Director

## 7.2.3 Roles, Duties and Responsibilities of Board of Directors

### 1. Roles, Duties of Board of Directors

The board of directors is responsible for the shareholders for company's business operations and to supervise the management to meet the best interest for shareholders. At the same time, realize of interest of all stakeholders. Being a person who approves the vision, mission, strategy, goals, business plans and budget of the company and provide a mechanism to supervise, evaluate the performance to meet the goals set for company grow with sustainably.

- 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 System:** The Company is committed to the development of risk management to increase efficiency and effectiveness. In 2021, 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.

According to the Company's Articles of Association, the board of directors has authority to make decision and supervise the operation of the company, except the following matters which the board of directors must be approved by the shareholders meeting before proceeding.

- (1) Matters require by law to have a resolution of shareholder's meeting
- (2) Connected transactions with a value exceeding 20 million baht or more than 3% of NTA, and
- (3) The purchase or sale of key assets with a value greater than 50%, according to the calculation of the transaction size of all 4 criteria, namely NTA criteria, net profit criteria, total value of consideration criteria and share value criteria in either select the largest value.

## **2. Roles and Duties of the Chairman**

The Board of Directors appoints one director to be the chairman of the board. The chairman is responsible for

- Supervise the implement of policies and strategies operational guidelines as considered and formulate by the executive.
- Supervise the board of directors meeting to be carried out until success.
- Give opportunities for all directors to participate in the meeting give questions on important matters in each meeting.
- Give advice and support to the management through executive committees.
- Supervise the disclosure of management information transparently.
- Supervise the board of directors to have an appropriate structure and composition.
- Supervise the evaluation of the performance of the Board of Director, both the committee and individual, including sub-committees.

## **3.Quorums**

The minimum number of quorums at the time of the committee's resolution at the board of directors meeting shall be at least two-third of the total number of directors. Not counting the number of directors who have interest which has no right to attend the meeting and vote. The decision of the meeting shall be made by a majority of votes.

One director has one vote. If the votes are equal, the chairman of the meeting shall have an additional vote as a casting vote.

## **4.The Meeting**

1. The company has the board's meeting in regularly, at least once a quarter (not less than 6 times a year). Each director acknowledge the schedule in advance.
2. Chairman and the Chairman of the executive committee jointly consider the meeting agenda.
3. Arrange to submit the meeting's invitation letter, meeting's agenda and the attachment documents provide to the directors at least 7 days before the meeting date. In order to have enough time to consider the information.
4. Supervise the directors to attend the meeting in quorum. When considering to vote on importance matters such as the acquisition or disposition of assets of the company and subsidiary that have a significant impact on the company expansion of investment projects, financial management policy, risk management, etc.
5. At the meeting, if any director is being a stakeholder, shall be leave the meeting before starting consider in the agenda.
6. Every Directors has the right to propose matters for the meeting agenda. Recheck the meeting documents and other important documents. If in doubt, other directors and management team must take action to answer.
7. Company's secretary or an assigned person shall prepare the minutes of the meeting within the time required by the law.

## **5. Term of Office of Directors**

At least one-third of the number of directors shall vacate office at every Annual General Meeting of shareholders. If the number of directors is not a multiple of three, then the number nearest to one-third shall vacate office. Directors retiring by rotation that appointed as a director, if the meeting has elected to hold the position again. The directors

shall vacate office in the first and second years following the registration of the company, be drawn by lots in every subsequent year. The directors who have been longest in office shall vacate office.

In addition to the retirement by rotation, the director vacate office upon

- Death
- Resign
- Disqualified or having prohibited characteristics under the law governing public limited companies or having characteristics that indicate a lack of suitability to be entrusted with management business with public company shareholding as specified in the Securities and Exchange ACT.

- The shareholder's meeting resolve to vacate the position
- The court has issued an order

Any of director will resign from the position shall submit a resignation letter to the company. The resignation is effective from the date of received the resignation letter. In the event that the director's position become vacant for other reason, not from the retirement by rotation, the director shall elect any one who has the appropriate qualification and does not have any prohibited characteristics by law to replace position in the next Board's of Director's meeting. Unless the position is vacant less than 2 months remaining, a director who is appointed as a replacement director shall be in the position of director for the remaining term of the replacing director.

## **6. Separation of duties between the Board of Directors and the Management**

The company has separation of duties and responsibilities between the board of directors and the management. The board of directors has responsible for setting policies such as setting objectives, main goals of doing business, creating an ethical corporate culture including behaving as a role model maintenance of the structure and performance of the board to be appropriate to achieve the objectives and the main core of doing business effectively. Recruiting, developing, determining the remuneration and evaluation the performance of the executive chairman. Determining the compensation structure that motivates personnel to perform their duties in accordance with the objectives, the main target of the organization without interfering with the management decision

The management has a duty to comply with the policy set in the matter of formulating and reviewing strategies, goals, annual plans, oversee the appropriateness of risk management system and internal control. Determining the authority to operate in appropriate with responsibilities of the management. Determining the resources allocation framework development and budget, such as policies, human resources management plans and information technology policy. Monitor and evaluate credibility disclosure of financial and not financial reliable.

The chairman of the board of directors is an independent director and not being an executive director, does not participate in the administration. Therefore, the overall policy can be classified formulation clearly.

## **7. The directors' Performance Evaluation**

The directors' performance evaluation will be conducted to assess the performance of the board of directors and sub-committee once a year. In order to assess the performance of the board of directors in the line with the Corporate Governance guidelines. It also helps the committee to review the performance, issues and obstacles during the past year. Together

with the evaluation results to be use to improve the performance of the Board of Directoes to be more efficient (*The results of the performance evaluation of the Board of Directors appears on page 57*).

### **7.3 Information of sub-committees**

1. The Audit Committee
2. The Nomination and Remuneration Committee
3. Risk Management Committee
4. The Executive & Corporate Governance Committee

#### **1. Audit Committee**

The Audit Committee comprised 4 members

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

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.

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

All members of Audit Committee are Independent Director. During the year that ended on 31 December 2021, the Audit Committee convened 4 meetings. There was a full attendance record. The management that is related, attending every important meeting before publish the company's quarterly financial report. During the year, the audit committee will have meeting with the auditors without the participation of the management.

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 Chairman of Audit Committee 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.

The Charter of the Audit Committee appears on Attachment 5 pages 194-197.

## **2. Nomination and Remuneration Committee**

The Nomination and Remuneration Committee comprised 3 members

- |                           |          |
|---------------------------|----------|
| 1. Mr. Maruth Saengsastra | Chairman |
| 2. Mr. Monrak Saengsastra | member   |
| 3. Mr. Jaruwat Traithavil | 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. Provide advice to the board of directors regarding the selection of the chairman of the board. Develop a succession plan to be in accordance with the policy and annually review the succession plan for both chairman, director and the executive officer of the company proposed by the management.
9. 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.
10. 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.
11. 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.

The chairman of the board reported the results of the evaluation of the board of directors by joint consulting with the Nomination and Remuneration Committee including in the case of nominating a new member who is suitable to be a member of the board.
12. Support a channel for minor shareholders to propose a candidate to be a Director
13. Advise and propose to the board of directors to approve the remuneration and determine type of compensation including, annual rewards/bonus, allowance and other types of compensation to
  - Directors who must be approved by the shareholders.
  - Sub-Committees assigned by the Board.
14. Advise and propose to the board of directors for approval of the remuneration framework and determine type of compensation which consists of annual rewards, salary and other type of compensation provided to

- Chief Executive Officer
- The executive who are at the second rank in corporate level after chief executive officer

15. Evaluate the annual performance and report the assessment results of following person to the board of directors.

- Managing Director and Executive Officer

16. Consider the company's annual budget about compensation and propose to the board of directors for approval.

17. Monitor and assess remuneration of directors and executives by consider in factors mention as below as well as reports on activities of the Nomination and Remuneration Committee to notify the board of directors in the next meeting.

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

- Compensation and employment conditions should be competitive with companies with similar size in the same industry.

### **Following key principles that have been implemented**

1. The compensation structure should reflect a fair reward system.

2 . Important elements in consideration of compensation are connected to the achievement of goals performance. This includes bring the benefit in the part of shareholder connected to executive and shareholders benefits.

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.

In this regard, the company's remuneration policy by the Nomination and Remuneration Committee has studies and analyzed the market data. In consideration of the level of salary and annual rewards. To determining the annual rewards (Bonus) to employees individually each year, the Nomination and Remuneration Committee will review the company's success and the performance of business competitors in carefully.

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

Report of the Nomination and Remuneration Committee appears on Attachment 7 pages 214-215.

### **3. Risk Management Committee (RMC)**

The Risk Management Committee (RMC) comprised 4 members

- |                           |          |
|---------------------------|----------|
| 1.Mr. Jaruwat Traithavil  | Chairman |
| 2.Mr. Monrak Saengsastra  | member   |
| 3.Mr. Maruth Saengsastra  | member   |
| 4.Ms. Somruthai Boonyarit | member   |

### **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.

Report of Risk Management Committee appears on Attachment 7 pages 217.

#### **4. Executive & Corporate Governance Committee**

The Executive & Corporate Governance Committee comprised 3 members

1. Mr. Monrak Saengsastra	Chairman
2. Mr. Maruth Saengsastra	Member
3. Mr. Jaruwat Traithavil	Member

##### **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.

Report of Executive & Corporate Governance Committee appears on Attachment 7 pages 216.



## Management Team

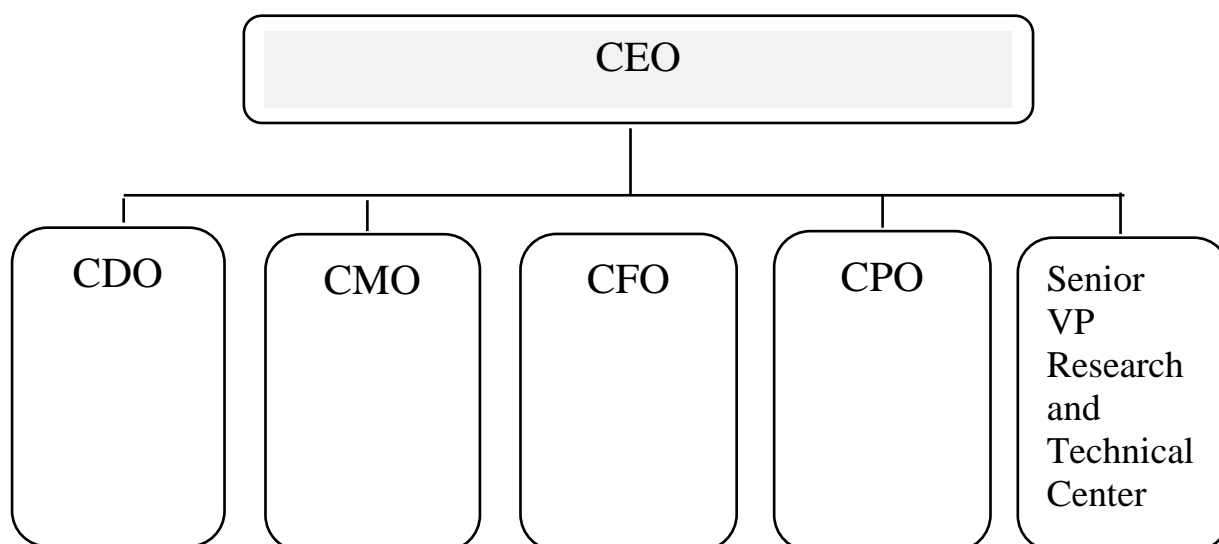
At 31 December 2021, the management team comprised of 10 members

1.	Mr. Monrak	Saengsastra	VP of the Board / CDO
2.	Mr. Maruth	Saengsastra	CEO/ CMO
3.	Mr. Jaruwat	Traithavil	CPO / VP Production-TTOP
4.	Mr. Chanin	Suppapinyopong	CFO / VP IT System
5.	Mr. Suthee	Boonnak	Senior VP Research and Technical Center
6.	Mr. Chauwalit	Pidthong	VP Production-DCC
7.	Mr. Somnuek	Suriyagrul	VP Engineering-DCC/TTOP
8.	Ms. Nong	Klongvicha	VP Research and Technical Center
9.	Mrs. Piyarat	Chiengkomolkeet	VP Accounting
10.	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.

### 7.4 Information of the Executive

7.4.1 Lists and position of management, consists of the list of the top management and the first 4 executives from the top management.



The executives as of December 31, 2021 consists of 6 executives as follows:

No.	Name	Position	Profile
1.	Mr. Maruth Saengsastra	CEO	Attachment 1 page 160
2.	Mr. Monrak Saengsastra	CDO	Attachment 1 page 159
3.	Mr. Maruth Saengsastra	CMO	Attachment 1 page 160
4.	Mr. Chanin Suppapinyopong	CFO	Attachment 1 page 168
5.	Mr. Jaruwat Traithavil	CPO	Attachment 1 page 166
6.	Mr. Suthee Boonnak	Deputy Managing Director of Research and Technical	Attachment 1 page 173

Executive No. 1-5 are the management of subsidiary (Royal Ceramic Industry Public Company Limited)

Executive No. 1-6 are the management of the subsidiary ( Tiletop Industry Public Company Limited)

Executive No. 4 is responsible for financial management and the account of the company and its subsidiaries.

The management of the company according to the Nomination of the Securities and Exchange Commission No. SorJor.12/2009 Re: Preparation and Disclosure of securities holding report of directors, executives and auditors.

*Clause 2 (6) “Executive” means the manager or the person holding the first 4 executives positions after the manager. Every person holding a position equivalent to a person holding a fourth executive and shall include a person holding an executive position in the accounting or finance that holding a higher position from manager or equivalent.*

## 7.4.2 Remuneration Policy of Directors and the Executives

### Remuneration policy of directors

Board policy is the remuneration of directors should reflect duties and responsibilities in achieving goals expected of all stakeholders. In addition, directors shall be appropriate in experience and qualifications to perform such duties. The remuneration of the board shall be approved by the Annual General Meeting of Shareholders to comply with duties and responsibilities of directors which perform the obligations stipulated by law. Also the directors shall be liable for civil and criminal liability, if they fail to comply. In addition, each directors shall give his or her dedication as well as value received from the performance of the directors.

### 7.4.3 Total remuneration of directors and the executives

Dynasty Ceramic Public Company Limited and its subsidiaries pay the remuneration for 7 Executives (including chairman-executive officers) as a salary and bonus based on the performance each year. Provident fund and other welfares such as car gas, etc., totaling 39.93 million baht.

Y2021	Company	Subsidiaries	Total
Number of executives (Persons)	7		7
Remuneration (million baht)	20.90	19.03	39.93

## 7.5 Information of Employees

As of December 31, 2021, the company has a total of 3,084 employees. In 2021, the company has paid compensation to employees in the total amount of 614 million baht, which are salary, bonus, social security fund, provident fund and medical welfare approved by the board of directors, etc. In addition, company's subsidiaries have paid compensation to employees in the same manner as the company in total 432 million baht.

### Number of Employees and remuneration

Y2021	Company	Subsidiaries	Total
Number of Employees -Plant/ Branch (Persons)	1,987	974	2,961
Number of Employees-HQ (Persons)	106	17	123
Total (Persons)	2,093	991	3,084
Employee remuneration (Million Baht)	614	432	1,046

## 7.6 Other Important Information

### 7.6.1 The person assigned to take the highest responsibility (Attachment 1)

#### 1. Company Secretary

According to the resolution of the board of directors No. 3/1998 dated on February 23, 1998. It was resolved to appointed [\*Ms. Cattleya Saengsastra\*](#) for taking the position of the company secretary by the qualifications of person who take the position as the company secretary appears in Attachment 1 pages 171-172.

#### 2. The person taking the highest responsibility in finance and accounting(CFO)

On September 9, 2020, the company assigned [\*Mr. Chanin Supppinyopong\*](#), Chief Accounting and Finance Officer to take the highest responsible person in the accounting and finance department. The qualification of person who take the highest responsibility in accounting and finance appears in Attachment 1 pages 168-169.

#### 3. The person supervising accounting

On November 15, 2018, the company assigned [\*Mrs. Piyarat Chiengkomolkeet\*](#), Accounting Director to responsible as a supervisor of accounting by the qualification of person who take a supervisor of accounting appears in Attachment 1 pages 170-171.

#### 4. Chief Internal Audit

On February 21, 2012, the company assigned [\*Ms. Somruthai Boonyarit\*](#), Director of the Office of Internal Audit and System Administration to supervise compliance with the regulations of the official govern the company's business operation. The qualification of person who take a supervisor of accounting appears in Attachment 1 pages 169-170.

### 7.6.2 Investor Relations

The company focus to build relationship with the investors and maintain high standard of information disclosure to shareholders and investors based on the principles of equity, accurate and complete according to the truth, thorough transparent and timely. Accordingly set up investor relations department to responsible in specifically, and assign investor relations to perform communication functions with institutional investors, retail investors, shareholders including analyst and related agencies equally.

If the Shareholder have any queries or require any further information, please mail directly to [Ir@dynastyceramic.com](mailto:Ir@dynastyceramic.com) Tel: 02-276-9275 ext 251 Fax: 0-2760313

### 7.6.3 Audit Fee

The company paid the audit fee of the company and its subsidiaries for the year 2021 to Karin Audit Company Limited, which is the auditor's auditing office, as follow

Description	Audit Fee (Baht / Year)
<b>Dynasty Ceramic PCL.</b>	
Annual financial statements audit fee	910,000
Review of quarterly financial statements fee ( total 3 Quarters)	840,000
<b>Total</b>	<b>1,750,000</b>
<b>Subsidiaries : Audit Fee</b>	
Tile Top Industry PCL.(TTOP)	530,000
The Royal Ceramic Industry PCL.(RCI)	850,000
Royal Asia Brick and Tiles Co.,Ltd. ( Subsidiaries of RCI)	30,000
<b>Total</b>	<b>1,410,000</b>
<b>Total Amount</b>	<b>3,160,000</b>

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

## 8. Corporate Governance Milestones

### 8.1 Performance of the Board of Directors in the past year

Board of director realize the importance of doing business in accordance with good governance practice and business ethics. To raise the standard of the company in transparency of operations. Increase reliability and sustainable development. In 2021, Board of director has been reviewed or determination of important policies as follows:

1. Review the implementation of CG Code to compliance with work plan and activities promoting good governance to be continually effective with the principles of good governance and organization culture. For example, setting rules for shareholders to propose agenda and elect directors in advance. At the Annual General Meeting of shareholders, supervise and encourage directors to have self-assessment according to form on compliance with Corporate Governance Self-Assessment. Supervise and encourage operations with the prescribed anti-corruption policy. Implement policies and work plan for social and environmental responsibility activities.
2. Determine the company's privacy policy as criteria and guidelines, including corporate governance measure to ensure that such persons are properly and completely protected by their rights.
3. Review the vision, mission, value of organization which still adhere to the guidelines.
4. Review and communicate information about the company's corporate governance principles. Regulations of Ethics committee in business and employee's code of conduct, to be present and compliance with practice of the Stock Exchange of Thailand and regulatory agencies.

The Board of Director has appointed sub-committees to ensure that established policies has been implemented and follow up with efficiency. The sub-committee perform the following duties;

- Audit Committee reviewed to ensure that the company have a good internal control system and review the process of managing potential risks that may occur.
- Risk management committee responsible for defining the structure, strategy, risk management framework. Enterprise Risk Management plan to be confident that the company has assessed the potential risk involved in all of the organization and prepare a timely remedial plan.
- Nomination and Remuneration Committee responsible the process and criteria for nominating committees up to directors and qualifications of the nominees to be selected by structure, size and composition of the committee as specified. Remuneration is connected to the achievement of performance goals. Including bring a shareholder compensation connected with the executives and shareholders benefits.

- Executive and Corporate Governance committee is responsible for conduct set of policies, guidelines, monitoring and evaluation compliance with the principle of good governance in the line with good governance rules by the Stock Exchange of Thailand and the Securities and Exchange Commission prescribed.

### **8.1.1 Nomination, Development and Performance Evaluation**

#### **(1) Nomination of Independent Directors**

Nomination and Remuneration Committee will consider the qualification of the person who will be an independent director in accordance with rules in the charter of the Board. Including consider the prohibited characteristics of directors under the Public Company Act, the Securities and Exchange Act, the announcement of the Capital market Supervisory Board and the announcement of regulations related to propose to the Board for consideration. After all, present to the shareholders' meeting for consideration and election.

In case of considering for election of the independent directors who hold the position for more than 9 years from the first time in office. The Nomination Committee will propose reasons, including a thorough necessity to the Board for consideration again. The Board will consider in work experience suitability, special expertise in other fields which help to promote and support policies beneficial to the company.

At present, the company has 5 independent directors who are qualified according to the definition of the company. There is no authority to bind the company according to the company certificate with more than one-third of the total number of directors (Total 11 directors) and is more stringent than the regulations of the Capital Market Supervisory Board.

#### **(2) Nomination of Directors and Top Executives**

Nomination and Remuneration Committee responsible for consider to appoint and screen qualified person according to the Company's article of association. The consideration is qualify a person who will be a director replace the member who is resign or due to retire by rotation or other reason. In compliance with committee charter with consider a prohibited characteristic of directors under the Public Company Act, the Securities and Exchange Act, the announcement of the Capital Market Supervisory Board, including related announcement regulations by select qualified from being a leadership, wide vision, have a transparent work history and have independence in making decision. Propose to the Board of Directors for consideration and after that, proposed to the shareholder's meeting for consideration and election. By the company stipulate rights to the shareholders to vote in the selection of the nominated directors individually. In addition, the company give an opportunity for shareholders to participate in the nomination of the directors with appropriate qualifications.

### **8.1.2 Meeting Attendance and Remuneration of individual Committees**

#### **Board Meeting**

The Board of Directors is generally required to meet at least 6 times a year. (In the year 2021, there was a total of 6 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 of Dynasty Ceramic PCL are shown in the following table

Name Of Directors	Position	Board Meeting in 2021					AGM 2021
		Board Of Director	Board Of Audit Committee	Nomination and Remuneration Committee	Executive & Corporate Governance Committee	Risk Management Committee	
1. Mr. Trakul Winitnaiyapak	Independent Director /Chairman	6/6	-	-	-	-	1/1
2. Gen. Yuthasak Sasiprapha	Independent Director /Chairman of Audit Committee	6/6	4/4	-	-	-	1/1
3. Mr. Surasak Kosiyajinda	Independent Director /Audit Committee	6/6	4/4	-	-	-	1/1
4. Mr. Siripong Tinnarat	Independent Director /Audit Committee	6/6	4/4	-	-	-	1/1
5. Mr.Totsaporn Banyongwate	Independent Director /Audit Committee	6/6	4/4	-	-	-	1/1
6. Mr. ChaiyasithViriyamettakul	Director	6/6	-	-	-	-	1/1
7. Mr. Monrak Saengsastra	Director/Vice Chairman	6/6	-	2/2	2/2	2/2	1/1
8. Mr. Maruth Saengsastra	Director/CEO	6/6	-	2/2	2/2	2/2	1/1
9. Mr. Jaruwat Traithavil	Director	6/6	-	2/2	2/2	2/2	1/1
10. Mr. Chanin Suppapinyopong	Director	6/6	-	-	-	-	1/1
11. Miss Somruthai Boonyarit	Director	5/5	-	-	-	2/2	1/1
<b>Total times</b>		<b>6</b>	<b>4</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>1</b>
<b>% of Board Meeting</b>		<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>

Note: Attendance includes electronic attendance.



Details of attendance records of Tile Top Industry PLC and The Royal Ceramic Industry PLC (Subsidiary) in 2021 are shown in the following table

Name Of Directors	Tile Top Industry PLC			The Royal Ceramic Industry PLC		
	Position	Board Of Director	AGM 2021	Position	Board Of Director	AGM 2021
1. Mr. Trakul Winitnaiyapak	-	-	-	Chairman	7/7	1/1
2. Mr. Roongroj Saengsastra	Director / Chairman	6/6	1/1	Advisor of Director	7/7	1/1
3. Miss Cattleya Saengsastra	Director/ Secretary of the Company	6/6	1/1	Secretary of the Company	7/7	1/1
4. Mr. Monrak Saengsastra	Director/ Vice Chairman	6/6	1/1	Director/ Vice Chairman	7/7	1/1
5. Mr. Maruth Saengsastra	Director /CEO	6/6	1/1	Director /CEO	7/7	1/1
6. Mr. Jaruwat Traithavil	Director	6/6	1/1	Director	7/7	1/1
7. Mr. Chanin Suppapinyopong	Director (Assigned on April 29, 2021)	3/3	-	Director (Assigned on January 26, 2021)	6/6	1/1
8. Miss Somruthai Boonyarit	-	-	-	Director (Assigned on August 9, 2021)	1/1	-
<b>Total times</b>		<b>6</b>	<b>1</b>		<b>7</b>	<b>1</b>
<b>% of Board Meeting</b>		<b>100</b>	<b>100</b>		<b>100</b>	<b>100</b>

In 2021, the Boards of Directors has set the schedule for year 2022 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	15 February 2022	15 February 2022	8 February 2022	8 February 2022	8 February 2022
2	29 March 2022	10 May 2022	25 July 2022	25 July 2022	25 July 2022
3	10 May 2022	9 August 2022			
4	9 August 2022	8 November 2022			
5	8 November 2022				
6	20 December 2022				

## Remuneration for the Directors

According to the year 2021 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.

Unit : Baht

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 <sup>(1)</sup>	360,000	-	600,000	<b>960,000</b>	360,000	300,000	<b>660,000</b>	310,000	<b>1,930,000</b>
Mr. Trakul Winitnaiyapak	360,000	-	-	<b>360,000</b>	-	-	-	310,000	<b>670,000</b>
2. Gen. Yuthasak Sasiprapha	300,000	240,000	300,000	<b>840,000</b>	-	-	-	-	<b>840,000</b>
3. Mr.Surasak Kosiyajinda	300,000	200,000	300,000	<b>800,000</b>	-	-	-	-	<b>800,000</b>
4. Mr.Chaiyasith Viriyametakul	300,000	-	300,000	<b>600,000</b>	-	-	-	-	<b>600,000</b>
5. Miss Cattleya Saengsastra <sup>(1)</sup>	300,000	-	600,000	<b>900,000</b>	300,000	300,000	<b>600,000</b>	280,000	<b>1,780,000</b>
Miss Somruthai Boonyarit	250,000	-	-	<b>250,000</b>	-	-	-	40,000	<b>290,000</b>
6. Mr. Monrak Saengsastra	300,000	-	600,000	<b>900,000</b>	300,000	300,000	<b>600,000</b>	280,000	<b>1,780,000</b>
7. Mr. Maruth Saengsastra	300,000	-	600,000	<b>900,000</b>	300,000	300,000	<b>600,000</b>	280,000	<b>1,780,000</b>
8. Mr. Siripong Tinnarat	300,000	200,000	300,000	<b>800,000</b>	-	-	-	-	<b>800,000</b>
9. Mr. Totsaporn Banyongwate	300,000	200,000	300,000	<b>800,000</b>	-	-	-	-	<b>800,000</b>
10. Mr. Jaruwat Traithavil	300,000	-	600,000	<b>900,000</b>	300,000	300,000	<b>600,000</b>	280,000	<b>1,780,000</b>
11. Mr. Chanin Suppapinyopong	300,000	-	50,000	<b>350,000</b>	150,000	-	<b>150,000</b>	240,000	<b>740,000</b>
12. Mr.Suvit Smarnpanchai <sup>(2)</sup>	-	-	250,000	<b>250,000</b>	-	-	-	-	<b>250,000</b>
<b>Total</b>	<b>3,970,000</b>	<b>840,000</b>	<b>4,800,000</b>	<b>9,610,000</b>	<b>1,710,000</b>	<b>1,500,000</b>	<b>3,210,000</b>	<b>2,020,000</b>	<b>14,840,000</b>

<sup>(1)</sup> Mr.Roongroj Saengsastra resigned from directorship from the company and Royal Ceramic Industry on January 26, 2021 and appointed as a company advisor and to Royal Ceramic Industry. Miss Cattleya Saengsastra resigned from directorship from the company on January 26, 2021, still holding the position as a company secretary. Miss Somruthai Boonyarit was appointed as a replacement director.

<sup>(2)</sup> Mr.Suvit Smarnpanchai resigned from directorship on November 4, 2020, which still received director's remuneration for year 2020 in a proportion of position.

### 8.1.3 Supervision of Subsidiaries

The Company's subsidiaries are Tile Top Industry Public Company Limited and Royal Ceramic Industry Public Company Limited. Those are operates a business of manufacturing ceramic floor and wall tiles in the same business as the company. And Royal Ceramic Asia Brick and Tile Company Limited (a subsidiary of Royal Ceramic Industry Public Company Limited) has shut down the operation since 2017 and was under the supervision of the company, controlled through some of the Board of Directors from the same committees. The Board of Directors has established a mechanism to supervise subsidiaries by appointing executives from the company to manage according to the company's main policy to ensure the ability in managing subsidiaries in the same direction as the company. Also determine the scope of power, duties and responsibilities of directors and executive who are the representatives of the company in its subsidiaries by using the same operating power policy. By established a regulatory mechanism for disclosure of information in the financial position and operating results, a transaction between subsidiaries and connected person, acquisition or disposition of assets or any other important reports of subsidiaries by comply with rules and procedures prescribed by the Stock Exchange of Thailand.

In order the office of secretary and the office of Internal Auditing and system are supervise the compliance with various rules to be completely and accurately. Determines the internal control system that is appropriate and concise to ensure that organization risk is manage, monitor, evaluate and report through the audit committee in quarterly.

#### List of Directors of whom also serve as Directors in the Subsidiary Company as at 31 December 2021

Name of Board Members	DCC	TTOP	RCI	RABT
1. Mr. Trakul Winitnaiyapak	-Chairman	-	-Chairman	-
2. Mr.Roongroj Saengsastra	-Advisor of Director	- Director -Chairman	--Advisor of Director	Director
3. Mr. Monrak Saengsastra	- Director -Vice Chairman -CDO	- Director -Vice Chairman -CDO	- Director -Vice Chairman -CDO	Director
4. Mr. Maruth Saengsastra	- Director -CEO -CMO	- Director -CEO -CMO	- Director -CEO -CMO	Director
5. Miss Cattleya Saengsastra	- Company's Secretary	- Director - Company's Secretary	- Company's Secretary	-
6. Mr. Jaruwat Traithavil	- Director - Chairman of Risk Management	- Director -CPO	- Director -CPO	Director

	Committee -CPO			
6. Mr. Chanin Suppapinyopong	- Director -CFO	- Director -CFO	- Director -CFO	Director
7. Miss Somruthai Boonyarit	- Director - VP of Office Operation and Internal Audit	-	- Director - VP of Office Operation and Internal Audit	-

DCC = Dynasty Ceramic PLC TTOP = Tile Top Industry PLC (DCC hold 96.83%) RCI = The Royal Ceramic Industry PLC (DCC hold 98.47%) RABT = Royal Asia Brick and Tile Co., Ltd (RCI hold 100%)

Subsidiaries of company operate by directors and executives appointed by the company to corporate. In the past year, there were no list that is not comply with company policies.

#### **8.1.4 Monitor to Ensure Compliance with Corporate Governance policies and guidelines.**

The company give importance to good corporate governance by set policies and guidelines that are related in Company Corporate Governance Policy and Code of Business Conduct. In accompany with promote practice to build confidence in all groups of stakeholders.

In the past year, the company monitored to ensure compliance with good corporate governance covering matters:

1. Care for employees and non-discrimination
2. Anti-unfair competition
3. Responsible in environment, health and safety in the organization
4. Information security

The results found that the company has fully implemented with guidelines in each matters.

In addition, the company also monitors for compliance with 4 other good corporate governance issues as follows:

##### **(1) 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.

(2) Use of inside information for gains

The Board of Directors has set a standard to prevent the misuse of inside information (Insider Trading) of related person, which means the Board of Directors, the management and employees in department related with information including spouses and minor children of such persons.

The Board of Directors prohibited directors, executives and employees from taking advantage of opportunities or information received during take on position for personal gain or establish a business compete with/or related to company's business. This includes prohibited use of sensitive insider information to buy or sell the company's shares and securities for benefit of those persons. It is prohibit to provide insider information to any other person or juristic person buy or sell the company's shares and securities. The guidelines are set as follows:

1. Prepare reports that directors and executive shall submit to the SEC.
  - Reporting on changes to the securities and derivatives holding of executive (Form 59-2) via the SEC notification system within 3 business day from the date of changes.
  - Notice of information, Certification and Consent form of directors and executive (Form 35-E1) within 7 days from the date of holding office.
2. Directors and executives are required to declare their interest and those related to the company's business by submit a copy of documents through the company secretary for submission to the chairman of the Board and chairman of the Audit committee within 7 days from the date of received the report as follows:
  - Report first time after assign a position.
  - Report every time whenever changes of information.
3. Determine to disclose company shareholding of the company securities to the Board of directors' meeting on quarterly. Including disclose information on changes in securities holding of directors and executives. It shows the number of shares held at the beginning of the year, the end of the year and the statement of increasing or decreasing show in the annual report.
- 4 . Determine to disclose directors and executives profile information such as date of appointed as a director and duration time in office since first time. The participation in training courses for directors organized by the Thai Institution of Directors Association (IOD), duties and responsibilities of the Board of directors and sub-committees, number of times attended the meeting and the amount of remuneration for each individual director in the annual report.
- 5 . Determine to disclose the company's Articles of Association Corporate Governance policy CG2017, Anti-Corruption policy , Code of Conduct, Protection and Fairness policy for employees who report information or give clues about corruption or does not comply with law,

rules, regulations and Code of Conduct (Whistleblower policy) for transparency on company website.

### **(3)Anti-Corruption**

The company has express the intention to join the Anti-Corruption project, Thai Private Sector Collective Action Coalition Against Corruption (CAC) on February 3, 2015 which was endorsed by the Thai Private Sector Collective Action Coalition Against Corruption Committee and present a certificate of membership of The Thai Private Sector Collective Action Coalition Against Corruption. By certified as a coalition member of Dynasty Ceramic Public Company Limited in a first time, effective from July 10, 2015 - July 9, 2018. The certificate is valid in 3 years and certified one time for renewal, effective from February 4, 2019 – February 3, 2022. When the certificate expire, the company will be recertified in accordance with the process determined by CAC at least 6 months in advance of the certificate's expiration date. The company applied for renewal in the second time of membership on August 2021 and received the approval for the second round of the membership on January 6, 2022.



The company has communicated provide knowledge and understanding to the directors, executives and employees to comply with Anti-Corruption policy in every year.

### **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.

### **Anti-Corruption Policy**

1. Create awareness and communicate everyone in organization to know their responsibilities and comply with Anti-Corruption policy, including disclose information about Anti-Corruption measures in public.
2. There shall be regular reviews of implementation of Anti-Corruption policy and review practices and operating terms conform to changes in business, rules, regulations and laws.

### **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.

Refer: Anti-Corruption Policy Attachment no.5 page 206-210.

#### **(4)Whistleblowing**

The company has opened channels for stakeholders to report clues and complaint through the channels provided by company via email and telephone, with the Audit committee which is an independent from management department to consider and have an internal audit department responsible to screen such clues and complaints.

Join the whistleblower to increase transparency at

Hotline : 02-276-9835 , 084-751-4747 during business hours Monday – Friday 8.30-17.00 u.

E-mail: [wecare@dynastyceramic.com](mailto:wecare@dynastyceramic.com)

In the past year, violation related to corruption or violations of the company corporate governance policy were not found.

## **8.2 Report on performance of Audit Committee in the past year**

### **8.2.1 Number of meetings and attendance of the individual Audit committees.**

	<b>Name</b>	<b>Position</b>	<b>Attendance in year 2021 (Times)</b>
1.	Gen. Yuthasak Sasiprapha	Independent Director / Chairman of Audit Committee	4/4
2.	Mr. Surasak Kosiyajinda	Independent Director / Audit Committee	4/4
3.	Mr. Siripong Tinnarat	Independent Director / Audit Committee	4/4
4.	Mr. Totsaporn Banyongwate	Independent Director / Audit Committee	4/4

### **8.2.2 Performance of the Audit Committee**

The company disclosed duties of the Audit Committee according to the report of the Audit Committee (Refer: Attachments 6 page 211-213) and covering to

- (1) Review the performance of the internal Audit department by using adequacy assessment of the internal control system.
- (2) Review the preparation of the company's financial report directly with accounting and finance department about use of discretion in preparing financial reports. In order to be complete, correct and in accordance with generally accepted.
- (3) Able to inquire importance matter directly with the auditor.
- (4) The company does not use other services besides auditing with company's auditors.

- (5) Review the compliance with relevant laws. In matters of transactions that may have conflicts of interest and connected transactions which company has completely complied with laws.

### 8.3 Summary of the performance of other sub-committees

#### 8.3.1 Number of meeting and attendance of the individual sub-committees

Name	Nomination and Remuneration Committee (Total 2 Times)	Executive and Corporate Governance Committee (Total 2 Times)	Risk Management Committee (Total 2 Times)
1. Mr. Monrak Saengsastra	2/2	2/2	2/2
2. Mr. Maruth Saengsastra	2/2	2/2	2/2
3. Mr. Jaruwat Thraithavil	2/2	2/2	2/2
4. Miss Somruthai Boonyarit	-	-	2/2

#### 8.3.2 The performance of sub-committees

- The Nomination and Remuneration Committee reference to Remuneration Committee report (Attachments 7 page 214-215)
- Executive and Corporate Governance Committee Reference Report of Executive and Corporate (Attachments 7 page 216)
- Risk Management Committee Reference: Risk Management Committee Report (Attachments 7 page 217)



## **9. Internal Control and Related Transaction**

### **9.1 Internal Control**

#### **9.1.1 Summary of opinions of the Board of Directors on the adequacy and appropriateness of the Company's internal controls system.**

Board of directors and the management of the company continually attaches importance to internal control with the realization that the internal controls system is an importance mechanism for ensuring management's confidence in reducing business risks. Helping business operations to be efficient and effective with proper allocation of resources and archives the goals set. As well as evaluate the result of internal control system at least once a year.

Board of directors has determined that the Audit Committee responsible to control the Internal Control System, Risk Management System and the Corporate Governance System of the company to be appropriate and efficient, including ensure that the company comply with principles and laws related. Control to prevent conflict of interest, connected transaction, maintaining and use of assets. In order to prevent corruption or misconduct. The company has set up an audit and balance mechanism with an independent internal audit to perform audits and evaluate the efficiency and adequacy of the internal control system, risk management system and the corporate governance system in the performance of all department of the company and its subsidiaries by adopting the framework of internal control system according to international standards of COSO (The Committee of Sponsoring Organizations of the Tread way Commission), the framework of Enterprise Risk Management and governance guidelines of the Stock Exchange of Thailand and Thai Institution of Directors Association (IOD) and Organization for Economic Co-operation and Development (OECD) to apply for internal control. To complete risk management and governance in order for the company's various operations to be efficient and for most effective.

In addition, the Board of Directors access the sufficiency of the internal controls system annually according to the guidelines of the Securities and Exchange Commission (SEC) every year. In the Board of Directors Meeting No. 1/2022 held on February 22, 2022. There were 5 independent directors, by 4 were being the Audit Committee members participating in a meeting to review the internal control system sufficiency assessment, according to the internal control framework of The Stock Exchange of Thailand. Referenced from COSO (The Committee of Sponsoring Organizations of the Tread way Commission), all 5 components: Control Environment, Risk Assessment, Control Activities, Information and Communication and Monitoring Activities.

The Board of Directors suggest the opinion that the internal control system of the company and its subsidiaries are sufficient and appropriate. The company and its subsidiaries have provided sufficient personnel to operate the system effectively including the company has internal control system to monitor and control the operations of the subsidiaries to be able to protect the assets of the company and its subsidiaries from being misuse or without authority by directors or executives. Including sufficient transactions with person who may conflicts of interest and connected persons.

#### **9.1.2 Summary of deficiencies in the internal control system in year 2021**

Office system and internal audit has regularly audited the internal control system. According to the annual audit work plan and reporting audit report to the Audit Committee in 2021 still no significant defect were found but the Audit Committee give opinion to improve

the internal control system in some areas that were detected by Company's Internal Audit. They has responsibility to review that the company's core operations and key financial activities, operate effectively and in accordance as prescribed by law.

### **9.1.3 Opinions of the Audit Committee**

Every quarter, at the meeting of the Audit Committee assess the adequacy of the Company's internal control system. The opinion of the Audit Committee on internal control is in the same ways as the Board of Directors (*Refer to the Annual Audit Committee Report, Attachment No. 6 page 211-213*). In addition with the previous year, there were no auditor's observation regarding internal control.

### **9.1.4 Head of Internal Audit**

At present, a responsible person for company's internal audit is Ms. Somruthai Boonyarit, Director of work systems and the internal audit. Also appointed as the secretary of the Audit Committee according to the resolution of the Board of Director No. 2/2012 held on February 21, 2012, to supervise compliance with rules of each departments that govern the company's business operations. In which approved by the Audit Committee with educational, experience and training that are appropriate to perform this duties effectively. (*Refer to Attachment 3: Details of the Head of Internal Audit page 175*)

### **9.1.5 Appointment, Removal and Transfer of a person holding the Head of Internal Audit position**

Requires approval or agree by the Audit Committee (*Refer to Attachment 3: Details of the Head of Internal Audit page 175*)

## **9.2 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.

### **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 2019-2021, 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**

Type of Transaction	Pricing Policy	Amount (Million Baht)		
		Y2021	Y2020	Y2019
Tile Top Industry PCL Subsidiaries in which DCC owns 96.83%				
Revenue from Raw Material / Supplies	At cost	2.1	3.4	3.6
Rental income from office	Contract price	0.7	0.7	0.7
Management Fee income	Contract price	14.5	13.2	12.0
Purchases -Finished goods	At competitive market price but more than cost	2,108.9	2,140.6	2,251.2
Purchases - Raw Materials / Supplies	At cost	2.0	2.7	2.4
Warehouse Management Fee	Contract price	4.4	4.0	3.6
The Royal Ceramic Industry PCL. Subsidiaries in which DCC owns 98.47%				
Revenue from Raw Material / Supplies	At cost	4.4	11.6	17.9
Rental income from office	Contract price	0.7	0.7	0.7
Rental machine income	Contract price	-	-	0.8
Freight Income	Actual Price	76.6	52.5	50.8
Purchases -Finished goods	At competitive market price but more than cost	1,003.4	1,010.3	1,156.2

Purchases - Raw Materials / Supplies	At cost	1.8	3.4	4.6
<b>The Royal Asia Brick and Tile Company Limited</b> Subsidiaries in which RCI owns 100%				
Rental income from office	Contract price	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)		
			Y2021	Y2020	Y2019
Tile Top Industry PCL	Subsidiaries Company	Trade Account Payable	1,213.7	1,144.8	991.6
The Royal Ceramic Industry PCL.	Subsidiaries Company	Trade Account Payable	141.6	144.6	43.7
Mr. Monrak Saengsastra and Mr. Maruth Saengsastra	Director of the Company	Lease liabilities	89.0	108.3	-

**Reason and Necessity** For the lease land of directors according to the policy of procuring land for the construction of the outlets must be located in an area adjacent to the main road, convenient for transportation, wide front for easy loading and unloading that has been surveyed by business development team. Most of the land are a large plot for sell so it is necessary for a high investment. Compare with renting, it is worth more as for the investment policy for purchasing land must be consider along with working capital. Every contract that is a connected transaction has been carefully reviewed by the Audit Committee before present to the Board of Directors for approval by taking the benefit of the company as priority. In every meeting, the person involved who did not attend and vote in such agenda and disclose information in accordance with relevant regulations.

### Pricing Policy and Related Conditions

The company purchase product from Tile Top Industry Public Company Limited and Royal Ceramic Industry Public Company Limited. The price and conditions are competitive in the market and the price is higher than the production cost, which the company is a major customer.

## **PART III : Financial Statement**

### **Report of the Board of Directors' Responsibilities for Financial Reports**

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 2021 Annual Report (Form 56-1 One Report).

The Board of Directors has considered of Company's internal control system. From the year ended on December 31, 2021, 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.

*--Maruth Saengsastra--*

(Mr. Maruth Saengsastra)  
Chief Executive Officer

## **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, 2021 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, 2021 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.

### **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**

My audit procedures on the risk are understanding the process of revenue 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 analyses 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 on the risk 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**

Inventory is the significant transactions to the financial statements the Group 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.

**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), analyses quantity and movement to find out a slow moving and defective inventory.

**Investments in subsidiaries****Risk description**

Investments in subsidiaries is the significant transactions to the financial statements. In considering the value of investments in subsidiaries, the management had to exercise significant judgement with respect to the subsidiaries' projections of future operating performance and the determination of an appropriate discount rate and key assumptions. There is thus a risk with respect to the value of investments in subsidiaries.

**Key audit procedure**

My audit procedures on the risk are understanding the process for obtaining the subsidiaries' projections of future operating performance and the financial model prepared by the management. Evaluate key assumptions and approaches used by the management in calculating the fair value of investments and comparison of past cash flow projections with actual operating results in order to assess the exercise of management judgement in estimating cash flow projections. In addition, I reviewed the disclosure of information relating to the investments in subsidiaries in the notes to the financial statements.

**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 15, 2022

**DYNASTY CERAMIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**

**STATEMENTS OF FINANCIAL POSITION**

**AS AT DECEMBER 31, 2021**

(Unit : Baht)

		Consolidated		Separate	
	Notes	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	6	58,236,070	70,869,898	42,405,610	50,414,366
Trade account and other current receivables - net	8	163,668,870	143,514,348	155,862,013	137,170,330
Other current receivables - subsidiary company	7	-	-	6,386,669	4,944,487
Inventories - net	9	2,273,491,278	2,089,410,339	2,028,318,251	1,868,992,879
Other current financial assets	10	1,063,937	1,063,937	1,063,937	1,063,937
Non - current assets classified as held for sale		8,692,526	-	8,692,526	-
TOTAL CURRENT ASSETS		2,505,152,681	2,304,858,522	2,242,729,006	2,062,585,999
NON - CURRENT ASSETS					
Other non-current financial assets		314,300	314,300	-	-
Investment in subsidiaries	11	-	-	2,544,816,517	2,382,269,843
Investment property - net	12	72,848,256	68,803,921	72,848,256	68,803,921
Property, plant and equipment - net	13	5,793,082,009	5,810,619,587	4,442,531,711	4,337,671,076
Right-of-use assets	17.1	504,534,760	536,667,178	495,076,889	525,626,601
Intangible asset - net	14	9,853,375	12,716,390	9,853,373	12,716,387
Deferred income tax asset	23	42,856,596	48,598,991	-	-
Other non - current assets	15	14,126,076	13,052,320	12,634,113	11,574,694
TOTAL NON- CURRENT ASSETS		6,437,615,372	6,490,772,687	7,577,760,859	7,338,662,522
TOTAL ASSETS		8,942,768,053	8,795,631,209	9,820,489,865	9,401,248,521
LIABILITIES AND SHAREHOLDERS' EQUITY					
CURRENT LIABILITIES					
Short - term loans from financial institutions	16	1,250,000,000	2,165,000,000	1,250,000,000	2,090,000,000
Trade account and other current payables		921,929,613	785,769,222	572,159,726	417,526,776
Trade account payables - subsidiaries company	7	-		1,361,708,663	1,294,315,255
Lease liabilities - current portion	17.2	99,022,071	106,084,879	93,434,880	98,387,270
Accrued income tax		179,134,260	183,441,794	177,441,838	178,372,657
TOTAL CURRENT LIABILITIES		2,450,085,944	3,240,295,895	3,454,745,107	4,078,601,958

The accompanying notes form an integral part of these financial statements.

**DYNASTY CERAMIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**

**STATEMENTS OF FINANCIAL POSITION (CONTINUED)**

**AS AT DECEMBER 31, 2021**

(Unit : Baht)

		Consolidated		Separate	
	Notes	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
NON - CURRENT LIABILITIES					
Unfunded provident fund - non contributory	18	49,658,546	51,187,752	-	-
Lease liabilities - net of current portion	17.2	385,130,917	408,279,187	381,120,751	404,793,666
Non - current provisions for employee benefits	20	180,841,112	197,178,407	71,525,045	83,963,168
Deferred income tax liability	23	32,796,215	32,598,643	32,796,215	32,598,643
Other non-current liabilities		7,167,891	7,840,238	7,167,891	7,840,238
TOTAL NON-CURRENT LIABILITIES		655,594,681	697,084,227	492,609,902	529,195,715
TOTAL LIABILITIES		3,105,680,625	3,937,380,122	3,947,355,009	4,607,797,673
SHAREHOLDERS' EQUITY					
Share capital - common share at Baht 0.1 par value					
Registered - 9,139,191,541 shares	21	913,919,154	913,919,154	913,919,154	913,919,154
Issued and paid - up 9,125,611,266 ordinary shares as at December 31,2021 and 8,198,942,195 ordinary shares as at December 31,2020		912,561,127	819,894,220	912,561,127	819,894,220
Premium on share capital		3,233,498,174	2,260,495,649	3,233,498,174	2,260,495,649
Retained earnings					
Appropriated for legal reserve	22	91,256,112	81,989,421	91,256,112	81,989,421
Unappropriated		3,241,821,326	3,178,596,731	1,635,819,443	1,631,071,558
Other components of equity		(1,684,986,599)	(1,578,811,602)	-	-
Total Shareholders' equity of the Company		5,794,150,140	4,762,164,419	5,873,134,856	4,793,450,848
Non-controlling interests		42,937,288	96,086,668	-	-
TOTAL SHAREHOLDERS' EQUITY		5,837,087,428	4,858,251,087	5,873,134,856	4,793,450,848
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		8,942,768,053	8,795,631,209	9,820,489,865	9,401,248,521

The accompanying notes form an integral part of these financial statements.

**DYNASTY CERAMIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**STATEMENTS OF COMPREHENSIVE INCOME**  
**FOR THE YEARS ENDED DECEMBER 31, 2021**

		(Unit : Baht)			
		<b>Consolidated</b>		<b>Separate</b>	
	<b>Notes</b>	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
<b>Profit or loss:</b>					
Revenue from sales	27	8,396,032,606	8,501,252,404	8,396,032,606	8,501,252,404
Costs of sales	7,27,29	(4,758,219,642)	(4,972,520,302)	(4,978,694,029)	(5,247,571,959)
<b>Gross profit</b>		<b>3,637,812,964</b>	<b>3,528,732,102</b>	<b>3,417,338,577</b>	<b>3,253,680,445</b>
Other income	7,27,28	84,586,303	88,107,108	98,866,231	100,958,963
Distribution costs	29	(782,818,535)	(777,608,814)	(685,467,576)	(690,817,937)
Administrative expenses	29	(799,517,981)	(843,834,626)	(763,598,403)	(805,139,543)
Finance costs	27	(17,654,079)	(48,903,929)	(15,966,186)	(44,860,554)
<b>Profit before income tax</b>		<b>2,122,408,672</b>	<b>1,946,491,841</b>	<b>2,051,172,643</b>	<b>1,813,821,374</b>
Income tax	24	(418,787,279)	(360,006,612)	(406,832,796)	(358,877,483)
<b>Profit for the years</b>		<b>1,703,621,393</b>	<b>1,586,485,229</b>	<b>1,644,339,847</b>	<b>1,454,943,891</b>
<b>Other comprehensive income:</b>					
<i>Components of other comprehensive income that will not be reclassified to profit or loss</i>					
Gain on remeasurement of defined benefit plans		10,433,625	-	8,013,763	-
<b>Other comprehensive income for the years, net of tax</b>		<b>10,433,625</b>	<b>-</b>	<b>8,013,763</b>	<b>-</b>
<b>Total comprehensive income for the years</b>		<b>1,714,055,018</b>	<b>1,586,485,229</b>	<b>1,652,353,610</b>	<b>1,454,943,891</b>
<b>Profit (loss) attributable to:</b>					
Owner of the Company		1,700,428,707	1,585,344,686	1,644,339,847	1,454,943,891
Non-controlling interests		3,192,686	1,140,543	-	-
		<b>1,703,621,393</b>	<b>1,586,485,229</b>	<b>1,644,339,847</b>	<b>1,454,943,891</b>
<b>Total comprehensive income attributable to:</b>					
Owner of the Company		1,710,830,320	1,585,344,686	1,652,353,610	1,454,943,891
Non-controlling interests		3,224,698	1,140,543	-	-
		<b>1,714,055,018</b>	<b>1,586,485,229</b>	<b>1,652,353,610</b>	<b>1,454,943,891</b>
<b>Earnings per Share</b>					
Profit attributable to equity holders of the Company	26.1	0.193	0.202	0.187	0.185
The number of ordinary shares weighted average (Unit : shares)		8,795,564,748	7,847,360,860	8,795,564,748	7,847,360,860
<b>Diluted earnings per share</b>					
Profit attributable to equity holders of the Company	26.2	0.193	0.192	0.187	0.176
The number of ordinary shares weighted average (Unit : shares)		8,803,620,055	8,260,148,462	8,803,620,055	8,260,148,462

The accompanying notes form an integral part of these financial statements.

**DYNASTY CERAMIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**

**STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY**

**FOR THE YEARS ENDED DECEMBER 31, 2021**

(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, 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	25	-	-	-	(1,187,320,687)	-	(1,187,320,687)	-	(1,187,320,687)
Legal reserve	22	-	-	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
Balance as at January 1, 2021		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
Change in parent's ownership interests in subsidiaries		-	-	-	-	(106,174,997)	(106,174,997)	(56,374,078)	(162,549,075)
Increase in share capital		92,666,907	973,002,525	-	-	-	1,065,669,432	-	1,065,669,432
Total comprehensive income for the years		-	-	-	1,710,830,320	-	1,710,830,320	3,224,698	1,714,055,018
Dividend payment	25	-	-	-	(1,638,339,034)	-	(1,638,339,034)	-	(1,638,339,034)
Legal reserve	22	-	-	9,266,691	(9,266,691)	-	-	-	-
Balance as at December 31, 2021		912,561,127	3,233,498,174	91,256,112	3,241,821,326	(1,684,986,599)	5,794,150,140	42,937,288	5,837,087,428

The accompanying notes form an integral part of these financial statements.

**DYNASTY CERAMIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**

**STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY**

**FOR THE YEARS ENDED DECEMBER 31, 2021**

(Unit : Baht)

Separate					
Notes	Share capital issued and paid-up	Premium on Share capital	Retained earnings		
			Legal Reserve	Unappropriated	Total
<b>Balance as at January 1, 2020</b>	723,143,266	1,244,610,634	72,314,326	1,373,123,449	3,413,191,675
Total comprehensive income for the years	-	-	-	1,454,943,891	1,454,943,891
Increase in share capital	96,750,954	1,015,885,015	-	-	1,112,635,969
Dividend payment	25	-	-	(1,187,320,687)	(1,187,320,687)
Legal reserve	22	-	9,675,095	(9,675,095)	-
<b>Balance as at December 31, 2020</b>	819,894,220	2,260,495,649	81,989,421	1,631,071,558	4,793,450,848
<b>Balance as at January 1, 2021</b>	819,894,220	2,260,495,649	81,989,421	1,631,071,558	4,793,450,848
Total comprehensive income for the years	-	-	-	1,652,353,610	1,652,353,610
Increase in share capital	92,666,907	973,002,525	-	-	1,065,669,432
Dividend payment	25	-	-	(1,638,339,034)	(1,638,339,034)
Legal reserve	22	-	9,266,691	(9,266,691)	-
<b>Balance as at December 31, 2021</b>	912,561,127	3,233,498,174	91,256,112	1,635,819,443	5,873,134,856

The accompanying notes form an integral part of these financial statements.

**DYNASTY CERAMIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**

**STATEMENTS OF CASH FLOWS**

**FOR THE YEARS ENDED DECEMBER 31, 2021**

	(Unit : Baht)			
	Consolidated		Separate	
	2021	2020	2021	2020
<b>Cash Flows From Operating Activities</b>				
Profit (loss) before income tax	2,122,408,672	1,946,491,841	2,051,172,643	1,813,821,374
Adjustments to reconcile profit before income tax to net cash provided from (used in) operating activities:				
Decrease (increase) in trade account and other current receivables	(20,670,710)	129,615,973	(19,237,871)	129,769,373
Decrease (increase) in other current receivables - subsidiaries company	-	-	(1,442,181)	(4,944,488)
Decrease (increase) in inventories	(184,043,928)	75,273,382	(159,325,372)	103,954,842
Decrease (increase) in other non - current assets	(1,073,756)	(1,326)	(1,059,419)	(204,310)
Increase (decrease) in trade account and other current payables	120,413,321	(72,463,696)	147,046,484	(108,700,717)
Increase (decrease) in trade account payables - subsidiaries company	-	-	67,393,407	259,028,550
Increase (decrease) in unfunded provident fund - non contributory	(4,135,456)	(578,435)	-	-
Increase (decrease) in other non-current liabilities	(672,346)	2,375,089	(672,346)	2,375,089
Depreciation and amortization	673,004,257	722,481,045	482,156,855	532,902,583
Allowance for doubtful accounts (Reversal of)	516,188	(540,332)	546,188	(480,000)
Allowance for impairment of investments from other (Reversal of)	(11,250,000)	-	-	-
Reversal of allowance for decline value	(37,011)	(359,008)	-	-
Loss from sale of investment	7,250,000	-	-	-
Loss (gain) from disposal of fixed assets	(955,582)	252,279	(444,627)	237,614
Unrealized loss (gain) on exchange rate	(7,098)	37,112	(7,712)	7,350
Dividends income	-	(31,430)	-	-
Interest income	(105,041)	(1,691,237)	(94,887)	(227,509)
Interest expense	17,654,079	48,903,929	15,966,186	44,860,553
Provision for unfunded provident fund	2,606,250	2,487,707	-	-
Provision for employee benefits obligation	11,468,653	12,966,058	5,586,489	6,655,052
Total adjustments to reconcile profit(loss) before income tax	609,961,820	918,727,110	536,411,194	965,233,982
<b>Net Cash Flows Provided from Operations</b>	<b>2,732,370,492</b>	<b>2,865,218,951</b>	<b>2,587,583,837</b>	<b>2,779,055,356</b>
Income tax paid	(419,763,252)	(290,383,802)	(409,569,483)	(273,310,037)
Cash paid for employee benefits	(643,600)	(794,493)	(643,600)	(794,493)
<b>Net Cash Flows Provided from Operating Activities</b>	<b>2,311,963,640</b>	<b>2,574,040,656</b>	<b>2,177,370,754</b>	<b>2,504,950,826</b>

The accompanying notes form an integral part of these financial statements.



**DYNASTY CERAMIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**

**STATEMENTS OF CASH FLOWS (CONTINUED)**

**FOR THE YEARS ENDED DECEMBER 31, 2021**

	(Unit : Baht)			
	Consolidated		Separate	
	2021	2021	2020	2021
<b>Cash Flows from Investing Activities</b>				
Acquisitions of assets	(536,692,279)	(420,152,979)	(474,845,284)	(328,150,184)
Acquisitions of intangible assets	(2,600,681)	(2,413,098)	(2,600,681)	(2,413,098)
Cash received from proceed from disposal of fixed assets	4,115,965	3,593,771	1,582,658	1,275,494
Cash received from interest income	105,041	1,691,237	94,887	227,509
Dividends income	-	31,430	-	-
Cash received from sale of investment	4,000,000	-	-	-
Cash paid for investment in subsidiaries	(162,549,075)	(172,469,329)	(162,546,675)	(172,469,329)
<b>Net Cash Flows Used in Investing Activities</b>	<b>(693,621,029)</b>	<b>(589,718,968)</b>	<b>(638,315,095)</b>	<b>(501,529,608)</b>
<b>Cash Flows from Financing Activities</b>				
Increase in short - term loans from financial institutions	8,385,000,000	12,731,000,000	8,385,000,000	12,411,000,000
Repayment for short - term loans from financial institutions	(9,300,000,000)	(14,532,546,836)	(9,225,000,000)	(14,206,084,367)
Short - term loans	-	29,000,000	-	-
Interest payment	(16,020,228)	(44,488,150)	(15,735,819)	(43,215,860)
Dividend paid	(1,638,339,034)	(1,187,320,687)	(1,638,339,034)	(1,187,320,687)
Cash received from increase in share capital	1,065,669,432	1,112,635,969	1,065,669,432	1,112,635,969
Cash paid for lease liabilities	(127,286,609)	(139,657,563)	(118,658,994)	(132,340,101)
<b>Net Cash Flows Used in Financing Activities</b>	<b>(1,630,976,439)</b>	<b>(2,031,377,267)</b>	<b>(1,547,064,415)</b>	<b>(2,045,325,046)</b>
 NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	 (12,633,828)	 (47,055,579)	 (8,008,756)	 (41,903,828)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	70,869,898	117,925,477	50,414,366	92,318,194
CASH AND CASH EQUIVALENTS AT END OF YEAR	58,236,070	70,869,898	42,405,610	50,414,366
 Supplemental cash flow information:				
Non-cash items :				
Lease liabilities	484,152,988	514,364,066	474,555,631	503,180,936

The accompanying notes form an integral part of these financial statements.

## **DYNASTY CERAMIC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**

### **NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2021**

#### **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 Suthisarnwinijchai Rd., Samseannok, Huaykwang, Bangkok. The major shareholder of the Company is Saengsastra family.

The Company’s factory is located at 54/8 Moo. 3 Suwannasorn Rd., 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 5 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:

Company Name	Nature of business	Percentage of holding (%)	
		2021	2020
<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	98.47	91.87
<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 July 6, 2021, the Company acquisition of ordinary shares of The Royal Ceramic Industry Public Co., Ltd. at a price not exceeding Baht 3.90 per share, 40.70 million shares, totalling Baht 158.73 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 subsidiaries as at December 31, 2021 and 2020 and total revenues for the years ended December 31, 2021 and 2020 as included in the consolidated financial statements presented in term of percentages as follow :

	Percentage of subsidiaries' total assets		Percentage of subsidiaries' total revenues	
	to consolidated total assets		to consolidated total revenues	
	2021	2020	2021	2020
<u>Subsidiary company</u>				
Tile Top Industry Public Co., Ltd.	23	23	25	25
Group The Royal Ceramic Industry Public Co., Ltd.	12	12	12	12

## 3. NEW FINANCIAL REPORTING STANDARD

### 3.1 New financial reporting standards that became effective in the current year

During the year, the Group has adopted the 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 adoption of these financial reporting standards does not have any significant impact on the Group's financial statements.

### 3.2 Financial reporting standards that became effective for fiscal years beginning on or after January 1, 2022

The Federation of Accounting Professions issued a number of revised financial reporting standards, which are effective for fiscal years beginning on or after January 1, 2022. 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, for some standards, providing temporary reliefs or temporary exemptions for users.

The management of the Group believes that adoption of these amendments will not have any significant impact on the Group's financial statements.

#### **4. SIGNIFICANT ACCOUNTING POLICIE**

##### **4.1 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.

##### **4.2 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.

##### **4.3 Inventories**

The Group 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.

##### **4.4 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.

##### **4.5 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.

#### 4.6 Financial instruments

The Group 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 Group 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 Group 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 Group’s 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 Group 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 Group 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 Group has transferred substantially all the risks and rewards of the asset, or the Group 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 Group applies a simplified approach in calculating ECLs. Therefore, the Group 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.

### 4.7 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.

#### 4.8 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 Group 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.

#### 4.9 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.

#### 4.10 Leases

##### *Right-of-use assets*

The Group 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 Group 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 Group 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 Group 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.

4.11 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.

4.12 Property foreclosed and assets not used in operations

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

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

4.13 Impairment of assets

The Group assess whether there is an indication that any asset may be impaired. If any such indication exists, the Group 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.

4.14 Foreign currencies transactions

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

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

*Post-employment benefits (Defined benefit plan)*

The Group have obligations in respect of the severance payments they must make to employees upon retirement under the labor law. The Group 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.

#### 4.16 Income tax

The income tax expense recognized in profit or loss for the year comprises deferred income taxes and current income tax not recognized in other comprehensive income or directly in equity.

*Current income tax*

Current income tax is the expected tax payable or claimable on the taxable profit or loss for the year, which is different from profit or loss in the financial statements, using income tax rates enacted or substantially enacted at the end of the reporting period, and any adjustment to income tax payable in respect of previous years.

*Deferred income tax*

Deferred income taxes are calculated using the liability method on temporary differences between the accounting amounts of assets and liabilities and the amounts used for tax computation purpose. Deferred income taxes are calculated at the income tax rates that are expected to be applied to the temporary differences when they are reversed, using income tax rates enacted or substantively enacted at the end of the reporting period.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the Revenue Department on a net basis or when tax assets and liabilities will be realized simultaneously.

#### 4.17 Related parties

Related parties comprise enterprises and individuals that control, or are controlled by the Company, whether directly or indirectly, or which are under common control with the Company.

They also include associated companies and individuals which directly or indirectly own a voting interest in the Company that gives them significant influence over the Company, key management personnel, directors and officers with authority in the planning and directing the Company's operations.

#### 4.18 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 Group 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 Group 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.

#### 4.19 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.

#### 4.20 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.

#### 4.21 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.

#### 4.22 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.

#### 4.23 Provisions for liabilities and expenses, and contingent assets

Provisions are recognized in the financial statements when the Group 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.

## 5. CRITICAL ACCOUNTING ESTIMATES, ASSUMPTION AND JUDGMENT AND CAPITAL RISK MANAGEMENT

### 5.1 Critical accounting estimates, assumption and judgments

#### 5.1.1 Determining the lease term of contracts with renewal and termination options

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

#### 5.1.2 Incremental borrowing rate

In cases where the Group is unable to determine the interest rate implicit in the lease, it uses the incremental borrowing rate (IBR) to measure lease liabilities. The Group estimates the IBR using observable inputs, lessee's credit rating, similar security and similar term.

#### 5.1.3 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 Group historical credit loss experience and forecast economic conditions may also not be representative of whether a customer will actually default in the future.

#### 5.1.4 Allowance for slow - moving and defective inventories

The Group 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.

#### 5.1.5 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.

#### 5.1.6 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.

#### 5.1.7 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.

#### 5.1.8 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.

### 5.2 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.

## 6. CASH AND CASH EQUIVALENTS

	(Unit : Baht)			
	Consolidated		Separate	
	2021	2020	2021	2020
Cash on hand	6,481,950	6,509,206	6,319,950	6,357,206
Cash at banks				
Current accounts	8,952,565	20,649,356	7,790,638	13,812,260
Saving accounts	42,801,555	43,711,336	28,295,022	30,244,900
Total	58,236,070	70,869,898	42,405,610	50,414,366

Cash at bank – saving accounts bear interest at the floating rate of depository banks.

## 7. 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. Maruth 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 July 6, 2021, the Company acquisition of ordinary shares of The Royal Ceramic Industry Public Co., Ltd. at a price not exceeding Baht 3.90 per share, 40.70 million shares, totalling Baht 158.73 million.

The significant transactions with related parties for the years ended December 31, 2021 and 2020 are as follows:

(Unit : Baht)

		Consolidated		Separate	
		For the years ended December 31,			
	Pricing Policy	2021	2020	2021	2020
<u>Sales – raw materials and supplies</u>					
Tile Top Industry Public Co., Ltd.	At cost	-	-	2,057,103	3,437,539
The Royal Ceramic Industry Public Co., Ltd.	At cost	-	-	4,358,930	11,624,524
Total		-	-	6,416,033	15,062,063
<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.	Contract price	-	-	14,520,000	13,200,000
<u>Freight Income</u>					
The Royal Ceramic Industry Public Co., Ltd.	At cost	-	-	76,621,341	52,489,080
<u>Purchases – finished goods</u>					
Tile Top Industry Public Co., Ltd.	At competitive market price but more than cost	-	-	2,108,919,418	2,140,567,920
The Royal Ceramic Industry Public Co., Ltd.	At competitive market price but more than cost	-	-	1,003,431,565	1,010,280,912
Total		-	-	3,112,350,983	3,150,848,832
<u>Purchases – raw materials and supplies</u>					
Tile Top Industry Public Co., Ltd.	At cost	-	-	1,955,773	2,713,076
The Royal Ceramic Industry Public Co., Ltd.	At cost	-	-	1,774,537	3,408,567
Total		-	-	3,730,310	6,121,643
<u>Management fee</u>					
Tile Top Industry Public Co., Ltd.	Contract price	-	-	4,356,000	3,960,000
<u>Management expense</u>					
Current employment benefits		55,944,888	51,216,486	30,552,020	27,577,709
Post-employment benefits		317,777	232,445	172,206	183,842
Total		56,262,665	51,448,931	30,724,226	27,761,551

The significant balances with related company as at December 31, 2021 and 2020 are as follows:

	(Unit : Baht)			
	Consolidated		Separate	
	2021	2020	2021	2020
<u>Other receivable - subsidiaries company</u>				
The Royal Ceramic Industry Public Co., Ltd.	-	-	6,386,669	4,944,487
<u>Trade accounts payables – subsidiaries company</u>				
Tile Top Industry Public Co., Ltd.	-	-	1,213,711,054	1,144,771,545
The Royal Ceramic Industry Public Co., Ltd.	-	-	147,997,609	149,543,710
Total	-	-	1,361,708,663	1,294,315,255
<u>Lease liabilities</u>				
Mr. Monrak Saengsastra and				
Mr. Maruth Saengsastra	89,044,400	108,300,400	89,044,400	108,300,400
Employee benefits obligation				
<u>Executive</u>				
Post – employment benefits	2,947,307	2,493,567	2,239,518	2,024,986

#### 8. TRADE ACCOUNTS AND OTHER CURRENT RECEIVABLE – NET

Consist of:

	(Unit : Baht)			
	Consolidated		Separate	
	2021	2020	2021	2020
<u>Trade accounts and other current receivable</u>				
Trade accounts receivable	124,888,084	117,386,566	124,888,084	117,386,566
<u>Less</u> Allowance for expected credit losses	(1,848,176)	(1,301,988)	(1,848,176)	(1,301,988)
Trade accounts receivable - net	123,039,908	116,084,578	123,039,908	116,084,578
Other current receivable	40,863,408	27,694,216	32,822,105	21,085,752
<u>Less</u> Allowance for expected credit losses	(234,446)	(264,446)	-	-
Other accounts receivable - net	40,628,962	27,429,770	32,822,105	21,085,752
Trade accounts and other current receivable - net	163,668,870	143,514,348	155,862,013	137,170,330

Outstanding balances of receivable as at December 31, 2021 and 2020 classified by ages are as follows:

	(Unit : Baht)			
	Consolidated		Separate	
	2021	2020	2021	2020
<u>Trade accounts receivable</u>				
Not over 90 days	122,871,292	115,116,406	122,871,292	115,116,406
Over 90 days to 120 days	46,621	-	46,621	-
Over 120 days to 180 days	87,164	154,756	87,164	154,756
Over 180 days to 365 days	34,831	504,722	34,831	504,722
Over 365 days	1,848,176	1,610,682	1,848,176	1,610,682
Total	124,888,084	117,386,566	124,888,084	117,386,566
<u>Less</u> Allowance for expected credit losses	(1,848,176)	(1,301,988)	(1,848,176)	(1,301,988)
Net	123,039,908	116,084,578	123,039,908	116,084,578

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	
	2021	2020	2021	2020
Beginning balance	(1,566,434)	(2,106,766)	(1,301,988)	(1,781,988)
Increase	(958,172)	-	(958,172)	-
Decrease	441,984	540,332	411,984	480,000
Ending balance	(2,082,622)	(1,566,434)	(1,848,176)	(1,301,988)

## 9. INVENTORIES – NET

	(Unit : Baht)			
	Consolidated		Separate	
	2021	2020	2021	2020
Finished goods	2,060,248,321	1,867,526,011	1,957,060,181	1,792,360,719
Work in process	35,601,652	36,210,800	14,757,168	16,200,032
Raw materials	80,876,705	82,619,731	18,787,026	22,670,499
Supplies	106,153,299	113,775,000	36,018,658	37,705,495
Goods in transit	2,150,895	855,402	1,695,218	56,134
Total	2,285,030,872	2,100,986,944	2,028,318,251	1,868,992,879
Less Allowance for decline values	(11,539,594)	(11,576,605)	-	-
Net	2,273,491,278	2,089,410,339	2,028,318,251	1,868,992,879

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

	(Unit : Baht)			
	Consolidated		Separate	
	2021	2020	2021	2020
Beginning balance	11,576,605	11,935,613	-	-
Increase	-	-	-	-
Decrease	(37,011)	(359,008)	-	-
Ending balance	11,539,594	11,576,605	-	-

During the year 2021 , the subsidiary reversed allowances for decline value of Baht 0.04 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. (2020: Baht 0.36 million)

Costs of inventories which were recognized as expenses for the years ended December 31, 2021 and 2020 are as follows:



	(Unit : Baht)			
	Consolidated		Separate	
	2021	2020	2021	2020
Cost of goods sold	4,758,256,653	4,972,879,310	4,978,694,029	5,247,571,959
Reversal of allowance for decline value	(37,011)	(359,008)	-	-
Cost of sales	4,758,219,642	4,972,520,302	4,978,694,029	5,247,571,959

## 10. OTHER CURRENT FINANCIAL ASSETS

As described in Note 7 to the financial statements, other current financial assets/other investments in the consolidated and separate financial statements as at December 31, 2021 and 2020 are as follow:

	(Unit : Thousand Baht)					
	Consolidated and Separate					
	Paid-up capital		Percentage of shareholding		Amount	
	2021	2020	2021	2020	2021	2020
World Wide Ceramic Co., Ltd.	1,000	1,000	99.93	99.93	1,064	1,064

## 11. INVESTMENT IN SUBSIDIARIES

11.1 Investment in subsidiaries in the separate financial statement as at December 31, 2021 and 2020 which are stated at cost are as follow:

	(Unit : Thousand Baht)							
	Paid-up capital		Percentage of shareholding		Amount		Dividend Income	
Company's name	2021	2020	2021	2020	2021	2020	2021	2020
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	98.47	91.87	2,435,337	2,272,790	-	-
Total					2,544,817	2,382,270	-	-

### Change in investments in subsidiaries held by the Company

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 shares 566.69 million (91.87% of registered and paid-up capital) and the minority shareholders which hold the remaining shares in RCI totaling of shares 50.15 million (8.13% of registered and paid-up capital).

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 Baht 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 RCI 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 of RCI 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).

At the Annual General Shareholders’ Meeting of RCI for the year 2021 held on March 29, 2021, pass a resolution to approved delisting RCI’s securities from SET and on July 6, 2021, The Company has submitted the Report on the result of Tender Offer (Form 256-2) of RCI to SET. The Company acquisition of 40.70 million ordinary shares representing 6.60%, totaling of Baht 158.73 million. This increased shareholding interests in RCI totaling of shares 607.39 million (98.47% of registered and paid-up capital) and on July 9, 2021, The Board of Governors of SET ordered to delist the ordinary shares of RCI from being listed securities from July 16, 2021, onwards.

11.2 Details of non-wholly owned subsidiaries which have material non-controlling interests as at December 31, 2021 and 2020, are as follows

Company	(Unit : Million Baht)							
	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	
	2021	2020	2021	2020	2021	2020	2021	2020
	(%)	(%)						
Tile Top Industry Public Co., Ltd.	3.17	3.17	54.28	53.53	0.74	0.80	-	-
The Royal Ceramic Industry Public Co., Ltd. and its subsidiary	1.53	8.13	(11.34)	42.55	2.48	0.34	-	-

11.3 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, 2021 and 2020, are as follows;

(Unit : Thousand Baht)				
	Tile Top Industry Public Co., Ltd.		The Royal Ceramic Industry Public Co., Ltd. and its subsidiary	
	2021	2020	2021	2020
<b>Condensed statement of financial position</b>				
<b>As at December 31,</b>				
Current assets	1,302,887	1,238,608	383,401	381,730
Non-current assets	730,206	816,482	660,563	698,106
Current liabilities	(223,078)	(258,339)	(140,819)	(202,614)
Non-current liabilities	(117,958)	(118,759)	(45,027)	(49,130)
Equity attributable to owners of the Company	(1,637,781)	(1,624,457)	(869,456)	(785,540)
Non-controlling interests	(54,276)	(53,534)	11,338	(42,553)
<b>Condensed statement of profit or loss and other comprehensive income</b>				
<b>For the years ended December 31,</b>				
Revenues	2,113,660	2,144,895	1,004,871	1,016,402
Expenses	(2,102,916)	(2,124,285)	(973,942)	(953,445)
Profit (loss) for the year	10,744	20,610	30,929	62,957
Profit attributable to:				
Owner of the Parent	10,107	19,805	28,373	62,621
Non-controlling interests	637	805	2,556	336
Total comprehensive income for the year				
Owner of the Parent	3,216	-	(828)	-
Non-controlling interests	105	-	(73)	-
Total comprehensive income attributable to:				
Owner of the Parent	13,323	19,805	27,545	62,621
Non-controlling interests	742	805	2,483	336
<b>Condensed statement of cash flows</b>				
Net cash inflow (outflow) from operating activities	20,755	30,122	113,838	38,968
Net cash inflow (outflow) from investing activities	(17,788)	(26,750)	(37,518)	(61,439)
Net cash inflow (outflow) from financing activities	(5,482)	(5,993)	(78,430)	19,941
Net cash inflow (outflow)	(2,515)	(2,621)	(2,110)	(2,530)

## 12. 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
<b>Cost</b>			
As at December 31, 2020	70,050,560	2,427,000	72,477,560
Transferred from property, plant and equipment	8,244,717	-	8,244,717
As at December 31, 2021	78,295,277	2,427,000	80,722,277
<b>Accumulated Depreciation</b>			
As at December 31, 2020	(2,995,631)	(678,008)	(3,673,639)
Depreciation for the year	(3,715,520)	(484,862)	(4,200,382)
As at December 31, 2021	(6,711,151)	(1,162,870)	(7,874,021)
<b>Net Book Value</b>			
As at December 31, 2020	67,054,929	1,748,992	68,803,921
As at December 31, 2021	71,584,126	1,264,130	72,848,256
<b>Depreciation in the statement of comprehensive income</b>			
December 31, 2020	2,668,248	486,190	3,154,438
December 31, 2021	3,715,520	484,862	4,200,382

### 13. PROPERTY, PLANT AND EQUIPMENT – NET

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

(Unit : Baht)

	Consolidated						Total
	Land	Buildings and structures	Machinery and equipment	Furniture, fixtures and office equipment	Vehicles	Construction in progress and machinery during installation	
<b>Cost</b>							
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
Purchase	219,933,704	1,083,704	15,635,290	17,327,851	19,589,777	263,121,953	536,692,279
Disposals / Amortized	-	(5,258,017)	(688,909,364)	(101,910,569)	(8,722,540)	-	(804,800,490)
Transfer in (out)	6,021,884	100,534,302	37,409,249	5,275,406	-	(149,240,841)	-
Transferred to investment property	-	-	-	-	-	(8,244,717)	(8,244,717)
Transferred to non - current assets classified as held for sale	(8,692,526)	-	-	-	-	-	(8,692,526)
As at December 31, 2021	1,886,869,397	3,920,121,179	5,605,420,979	1,108,459,229	36,114,428	435,263,524	12,992,248,736
<b>Accumulated Depreciation</b>							
As at December 31, 2020	-	(1,735,921,818)	(4,750,212,501)	(964,334,536)	(16,205,748)	-	(7,466,674,603)
Depreciation for the year	-	(177,529,331)	(248,982,218)	(102,012,962)	(4,471,695)	-	(532,996,206)
Disposal / Amortized	-	4,505,636	688,908,461	101,499,029	5,590,956	-	800,504,082
Transfer in (out)	-	38,666	-	(38,666)	-	-	-
As at December 31, 2021	-	(1,908,906,847)	(4,310,286,258)	(964,887,135)	(15,086,487)	-	(7,199,166,727)

(Unit : Baht)

	Consolidated						
				Furniture, fixtures and office equipment	Vehicles	Construction in progress and machinery during installation	Total
	Land	Buildings and structures	Machinery and equipment				
<b>Net Book Value</b>							
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
As at December 31, 2021	1,886,869,397	2,011,214,332	1,295,134,721	143,572,094	21,027,941	435,263,524	5,793,082,009
<b>Depreciation in the statement of comprehensive income</b>							
December 31, 2020	-	190,011,333	251,571,068	117,240,449	3,780,060	-	562,602,910
December 31, 2021	-	177,529,331	248,982,218	102,012,962	4,471,695	-	532,996,206

(Unit : Baht)

	Separate						
		Buildings and	Machinery and	Furniture, fixtures		Construction in progress	
	Land	structures	equipment	and office	Vehicles	and machinery	Total
				equipment		during installation	
<b>Cost</b>							
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
Purchase	219,933,704	1,083,704	6,684,033	14,961,207	12,077,000	220,105,636	474,845,284
Disposals / Amortized	-	(5,258,017)	(1,491,724)	(75,262,303)	(3,550,000)	-	(85,562,044)
Transfer in (out)	6,021,884	91,553,155	16,364,490	5,070,701	-	(119,010,230)	-
Transferred to investment property	-	-	-	-	-	(8,244,717)	(8,244,717)
Transferred to non - current assets classified							
as held for sale	(8,692,526)	-	-	-	-	-	(8,692,526)
As at December 31, 2021	1,668,503,835	3,029,374,450	2,421,856,566	958,744,461	20,028,207	403,291,758	8,501,799,277
<b>Accumulated Depreciation</b>							
As at December 31, 2020	-	(1,140,996,954)	(1,822,011,640)	(819,799,800)	(8,973,810)	-	(3,791,782,204)
Depreciation for the year	-	(159,998,012)	(94,409,447)	(94,530,560)	(1,835,331)	-	(350,773,350)
Disposal / Amortized	-	4,505,636	1,491,709	74,860,468	2,430,175	-	83,287,988
Transfer in (out)	-	38,666	-	(38,666)	-	-	-
As at December 31, 2021	-	(1,296,450,664)	(1,914,929,378)	(839,508,558)	(8,378,966)	-	(4,059,267,566)

(Unit : Baht)

	Separate						Total
	Land	Buildings and structures	Machinery and equipment	Furniture, fixtures and office equipment	Vehicles	Construction in progress and machinery during installation	
<b>Net Book Value</b>							
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
As at December 31, 2021	1,668,503,835	1,732,923,786	506,927,188	119,235,903	11,649,241	403,291,758	4,442,531,711
<b>Depreciation in the statement of comprehensive income</b>							
December 31, 2020	-	173,105,412	96,519,198	109,438,396	1,423,110	-	380,486,116
December 31, 2021	-	159,998,012	94,409,447	94,530,560	1,835,331	-	350,773,350

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.

As at December 31, 2021 and 2020, the Group used loans from banks and related parties for construction and installation of machines and factory equipment. Borrowing costs amounting to Baht 3.15 million and Baht 5.52 million, respectively. (The Company's portions: Baht 3.12 million and Baht 5.08 million, respectively), were capitalised as costs of assets, which were calculated based on capitalisation rates of 0.04% to 0.47% and 0.10% to 0.53%, respectively. (The Company's portions: rates of 0.04% to 0.11% and 0.10% to 0.53%, 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, 2021 and 2020 a portion of the Group'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 3,402 million and Baht 3,879 million, respectively. (The Company's portions: Baht 1,925 million and Baht 1,760 million, respectively).

#### 14. INTANGIBLE ASSETS – NET

(Unit : Baht)				
	Consolidated		Separate	
	2021	2020	2021	2020
<b>At cost</b>				
Computer software	61,862,177	83,628,010	59,562,701	81,328,533
<u>Less</u> Accumulated amortization	(52,008,802)	(70,911,620)	(49,709,328)	(68,612,146)
Net	9,853,375	12,716,390	9,853,373	12,716,387

#### 15. OTHER NON - CURRENT ASSETS – NET

(Unit : Baht)				
	Consolidated		Separate	
	2021	2020	2021	2020
Property foreclosed - net of accumulated depreciation	3,548,719	3,548,719	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	1,256,600	1,241,600	1,241,600
Deposits and guarantee	12,859,461	11,785,720	11,382,513	10,323,094
Other	10,015	10,000	10,000	10,000
Total	14,126,076	13,052,320	12,634,113	11,574,694

The property foreclosed comprises land which the Group take possession from debtors.

#### 16. SHORT – TERM LOANS FROM FINANCIAL INSTITUTIONS

(Unit : Baht)					
	Interest rate per annum	Consolidated		Separate	
		2021	2020	2021	2020
Promissory notes	2021 : 0.85 – 1.45				
	2020 : 1.15 – 2.55	1,250,000,000	2,165,000,000	1,250,000,000	2,090,000,000

Group Company has 16 promissory notes will be matured at call after promissory note issuance date.

As at December 31, 2021 and 2020 the Group have credit facilities with the financial institutions as follow :

	Credit line (Million Baht)		Interest rate	Maturity Date
	2021	2020		
<u>Bank overdraft</u>				
The Company	40	40	At the floating rate at MOR per annum	Within one year
The subsidiary	65	65	At the floating rate at MOR per annum to MOR - 0.5% per annum	Within one year
<u>Short - term loans</u>				
The Company	3,417	3,217	At the floating rate at MLR - 1.5% or MRR per annum, whichever is the lower Average floating rate In 2021 : 0.87 per annum In 2020 : 1.21 per annum	Due at call
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
	2021	2020		
<u>Liabilities under trust receipts</u>				
The Company	360	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 Group 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.

## 17. LEASES

The Group 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

### 17.1 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 2021 are presented below.

	(Unit : Baht)		
	Consolidated		
	Land	Vehicle	Total
<b>Cost</b>			
As at December 31, 2020	606,361,905	74,589,928	680,951,833
Addition	84,656,871	18,295,067	102,951,938
Decrease from modification	(5,876,408)	-	(5,876,408)
As at December 31, 2021	685,142,368	92,884,995	778,027,363
<b>Accumulated depreciation</b>			
As at December 31, 2020	(101,703,372)	(42,581,283)	(144,284,655)
Depreciation for the year	(103,556,213)	(26,789,308)	(130,345,521)
Decrease from modification	1,137,573	-	1,137,573
As at December 31, 2021	(204,122,012)	(69,370,591)	(273,492,603)
<b>Net book value</b>			
As at December 31, 2020	504,658,533	32,008,645	536,667,178
As at December 31, 2021	481,020,356	23,514,404	504,534,760

	(Unit : Baht)		
	Separate		
	Land	Vehicle	Total
<b>Cost</b>			
As at December 31, 2020	606,361,905	56,089,334	662,451,239
Addition	84,656,871	11,253,228	95,910,099
Decrease from modification	(5,876,408)	-	(5,876,408)

	(Unit : Baht)		
	Separate		
As at December 31, 2021	685,142,368	67,342,562	752,484,930
<b>Accumulated depreciation</b>			
As at December 31, 2020	(101,703,372)	(35,121,266)	(136,824,638)
Depreciation for the year	(103,556,213)	(18,164,763)	(121,720,976)
Decrease from modification	1,137,573	-	1,137,573
As at December 31, 2021	(204,122,012)	(53,286,029)	(257,408,041)
<b>Net book value</b>			
As at December 31, 2020	504,658,533	20,968,068	525,626,601
As at December 31, 2021	481,020,356	14,056,533	495,076,889

## 17.2 Lease liabilities

As at December 31, 2021 and 2020 lease liabilities are as below.

	(Unit : Baht)			
	Consolidated		Separate	
	2021	2020	2021	2020
Lease liabilities	514,599,635	552,282,125	504,842,504	540,928,959
Less: Deferred interest expense	(30,446,647)	(37,918,059)	(30,286,873)	(37,748,023)
Total	484,152,988	514,364,066	474,555,631	503,180,936
Less: Current portion	(99,022,071)	(106,084,879)	(93,434,880)	(98,387,270)
Lease liabilities - net of current portion	385,130,917	408,279,187	381,120,751	404,793,666

The following are the amounts for the years ended December 31, 2021 and 2020 recognised in profit or loss:

	(Unit : Baht)			
	Consolidated		Separate	
	2021	2020	2021	2020
Depreciation of right-of-use assets	130,345,521	149,339,215	121,720,976	141,879,199
Interest expense on lease liabilities	7,543,495	9,228,563	7,364,318	8,994,425
Expense relating to short-term lease	18,640,756	3,417,210	18,385,651	1,660,543
Leases of low - value assets	1,935,840	1,935,840	1,590,240	1,590,240
Total	158,465,612	163,920,828	149,061,185	154,124,407

**18. UNFUNDED PROVIDENT FUND – NON CONTRIBUTORY**

	(Unit : Baht)	
	Consolidated	
	2021	2020
Beginning balance	51,187,752	49,278,480
Increase during the year – interest	2,606,250	2,487,707
Payment during the year	(4,135,456)	(578,435)
Ending balance	49,658,546	51,187,752

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. 1987). 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.

**19. PROVIDENT FUND**

The Group had established a provident fund covering all of its employees in accordance with the provident Fund Act B.E. 1987. 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.1987.

The Group's contribution for the years ended December 31, 2021 and 2020 amounted to Baht 45.72 million and Baht 45.39 million, respectively. (Separate F/S: Baht 24.24 million and Baht 23.44 million, respectively)

**20. NON – CURRENT PROVISIONS FOR EMPLOYEE BENEFITS**

- Movements in employee benefits obligation for the years ended December 31, 2021 and 2020 are as follows:

	(Unit : Baht)			
	Consolidated		Separate	
	2021	2020	2021	2020
Defined benefit obligation at January 1,	197,178,407	190,997,839	83,963,168	81,439,135

Current service cost	10,395,245	11,469,398	4,827,303	5,598,143
Interest expense	2,509,243	4,979,889	1,100,417	2,192,227
Re-measurement – actuarial (gains) loss	(13,042,031)	-	(10,017,203)	-
Benefits paid	(16,199,752)	(10,268,719)	(8,348,640)	(5,266,337)
Defined benefit obligation at December 31,	<u>180,841,112</u>	<u>197,178,407</u>	<u>71,525,045</u>	<u>83,963,168</u>
Wholly unfunded	<u>180,841,112</u>	<u>197,178,407</u>	<u>71,525,045</u>	<u>83,963,168</u>

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, 2021 and 2020 are as follows:

	(Unit : Percent)			
	Consolidated		Separate	
	2021	2020	2021	2020
Discount rates	1.13 – 1.59	2.40 – 2.71	1.59	2.71
Salary growth rate	2.00 – 3.00	5.00	3.00	5.00
Staff Turnover rate**	1.91 – 34.38	1.91 – 34.38	5.73 – 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 Group's defined benefit plans are as follows:

	(Unit : Baht)			
	Consolidated		Separate	
	2021	2020	2021	2020
Current service cost	10,395,245	11,469,398	4,827,303	5,598,143
Net interest expense	2,509,243	4,979,889	1,100,417	2,192,227
Total expenses recognized in profit or loss	<u>12,904,488</u>	<u>16,449,287</u>	<u>5,927,720</u>	<u>7,790,370</u>

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

- Amount recognized in other comprehensive income related to employee benefits obligation are as follow:

(Unit : Baht)				
	Consolidated		Separate	
	2021	2020	2021	2020
Actuarial (gain) loss from changes in				
- Demographic assumption	(9,460,664)	-	(8,840,549)	-
- Financial assumptions	(17,087,581)	-	(5,256,601)	-
- Experience adjustment	13,506,214	-	4,079,947	-
Total recognized in other comprehensive income	(13,042,031)		(10,017,203)	-

- 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	
	2021		2021	
	Increase	Decrease	Increase	Decrease
	1%	1%	1%	1%
<b>Discount rate</b>				
Increase (decrease) in the defined benefit liability	(11,754,860)	13,241,052	(4,939,127)	5,592,444

(Unit : Baht)				
	Consolidated		Separate	
	2021		2021	
	Increase	Decrease	Increase	Decrease
	1%	1%	1%	1%
<b>Salary growth rate</b>				
Increase (decrease) in the defined benefit liability	14,868,250	(13,411,480)	6,205,623	(5,570,712)

	(Unit : Baht)			
	Consolidated		Separate	
	2021		2021	
	Increase	Decrease	Increase	Decrease
	20%	20%	20%	20%
<b>Staff Turnover rate</b>				
Increase (decrease) in the defined benefit liability	(13,179,471)	15,537,677	(7,818,121)	9,574,232

As at December 31, 2021 expected maturity of employee benefits obligation before discount are as follow :

	(Unit : Baht)	
	Consolidated	Separate
Within one year	13,220,633	2,671,906
Between 2 – 5 years	65,444,067	27,537,504
Between 6 – 10 years	55,154,725	21,494,180
Total	133,819,425	51,703,590

## 21. WARRANTS

The warrants are detailed as follows:

Name of warrants	Date of issue and offer of warrants	Exercise right				
		Exercise price	(warrant per ordinary share)	Number of allotted shares	First exercise date of warrants	Last exercise date of warrants
		(Baht Per Share)		(million units)		
DCC-W1	April 24 ,2018	1.15	1 : 1	13.57	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.

On May 7, 2021, the holders of 926,669,071 warrants exercised options to purchase 926,669,071 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 819,894,219 to Baht 912,561,126. The Company registered the increase in the issued and paid-up share capital with the Ministry of Commerce on May 11, 2021, and 13,569,356 warrants expired without being exercised.

## 22. LEGAL RESERVE

Under the Public Companies Act B.E. 1992, 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.

## 23. DEFERRED INCOME TAX

Deferred income tax asset and liability are as follows:

	(Unit : Baht)			
	Consolidated		Separate	
	2021	2020	2021	2020
Deferred income tax asset	57,195,448	65,436,930	14,338,852	16,837,939
Deferred income tax liability	(47,135,067)	(49,436,582)	(47,135,067)	(49,436,582)
<b>Deferred income tax - net</b>	<b>10,060,381</b>	<b>16,000,348</b>	<b>(32,796,215)</b>	<b>(32,598,643)</b>

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

	(Unit : Baht)			
	Consolidated			
	Recognized as income (expense)			December 31, 2021
	January 1, 2021	Statement of income	Shareholders' equity	
<b>Deferred income tax asset :</b>				
Inventories from profit in inventories	15,689,881	(4,656,105)	-	11,033,776
Leases	73,816	(12,077)	-	61,739
Employee benefits obligation				
From employee benefits obligation	39,435,682	(659,053)	(2,608,406)	36,168,223
From unfunded provident fund	10,237,551	(305,841)	-	9,931,710
	<b>65,436,930</b>	<b>(5,633,076)</b>	<b>(2,608,406)</b>	<b>57,195,448</b>

	(Unit : Baht)		
	Consolidated		
	Recognized as income (expense)		
	January 1, 2021	Statement of income	Shareholders' equity
			December 31, 2021
<b>Deferred income tax liability :</b>			
From difference of depreciation between accounting and tax bases	(44,902,143)	1,905,170	-
Leases	(4,534,439)	396,345	-
	(49,436,582)	2,301,515	-

	(Unit : Baht)		
	Consolidated		
	Recognized as income (expense)		
	January 1, 2020	Statement of income	Shareholders' equity
			December 31, 2020
<b>Deferred income tax asset :</b>			
Inventories from profit in inventories	3,960,014	11,729,867	-
Loss carry forward	-	73,816	-
Employee benefits obligation			
From employee benefits obligation	38,199,568	1,236,114	-
From unfunded provident fund	9,855,696	381,855	-
	52,015,278	13,421,652	-

<b>Deferred income tax liability :</b>			
From difference of depreciation between accounting and tax bases	(46,435,171)	1,533,028	-
Leases	-	(4,534,439)	-
	(46,435,171)	(3,001,411)	-

	(Unit : Baht)		
	Separate		
	Recognized as income (expense)		
	January 1, 2021	Statement of income	Shareholders' equity
			December 31, 2021
<b>Deferred income tax asset :</b>			
From employee benefits obligation	16,792,634	(484,184)	(2,003,441)
Leases	45,305	(11,462)	-
	16,837,939	(495,646)	(2,003,441)

**Deferred income tax liability :**

From difference of depreciation between

accounting and tax	(44,902,143)	1,905,170	-	(42,996,973)
Leases	(4,534,439)	396,345	-	(4,138,094)
	<u>(49,436,582)</u>	<u>2,301,515</u>	<u>-</u>	<u>(47,135,067)</u>

(Unit : Baht)

## Separate

January 1, 2020	Recognized as income (expense)		December 31, 2020
	Statement of income	Shareholders' equity	

**Deferred income tax asset :**

From employee benefits obligation	16,287,827	504,807	-	16,792,634
Leases	-	45,305	-	45,305
	<u>16,287,827</u>	<u>550,112</u>	<u>-</u>	<u>16,837,939</u>

**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)
	<u>(46,435,171)</u>	<u>(3,001,411)</u>	<u>-</u>	<u>(49,436,582)</u>

Deferred tax asset and deferred tax liability presented by considering net position of each taxable unit as at

December 31, 2021 and 2020 comprises the following:

(Unit : Baht)

	Consolidated		Separate	
	2021	2020	2021	2020
Deferred income tax asset	42,856,596	48,598,991	-	-
Deferred income tax liability	(32,796,215)	(32,598,643)	(32,796,215)	(32,598,643)
<b>Deferred income tax - net</b>	<u>10,060,381</u>	<u>16,000,348</u>	<u>(32,796,215)</u>	<u>(32,598,643)</u>

## 24. INCOME TAX

Income tax expenses for the years ended December 31, 2021 and 2020 are as follows:

	(Unit : Baht)			
	Consolidated		Separate	
	2021	2020	2021	2020
Current income tax expense	415,455,718	370,426,852	408,638,664	356,426,184
The amount of deferred income tax expense relating to the initial and reversal of temporary differences	3,331,561	(10,420,240)	(1,805,868)	2,451,299
Income tax expense	<u>418,787,279</u>	<u>360,006,612</u>	<u>406,832,796</u>	<u>358,877,483</u>

Income tax recognized directly equity

	(Unit : Baht)			
	Consolidated		Separate	
	2021	2020	2021	2020
<b>Accounting profit before tax</b>	<u>2,122,408,672</u>	<u>1,946,491,841</u>	<u>2,051,172,643</u>	<u>1,813,821,374</u>
Tax at the applicable tax rate of 20%	424,481,734	389,298,368	410,234,529	362,764,275
Tax effect :				
Exemption of income and additional expenses	(4,112,149)	(20,348,752)	(2,941,141)	(12,435,665)
Non – deductible expenses	(2,011,251)	(8,943,004)	(460,592)	8,548,873
Tax losses for which no deferred income tax assets was recognised	<u>428,945</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Income tax expense</b>	<u>418,787,279</u>	<u>360,006,612</u>	<u>406,832,796</u>	<u>358,877,483</u>
<b>Effective tax rate (Percentage)</b>	19.73	18.50	19.83	19.79

As at December 31, 2021, the subsidiary has unused tax losses totaling Baht 2.14 million (2020: Nil), on which deferred tax assets have not been recognised as the subsidiary believes future taxable profits may not be sufficient to allow utilisation of unused tax losses.

## 25. DIVIDEND PAYMENTS

Description	Date of Board Approval	Date Payment of dividend	Declaration of dividend		Dividend paid
			Per share	Amount	Amount paid
			(Baht)	(Million Baht)	(Million Baht)
The board of directors meeting passed the resolution to approve :					
- payment of final dividend for year 2021*	On February 15, 2022	On April 28,2022	0.045	410.65	-
- payment of interim dividend 3/2021	On November 8, 2021	On December 3, 2021	0.040	365.00	365.00
- payment of interim dividend 2/2021	On August 9, 2021	On September 3, 2021	0.050	456.30	456.30
- payment of interim dividend 1/2021	On April 29, 2021	On May 28, 2021	0.050	456.30	456.30
- payment of final dividend for year 2020**	On February 10, 2021	On April 27, 2021	0.044	360.80	360.80
Total					1,638.40
- 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

\* The shareholders approved such dividend payments at the Annual Shareholders' Meeting for 2022.

\*\* The shareholders approved such dividend payments at the Annual Shareholders' Meeting for 2021, held on March 30, 2021.

## 26. EARNINGS (LOSS) PER SHARE

### 26.1 Basic earnings (loss) per share

The calculations of basic earnings (loss) per share for the years December 31, 2021 and 2020 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,			
	2021	2020	2021	2020
Profit (loss) attributable to ordinary shareholders of the Company (basic) (Thousand Baht)	1,700,429	1,585,345	1,644,340	1,454,944

Weighted average number of ordinary shares				
outstanding (basic) (Thousand Shares)	8,795,565	7,847,361	8,795,565	7,847,361
Basic earnings (loss) per share (Baht)	0.193	0.202	0.187	0.185

## 26.2 Diluted earnings (loss) per share

The calculations of diluted earnings (loss) per share for the years December 31, 2021 and 2020 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,			
	2021	2020	2021	2020
Profit (Loss) attributable to ordinary shareholders of the Company (Diluted) (Thousand Baht)	1,700,429	1,585,345	1,644,340	1,454,944
Weighted average number of ordinary shares outstanding (basic) (Thousand Shares)	8,795,565	7,847,361	8,795,565	7,847,361
Effect exercise of warrant to purchase ordinary shares (Thousand Shares)	8,055	412,788	8,055	412,788
Weighted average number of ordinary shares outstanding (Diluted) (Thousand Shares)	8,803,620	8,260,149	8,803,620	8,260,149
Diluted earning (loss) per share (Baht)	0.193	0.192	0.187	0.176

## 27. 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 Group 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, 2021 and 2020 of the Group presented by geographical segment are as follows:

	(Unit : Thousand Baht)					
	Consolidated					
	Domestic		Overseas		Total	
	2021	2020	2021	2020	2021	2020
Revenue from sale to external customers - net	8,093,810	8,202,487	302,223	298,765	8,396,033	8,501,252
Cost of sales	(4,560,796)	(4,779,111)	(197,424)	(193,409)	(4,758,220)	(4,972,520)
Gross income	3,533,014	3,423,376	104,799	105,356	3,637,813	3,528,732
Other income					84,586	88,107
Interest expense					(17,654)	(48,904)
Depreciation and amortization					(673,005)	(722,481)
Income before income tax					2,122,409	1,946,492
Property, plant and equipment - net					5,793,082	5,810,619
Other assets					3,149,686	2,985,012
Total assets					8,942,768	8,795,631

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 Group.

Other assets mainly consist of cash and cash equivalents, trade accounts receivable, inventories and others.

### Disaggregation of revenue

Timing of revenue recognition of major revenues of the Group are point in time.

### Major Customer

The Company does not have major customer from external sales.

**28. OTHER INCOME**

	(Unit : Baht)			
	Consolidated		Separate	
	2021	2020	2021	2020
Rental office and branches	-	-	1,584,000	1,584,000
Management income	-	-	14,520,000	13,200,000
Interest Income	105,041	1,691,237	94,887	227,509
Gain on exchange rate	44,027	-	-	-
Gain from disposal of fixed assets	2,246,865	-	1,645,329	-
Rental income	65,140,987	61,352,247	65,410,987	61,411,763
Income service system IT	84,869	705,869	84,869	705,869
Other	16,694,514	24,357,755	15,526,159	23,829,822
Total	84,586,303	88,107,108	98,866,231	100,958,963

**29. EXPENSES BY NATURE**

	(Unit : Baht)			
	Consolidated		Separate	
	2021	2020	2021	2020
Changes in finished goods and work in process	192,113,163	(56,174,246)	163,256,598	(96,980,053)
Raw materials and supplies used	2,146,240,639	2,244,178,255	798,786,453	827,547,776
Salaries, wages and other employee compensation	1,048,500,519	1,087,950,528	574,345,883	581,619,671
Depreciation and amortization	673,004,257	722,481,045	482,156,855	532,902,583
Transportation expense	624,121,753	593,298,316	526,770,795	506,535,475
Electricity and fuel expenses	1,554,387,749	1,387,225,421	635,499,475	573,163,211

**30. COMMITMENTS AND CONTINGENT LIABILITIES**

As at December 31, 2021 the Group have:

30.1 Outstanding letters of guarantees issued by bank for electricity usage and importation of machineries approximately Baht 18.80 million for the Company and Baht 23.72 million for the subsidiaries.

30.2 Commitment to pay under the agreement for construction of building of the Company amounting to Baht 129.53 million

30.3 Unused credit facilities from bank in consolidated and separate financial statements amounted to Baht 3,451.48 million and Baht 2,591.20 million, respectively.



### 31. CAPITAL MANAGEMENT

The primary objectives of the Group capital management are to maintain their abilities to continue as a going concern and to maintain an appropriate capital structure.

As at December 31, 2021 and 2020, debt to equity ratio in the consolidated financial statement is 0.53:1 and is 0.81 : 1, respectively (the separate financial statements is 0.67 :1 and 0.96:1, respectively).

### 32. FINANCIAL INSTRUMENTS

#### A) Accounting policies

Details of the significant accounting policies are disclosed in Note 4 to the financial statements.

#### B) Financial risk management

The Group 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 Group have exposure to foreign currency risk relating to their monetary liabilities in US and EURO currencies. However, the Group do not expect to incur significant risk from the exchange rates.

The Group have foreign currency liabilities as follows:

	Consolidated		Separate	
	2021	2020	2021	2020
Liabilities – USD	71,856	107,036	71,856	102,962
Liabilities – EURO	189,746	97,488	48,169	40,454

#### F) The fair value of financial instrument

Since the majority of financial instruments of the Group 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.

**33. EVENT AFTER THE REPORTING PERIOD**

At the Board of Directors Meeting held on February 15, 2022, the Board of Directors' Meeting pass a resolution to approved a decrease of the Company's registered capital in the amount of 13,580,275 shares with a par value of Baht 0.10 per share which the shares reserve for the exercise of warrants (DCC-W1) amounting to 13,580,275 units (which were not exercised within the term of the warrants as scheduled and at present, the warrants to purchase the ordinary shares of the Company expired).

**34. APPROVAL OF FINANCIAL STATEMENTS**

These financial statements were authorized by the Company's authorized directors on February 15, 2022.

## PART IX : Certification of Information

The company has reviewed information in the annual registration statement / annual report with caution. The company hereby certifies that such information is correct, complete, not false, does not mislead others, or lack information that should be disclosed in material matters. In addition, the company hereby certifies that

(1) The financial statement and the financial information summarized in the annual registration statement/ annual report has shown accurate and complete information about the financial position, performance and cash flow of the company and its subsidiaries already.

(2) The company has set up a good disclosure system. This is to ensure that the company has disclosed all material information of the company and its subsidiaries correctly and completely. Including supervising the implementation of the said system.

(3) The company has set up a good internal control system and supervise the implementation of the said system. The company informed the internal control system assessment information as of the latest available date to the auditor and the audit committee of the company. Also covers deficiencies and significant changes to the internal control system. Including any wrongdoing that may affect the financial report and its subsidiaries.

In this case, to proof that all documents are the same set of documents that the company has been authenticated. The Company has assigned *Mr. Chanin Suppapinyopong or Ms. Somruthai Boonyarit* to sign this document on every page. If any document does not have the signature of one of the two above, the company will not be deemed to be the information that the company has certified the accuracy of the above information.

Name	Position	Signature
1. Mr. Monrak Saengsastra	Director	.....-- <i>Monrak Saengsastra</i> --.....
2. Mr. Maruth Saengsastra	Director	....-- <i>Maruth Saengsastra</i> --.....

### Attorney

Name	Position	Signature
1. Mr. Chanin Suppapinyopong	Chief Accounting Officer and Finance	....-- <i>Chanin Suppapinyopong</i> -- ...
or 2. Ms. Somruthai Boonyarit	VP Internal Audit	...-- <i>Somruthai Boonyarit</i> --.....

## Attachments 1

### Information of the Board of Directors, Executives, Controlling Persons, Person Receiving Assigned to the Highest Responsibility in Accounting and Finance, Assigned to be Directly Responsible for Supervising Accounting and Company Secretary

1. Information of the board directors, executive, controlling persons, perspn receiving assigned to the highest responsibility in accounting and finance, assigned to be directly responsible for supervising accounting.

1.1 Information of the board of directors, executives, person receiving assigned to the highest responsibility in accounting and finance, assigned to be directly responsible for supervising accounting.



<b>1.Name</b>	<b>Mr.Trakul Winitnaiyapak</b>
<b>Position</b>	Independent Director and Chairman (Not Authorized)
<b>Age</b>	71 years
<b>Citizen</b>	Thai
<b>Highest Education</b>	-Bachelor of Laws, Thammasat University -Thai Bar Association Office of Legal Education of the Bar Association - Master of Law (LL.M) Tulane University, School of Law (U.S.A.)
<b>Appointed</b>	26 January 2021
<b>Year of directors membership-Dec 31,2021</b>	- years 11 months
<b>% of Share Holding at Dec 31, 2021</b>	None (Including the share held by spouse and minor children)
<b>Training</b>	-Director Accreditation Program (DAP) No.147/2011 -Leader Program Capital Market Academy Class 13
<b>Family relationship among executives</b>	None

**Other Current Position: Listed Company**

1 Company: Legal Advisor /Bank of Ayudhya Public Company Limited

**Other Current Position: Non Listed Company**

2 Companies

2018 – present, Committee of National Reform Committee on Justice Process

2011 – present, Committee on Criminal Code Revision, Office of the Council of State.

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

None

**Experience**

2016 – 2019 Council of State, Office of the Council of State

2015 – 2018 Senior Attorney, Office of Affairs and Royal projects of royal Princess Bajrakitiyabha, Office of the Attorney General.

2015 – 2018 Member of the National Reform

**Meeting Attendance Year 2021**

-Board of Directors 6/6 meetings

-AGM 2021 1/1 meeting

**Illegal history within the past 10 years**

None



**2.Name**

**Gen.Yuthasak Sasiprapha**

**Position**

Independent Director and Chairman of Audit Committee

(Not Authorized)

**Age**

84 years

**Citizen**

Thai

<b>Highest Education</b>	-The National Defence Course for Joint State-Private sectors #33 -Army Command and General Staff College #48 -Chulachomklao Royal Military Academy 21 April 2015
<b>Appointed</b>	6 years 8 months
<b>Year of directors membership-Dec 31,2021</b>	
<b>% of Share Holding at Dec 31, 2021</b>	None (Including the share held by spouse and minor children)
<b>Training</b>	-Director Accreditation Program (DAP) No.56/2006 -Leader Program Capital Market Academy Class XI 2010
<b>Family relationship among executives</b>	None
<b>Other Current Position: Listed Company</b>	None
<b>Other Current Position: Non Listed Company</b>	None
<b>A director or executive positions in other businesses that might cause conflicts</b>	None
<b>Experience</b>	-Jan 2012-Oct 2012 Deputy Prime Minister  -Aug 2011-Jan 2012 Minister of Defence -Board of Directors 6/6 meetings -Board of Audit Committee 4/4 meetings -AGM 2021 1/1 meeting
<b>Meeting Attendance Year 2021</b>	
<b>Illegal history within the past 10 years</b>	None



<b>3.Name</b>	<b>Mr. Monrak Saengsastra</b>
<b>Position</b>	Vice Chairman and Chief Business Development Officer (Authorized)
<b>Age</b>	46 years
<b>Citizen</b>	Thai
<b>Highest Education</b>	-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)
<b>Appointed</b>	29 January 2013
<b>Year of directors membership-Dec 31,2021</b>	8 years 11 months
<b>% of Share Holding at Dec 31, 2021</b>	DCC: 1,425,000,000 shares or 15.62 percent of all voting shares. (Including the share held by spouse and minor children)
<b>Training</b>	Director Accreditation Program (DAP) No.107/2014
<b>Family relationship among executives</b>	Mr. Maruth Saengsastra's brother
<b>Other Current Position: Listed Company</b>	None
<b>Other Current Position: Non Listed Company</b>	3 Companies 1. Vice Chairman and Chief Business Development/The Royal Ceramic Industry PLC. (Construction Materials) 2. Executive Director /Tile Top Industry PLC (Construction Materials) 3. Director of Royal Asia Brick and Tile Co., Ltd. (Clay Tiles)

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

None

**Experience**

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

**Meeting Attendance Year 2021**

-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 2021 1/1 meeting

**Illegal history within the past 10 years**

None



**4.Name**

**Mr. Maruth Saengsastra**

**Position**

Executive Director and Chief Marketing Officer (Authorized)

**Age**

44 years

**Citizen**

Thai

**Highest Education**

M.S.Computer Science University of North Texas,USA

**Appointed**

21 April 2015

**Year of directors membership-Dec 31,2021**

6 years 8 months

**% of Share Holding at Dec 30, 2021**

DCC: 1,425,000,000 shares or 15.62 percent of all voting shares. (Including the share held by spouse and minor children)

**Training**

-Director Accreditation Program (DAP) No.107/2014  
-CFO's Orientation Course Class IX from



<b>Family relationship among executives</b>	SET Mr. Monrak Saengsastra's brother
<b>Other Current Position: Listed Company</b>	None
<b>Other Current Position: Non Listed Company</b>	3Companies 1.CEO and Chief Marketing Officer at The Royal Ceramic Industry PLC. (Construction Materials) 2. Executive Director /Tile Top Industry PLC (Construction Materials) 3. Executive Director of Royal Asia Brick and Tile Co., Ltd. (Clay Tiles)
<b>A director or executive positions in other businesses that might cause conflicts</b>	None
<b>Experience</b>	-Jan 2020- Sep 2020 – CFO / Dynasty Ceramic PLC. , Tile Top Industry PLC and The Royal Ceramic Industry PLC -2011 - Sep 2020 Assistant Company Secretary at Dynasty Ceramic PLC. -2011 - Present Investor Relation / Dynasty Ceramic PLC. -2011 - 2017 Senior Executive Vice President (Marketing)/ Dynasty Ceramic PLC and Tile Top Industry PLC. -2011 -2015 Vice President Information Officer / Dynasty Ceramic PLC and Tile Top Industry PLC. -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 2019 1/1 meeting
<b>Meeting Attendance Year 2021</b>	None
<b>Illegal history within the past 10 years</b>	None



<b>5.Name</b>	<b>Mr. Chaiyasith Viriyamettakul</b>
<b>Position</b>	Director (Authorized)
<b>Age</b>	72 years
<b>Citizen</b>	Thai
<b>Highest Education</b>	-Bachelor of Engineering, Chulalongkorn University -National Defense College (NDC.4414)
<b>Appointed</b>	26 January 1998
<b>Year of directors membership-Dec 31,2021</b>	22 years 11 months
<b>% of Share Holding at Dec 31, 2021</b>	DCC: 505,000,000 shares or 5.53 percent of all voting shares. (Including the share held by spouse and minor children)
<b>Training</b>	-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)
<b>Family relationship among executives</b>	None
<b>Other Current Position: Listed Company</b>	3 Companies 1. President / Vibhavadee Hospital PLC. (Health Care Services) 2. Director/ Chiang Mai Ram Medical Business PLC. (Health Care Services)  3. Director/ Sikarin PLC. (Health Care Services)

<b>Other Current Position: Non Listed Company</b>	2 Companies 1. Vice Chairman of BOD / Chaophya Hospital PLC. 2. Executive Director / Vibharam Co., Ltd and its Subsidiaries
<b>A director or executive positions in other businesses that might cause conflicts</b>	None
<b>Meeting Attendance Year 2021</b>	-Board of Directors 6/6 meetings -AGM 2021 1/1 meeting
<b>Illegal history within the past 10 years</b>	None



<b>6.Name</b>	<b>Mr. Surasak Kosiyaajinda</b>
<b>Position</b>	Independent Director & Audit Committee (Not Authorized)
<b>Age</b>	78 years
<b>Citizen</b>	Thai
<b>Highest Education</b>	Bachelor of Law, Thammasart University
<b>Appointed</b>	30 April 1998
<b>Year of directors membership-Dec 31,2021</b>	23 years 8 months
<b>% of Share Holding at Dec 30, 2021</b>	None (Including the share held by spouse and minor children)
<b>Training</b>	Director Accreditation Program (DAP) No. 48/2005
<b>Family relationship among executives</b>	None
<b>Other Current Position: Listed Company</b>	1 Company 1.Independent Director & Audit Committee /AJ Plast PLC.

<b>Other Current Position: Non Listed Company</b>	1 Company 1. Director / United Food PLC.
<b>A director or executive positions in other businesses that might cause conflicts</b>	None
<b>Experience</b>	2011 – Present /Own office at Jutturatham Law Office
<b>Meeting Attendance Year 2021</b>	-Board of Directors 6/6 meetings -Board of Audit Committee 4/4 meetings -AG M 2021 1/1 meeting
<b>Illegal history within the past 10 years</b>	None



<b>7.Name</b>	<b>Mr. Siripong Tinnarat</b>
<b>Position</b>	Independent Director & Audit Committee (Not Authorized)
<b>Age</b>	72 years
<b>Citizen</b>	Thai
<b>Highest Education</b>	-Master of Education (Education Administration) /Sukhothai Thammathirat Open University - Bachelor of Commerce, Chulalongkorn University
<b>Appointed</b>	24 April 2017
<b>Year of directors membership-Dec 31,2021</b>	4 years 8 months
<b>% of Share Holding at Dec 31, 2021</b>	None (Including the share held by spouse and minor children)
<b>Training</b>	Director Accreditation Program (DAP) No.143/2017
<b>Family relationship among executives</b>	None
<b>Other Current Position: Listed Company</b>	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 2021 1/1 meeting

**Illegal history within the past 10 years**

None



<b>8.Name</b>	<b>Mr. Totsaporn Banyongwate</b>
<b>Position</b>	Independent Director & Audit Committee (Not Authorized)
<b>Age</b>	71 years
<b>Citizen</b>	Thai
<b>Highest Education</b>	Bachelor of Engineering (Mechanical Engineering) King Mongkut Technical University
<b>Appointed</b>	24 April 2017
<b>Year of directors membership-Dec 31,2021</b>	4 years 8 months
<b>% of Share Holding at Dec 30, 2021</b>	DCC: 1,368,080 shares or 0.01 percent of

**Training**

all voting shares. (Including the share held by spouse and minor children)  
 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.  
 -Board of Directors 6/6 meetings  
 -Board of Audit Committee 4/4 meetings  
 -AGM 2021 1/1 meeting

**Meeting Attendance Year 2020****Illegal history within the past 10 years**

None

**9.Name**

**Mr. Jaruwat Traithavil**

**Position**

Executive Director /Chairman of Risk Management Committee /Chief Production Officer (Authorized)

**Age**

41 years

**Citizen**

Thai

**Highest Education**

-Master of Engineering Project Management, University of Melbourne, Australia  
 -Bachelor of Engineering (Honours), Australian National University, Australia

<b>Appointed</b>	-Bachelor of Information Technology, Australian National University, Australia 8 August 2017
<b>Year of directors membership-Dec 31,2021</b>	4 years 5 months
<b>% of Share Holding at Dec 30, 2021</b>	DCC: 11,200,000 shares or 0.12 percent of all voting shares. (Including the share held by spouse and minor children)
<b>Training</b>	Director Accreditation Program (DAP) No.143/2017
<b>Family relationship among executives</b>	None
<b>Other Current Position: Listed Company</b>	None
<b>Other Current Position: Non Listed Company</b>	3 Companies 1.Executive Director and Chief Production Officer at The Royal Ceramic Industry PLC. (Construction Materials) 2.Executive Director /Tile Top Industry PLC. (Construction Materials) 3. Executive Director of Royal Asia Brick and Tile Co., Ltd. (Clay Tiles)
<b>A director or executive positions in other businesses that might cause conflicts</b>	None
<b>Experience</b>	2010 – 2017 Vice President Production at Dynasty Ceramic PLC. 2009 – Present Vice President Production at Tile Top Industry PLC.
<b>Meeting Attendance Year 2021</b>	-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 2021 1/1 meeting
<b>Illegal history within the past 10 years</b>	None



<b>10.Name</b>	Mr.Chanin Suppapinyopong
<b>Position</b>	Director / Chief Finance and Accounting Officer (Authorized)
<b>Age</b>	37 years
<b>Citizen</b>	Thai
<b>Highest Education</b>	Bachelor of Engineering (Electrical engineering)/Kasetsart University
<b>Appointed</b>	4 November 2020
<b>Year of directors membership-Dec 31,2021</b>	1 year 2 months
<b>% of Share Holding at Dec 31, 2021</b>	None (Including the share held by spouse and minor children)
<b>Training</b>	-Director Accreditation Program (DAP) No.178/2020 -CFO's Orientation Course Class IX from SET
<b>Family relationship among executives</b>	None
<b>Other Current Position: Listed Company</b>	None
<b>Other Current Position: Non Listed Company</b>	3 Companies 1. Chief Finance and Accounting Officer / Royal Ceramic Industry PLC. (Construction Materials) 2. Chief Finance and Accounting Officer / Tile Top Industry PLC. (Construction Materials) 3. Director / Royal Asia Brick and Tile Co., Ltd. (Clay Tiles)
<b>A director or executive positions in other businesses that might cause conflicts</b>	Chief Finance and Accounting Officer / The Royal Ceramic Industry PLC. (Construction Materials)
<b>Experience</b>	2006-Present VP-IT / Dynasty Ceramic PLC
<b>Meeting Attendance Year 2020</b>	Board of Directors 1/1 meetings
<b>Illegal history within the past 10 years</b>	None





<b>11.Name</b>	Miss Somruthai Boonyarit
<b>Position</b>	Director / Chief Finance and Accounting Officer (Authorized)
<b>Age</b>	53 years
<b>Citizen</b>	Thai
<b>Highest Education</b>	MBA Accounting / University of the Thai Chamber of Commerce -Bachelor of Accounting (Auditing) Second Class Honors / University of the Thai Chamber of Commerce
<b>Appointed</b>	26 January 2021
<b>Year of directors membership-Dec 31,2021</b>	- year 11 months
<b>% of Share Holding at Dec 30, 2021</b>	None (Including the share held by spouse and minor children)
<b>Training</b>	None
<b>Family relationship among executives</b>	None
<b>Other Current Position: Listed Company</b>	1 Company 1. Director / Royal Ceramic Industry PLC. (Construction Materials)
<b>Other Current Position: Non Listed Company</b>	None
<b>A director or executive positions in other businesses that might cause conflicts</b>	None
<b>Experience</b>	2017-Present VP Internal Audit / Royal Ceramic Industry PLC.

2017-2020 Secretary of the Audit Committee/  
Royal Ceramic Industry PLC.  
2011-Present Secretary of the Audit Committee/ VP Internal Audit / Dynasty Ceramic PLC.

**Meeting Attendance Year 2021**

-Board of Directors 6/6 meetings  
-Board of Risk Management Committee 2/2 meetings  
-AGM 2021 1/1 meeting

**Illegal history within the past 10 years**

None

**Person Receiving Assigned to the Highest Responsibility in Accounting and Finance**

Mr.Chanin Suppapinyopong 9 September 2020 – Present (Profile of Director No.10)

**Assigned person to be directly responsible for supervising accounting**

**1.Name** Mrs. Piyarat Chiengkomolkeet

**Position** VP Accounting

**Age** 50 years

**Citizen** Thai

**Highest Education** Bachelor of Accounting / Bangkok University

**Appointed** 15 November 2018

**% of Share Holding at Dec 31, 2021** None

**Training-Accounting**

- Individual and corporate income tax courses/ Thammasat University
- Criteria and method of withholding under the agreement and All Business Contract/ Dharmniti Seminar and Training Co.,Ltd.
- Calculate employee benefits with Actuarial Science 2020/Actuarial Business Solutions Co.,Ltd.
- TFRS 16 Lease and Deferred Tax/ Dharmniti Seminar and Training Co.,Ltd.
- Withholding Tax and Hot 2 e-withholding Tax System / Dharmniti Seminar and Training Co.,Ltd.

	-TAS19 Calculate Employee Benefits And TFRS9 reserve for impairment of financial instruments/Actuarial Business Solutions Co.,Ltd.
<b>Family relationship among executives</b>	None
<b>Other Current Position: Listed Company</b>	None
<b>Other Current Position: Non Listed Company</b>	VP Accounting / Royal Ceramic Industr PLC / Tile Top Industry PLC
<b>A director or executive positions in other businesses that might cause conflicts</b>	None
<b>Experience</b>	-Feb 2020 - Present Royal Ceramic Industry PLC and Tile Top Industry PLC -Nov 2018 – Jan 2020 Assistant Director of Accounting/ Royal Ceramic Industry PLC and Tile Top Industry PLC -Apr 2011 – Oct 2018 Accounting Manager-Outlets/ Dynasty Ceramic PLC

## 1.2 Company Secretary and responsibility

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.

**Profile of Company Secretary**

<b>Name</b>	<b>Miss Cattleya Saengsastra</b>
<b>Age</b>	73 years
<b>Citizen</b>	Thai
<b>Highest Education</b>	-Bachelor degree Accounting (Honor), Chulalongkorn University -Management Development Program- J.J.Kellogg North Western University
<b>% of Share Holding at Dec 31, 2021</b>	DCC: 185,500,000shares or 2.03 percent of all voting shares. (Including the share held by spouse and minor children)
<b>Training</b>	Directors Accreditation Program (DAP) No.47/2005
<b>Training from IOD: Company Secretary Program</b>	None
<b>Family relationship among executives</b>	Mr. Monrak Saengsastra and Mr.Maruth Saengsastra's aunt
<b>Other Current Position: Listed Company</b>	1 Company 1.Independent Director and Chairman of Audit Committee / S&P Syndicated PLC.
<b>Other Current Position: Non Listed Company</b>	1 Company 1.Executive Director of Tile Top Industry PLC. (Construction Materials)
<b>A director or executive positions in other businesses that might cause conflicts</b>	None
<b>Experience</b>	2011-2014

<b>Meeting Attendance Year 2021</b>	Director of Pick and Pay Co., Ltd Director of Muang Thong Ceramic Co., Ltd Director of World Wide Ceramic Co., Ltd -Board of Directors 6/6 meetings -AGM 2021 1/1 meeting
<b>Illegal history within the past 10 years</b>	None

#### **Details of the top 4 executives**

<b>Name</b>	Mr.Sutee Bunnag
<b>Position</b>	Deputy Managing Director of Research and Technical
<b>Age</b>	66 Years
<b>Citizen</b>	Thai
<b>Highest Education</b>	Bachelor of Science Program in Materials Science/ Chulalongkorn University
<b>% of Share Holding at Dec 31, 2021</b>	None
<b>Family relationship among executives</b>	None
<b>Experience</b>	2010-2016 VP of Technical / Dynasty Ceramic PLC and Tile Top Industry PLC

**Details of directors of company's subsidiaries**

Disclosed on page 91-92

## Details about the Head of Internal Audit and Head of Compliance Department

Employees within the company

	1. Head of Internal Audit <sup>(1)</sup>
<b>Name</b>	Miss Somruthai Boonyarit
<b>Position</b>	Secretary of Audit Committee /VP Internal Audit
<b>Highest Education</b>	-MBA Accounting / University of the Thai Chamber of Commerce -Bachelor of Accounting (Auditing) Second Class Honors / University of the Thai Chamber of Commerce
<b>Experience</b>	2005-2011 VP Accounting / Dynasty Ceramic PLC and Tile Top Industry PLC 2000-2005 Accounting Manager(Costing) / Dynasty Ceramic PLC and Tile Top Industry PLC
<b>Training</b>	-Internal Control Assessment for Accountants - Internal control according to the concept of COSO - 2020 TFRS - Accountant with the process of preparing and setting up the accounting system of the business

*<sup>(1)</sup> Appointment, Removal and Transfer of The Internal Audit supervisor is the approval authority of Audit Committee.*

**Assets used in business and Details of property appraisal items**

- **Assets used in business**  
Disclosed on page 16
- **Details of property appraisal items**  
None





## **Dynasty Ceramic Public Company Limited and its Subsidiaries Corporate Governance Code 2017**

Dynasty Ceramic Public Company Limited and its subsidiaries 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

### **Principle 1: Establish Clear Leadership Role and Responsibilities of the Board**

**Principle 1.1** The board should demonstrate a thorough understanding of its leadership role, assume its responsibilities in overseeing the company, and strengthen good governance, including:

- (1) Defining objectives;
- (2) Determining means to attain the objectives; and

(3) Monitoring, evaluating, and reporting on performance

**Principle 1.2** To achieve sustainable value creation, the board should exercise its leadership role and pursue the following governance outcomes:

- (1) Competitiveness and performance with long-term perspective;
- (2) Ethical and responsible business;
- (3) Good corporate citizenship; and
- (4) Corporate resilience

**Principle 1.3** The board should ensure that all directors and executives perform their responsibilities in compliance with their fiduciary duties, and that the company operates in accordance with applicable law and standards.

**Principle 1.4** The board should demonstrate a thorough understanding of the division of board and management responsibilities. The board should clearly define the roles and responsibilities of management and monitor management's proper performance of its duties.

## **Principle 2: Define Objectives that Promote Sustainable Value Creation**

**Principle 2.1** The board should define objectives that promote sustainable value creation and governance outcomes as a framework for the operation of the company.

**Principle 2.2** The board should ensure that the company's annual and medium-term objectives, goals, strategies, and plans are consistent with the long-term objectives, while utilizing innovation and technology effectively

## **Principle 3: Strengthen Board Effectiveness**

**Principle 3.1** The board should be responsible for determining and reviewing the board structure, in terms of size, composition, and the proportion of independent directors so as to ensure its leadership role in achieving the company's objectives.

**Principle 3.2** The board should select an appropriate person as the chairman and ensure that the board composition serves the best interest of the company, enabling the board to make its decisions as a result of exercising independent judgement on corporate affairs.

**Principle 3.3** The board should ensure that the policy and procedures for the selection and nomination of directors are clear and transparent resulting in the desired composition of the board.

**Principle 3.4** When proposing director remuneration to the shareholders' meeting for approval, the board should consider whether the remuneration structure is appropriate for the directors' respective roles and responsibilities, linked to their individual and company performance, and provide incentives for the board to lead the company in meeting its objectives, both in the short and long term.

**Principle 3.5** The board should ensure that all directors are properly accountable for their duties, responsibilities and (in-) actions, and allocate sufficient time to discharge their duties and responsibilities effectively.

**Principle 3.6** The board should ensure that the company's governance framework and policies extend to and are accepted by subsidiaries and other businesses in which it has a significant investment as appropriate.

**Principle 3.7** The board should conduct a formal annual performance evaluation of the board, its committees, and each individual director. The evaluation results should be used to strengthen the effectiveness of the board.

**Principle 3.8** The board should ensure that the board and each individual director understand their roles and responsibilities, the nature of the business, the company's operations, relevant law and standards, and other applicable obligations. The board should support all directors in updating and refreshing their skills and knowledge necessary to carry out their roles on the board and board committees.

**Principle 3.9** The board should ensure that it can perform its duties effectively and have access to accurate, relevant and timely information. The board should appoint a company secretary with necessary qualifications, knowledge, skills and experience to support the board in performing its duties.

#### **Principle 4: Ensure Effective CEO and People Management**

**Principle 4.1** The board should ensure that a proper mechanism is in place for the nomination and development of the chief executive officer and key executives to ensure that they possess the knowledge, skills, experience, and characteristics necessary for the company to achieve its objectives.

**Principle 4.2** The board should ensure that an appropriate compensation structure and Performance evaluation are in place.

**Principle 4.3** The board should consider its responsibilities in the context of the company's shareholder structure and relationships, which may impact the management and operation of the company.

**Principle 4.4** The board should ensure the company has effective human resources management and development programmed to ensure that the company has adequate staffing and appropriately knowledgeable, skilled, and experienced employees and staff.

#### **Principle 5: Nurture Innovation and Responsible Business**

**Principle 5.1** The board should prioritize and promote innovation that creates value for the company and its shareholders together with benefits for its customers, other stakeholders, society, and the environment, in support of sustainable growth of the company.

**Principle 5.2** The board should encourage management to adopt responsible operations, and incorporate them into the company's operations plan. This is to ensure that every department and function in the company adopts the company's objectives, goals, and strategies, applying high ethical, environmental and social standards, and contributes to the sustainable growth of the company.

**Principle 5.3** The board should ensure that management allocates and manages resources

efficiently and effectively throughout all aspects of the value chain to enable the company to meet its objectives.

**Principle 5.4** The board should establish a framework for governance of enterprise IT that is aligned with the company's business needs and priorities, stimulates business opportunities and performance, strengthens risk management, and supports the company's objectives.

## **Principle 6: Strengthen Effective Risk Management and Internal Control**

**Principle 6.1** The board should ensure that the company has effective and appropriate Risk management and internal control systems that are aligned with the company's objectives, goals and strategies, and comply with applicable law and standards.

**Principle 6.2** The board shall establish an audit committee that can act effectively and independently.

**Principle 6.3** The board should manage and monitor conflicts of interest that might occur between the company, management, directors, and shareholders. The board should also prevent the inappropriate use of corporate assets, information, and opportunities, including preventing inappropriate transactions with related parties.

**Principle 6.4** The board should establish a clear anti-corruption policy and practices (including communication and staff training), and strive to extend its anti-corruption efforts to stakeholders.

**Principle 6.5** The board should establish a mechanism for handling complaints and whistleblowing

## **Principle 7: Ensure Disclosure and Financial Integrity**

**Principle 7.1** The board must ensure the integrity of the company's financial reporting system and that timely and accurate disclosure of all material information regarding the company is made consistent with applicable requirements.

**Principle 7.2** The board should monitor the company's financial liquidity and solvency.

**Principle 7.3** The board should ensure that risks to the financial position of the company or financial difficulties are promptly identified, managed and mitigated, and that the company's governance framework provides for the consideration of stakeholder rights.

**Principle 7.4** The board should ensure sustainability reporting, as appropriate.

**Principle 7.5** The board should ensure the establishment of a dedicated Investor Relations function responsible for regular, effective and fair communication with shareholders and other stakeholders (such as analysts and potential investors).

**Principle 7.6** The board should ensure the effective use by the company of information Technology in disseminating information.

## **Principle 8: Ensure Engagement and Communication with Shareholders**

**Principle 8.1** The board should ensure that shareholders have the opportunity to participate effectively in decision-making involving significant corporate matters.

**Principle 8.2** The board should ensure that the shareholders' meetings are held as scheduled and conducted properly, with transparency and efficiency, and ensure inclusive and equitable treatment of all shareholders and their ability to exercise their rights.

**Principle 8.3** The board should ensure accurate, timely and complete disclosure of shareholder resolutions and preparation of the minutes of the shareholders' meetings.

Therefore, asked all the employees of all levels of Dynasty Ceramic Public Company Limited and its subsidiaries to understand and strictly adhere to good corporate governance policy.

*--Roongroj Saengsastra--*

(Mr.Roongroj Saengsastra)

Chairman of the Corporate Governance Committee

(By the resolutions of the Board of Directors of Dynasty Ceramic Public Company Limited  
No. 6/2020 on November 4, 2020)



## **Dynasty Ceramic Public Company Limited and its subsidiaries Codes of Conduct**

### **Meaning of “Codes of Conduct”**

Codes of Conduct means a set of rules or set of etiquette practice for professional with expertise, knowledge and have an organization or association control.

1. Behavior set by each profession to maintain and promote the honor, reputation and status of its member. It may or not be written in writing.
2. Principles of behavior that anchor the morality and ethics of individual in each profession.

### **Code of Ethics**

The code set for

- Aiming for efficient people in professional.
- To be a good person in service professional.
- To make people in profession are honored with rules and standards of ethics.

Ethics are important and necessary for every occupation, institute and organization. Because of it is an anchor to conduct with goodness.

### **Code of Conduct and Practice**

#### *1.1 Code of business Ethics*

- 1.1.1 In order to meet the customer satisfaction and needs through outlets of Dynasty Ceramic PLC which cover over provinces in Thailand, with good quality, reasonable price, easy and convenient to buy. There is a variety of items to choose, instantly and continuous flow of stock.
- 1.1.2 To ensure compliance with laws and regulations voluntarily.
- 1.1.3 For social responsibility in terms of lift up in health education and environment.

#### *1.2 Practice*

- Directors, executives and all employees are the person who has duty to abide the code of conduct and support the compliance with code of conduct. There are no reject or ignore when encountering practice the code of conduct.

- A person liable to report any offenses or any list of harassment to supervisors and senior management or the company's audit immediately. The company will notice the list for investigate and make it in confidential.
- Those responsible must be understanding the contents of their duties and responsibilities regularly review their knowledge and understanding.
- Those responsible must be providing knowledge to other that have duties related to the organization.
- When in doubt must be question or consult with supervisors or the person that assigned for responsible monitoring the compliance the code of conduct.
- Those responsible must be cooperate in investigation of the facts with assigned person. When the allegation of non-compliance with code and must take fair action to accuser and other stakeholders.
- Supervisors at all levels must behave as an example in complying with code of conduct and create a good governance in operation.
- When receiving a complaint, the responsible person must be collect the facts themselves or assign to the appropriate person to take action and report to the person in authority on matter. Process in screen information and take step to against violation or non-compliance with the said code of conduct. In the event of a critical issue, the complaint recipient must take a copy to the audit office to report to the Audit Committee or the Board of Directors further. Such as a matters that affect the financial position, reputation and image or conflict with the company policy or related to the chief executive, etc.
- The code of conduct guide is a part of procedure and work manual of the company.

## **2. Important Topics**

*2.1 Treat on another*

*2.2 Giving or Receiving property*

*2.3 Conflicts of Benefits*

*2.4 Internal and External transactions*

*2.5 Health, Safety, Society and Environment*

*2.6 Supply*

*2.7 Public Relations / Marketing*

*2.8 Business Competition*

*2.9 Business operation in foreign country*

*2.10 Treatment of Information and Assets*

*2.11 Political Action*

### **2.1 Treat on another**

The company has a policy to treat employees and other related persons as follows:

*2.1.1 Shareholders Apart from basic rights, rights set in laws and company regulation such as*

- Rights to verify the number of shares.
- Rights to receive share certificates.

- Rights to attend the shareholder's meeting and vote.
- Rights to freely comments in the shareholder's meeting.
- Rights to fair compensation.
- Rights to suggest opinions about business operation as the owner of the company through the independent director, every comments will be gather and present to the Board of Directors for further consideration.

*2.1.2 Employees    The company realize the importance of employees as they are valuable resources and strive to make all employees proud and trust in organization. The company has made various projects for;*

- Encourage and support a co-working environment to create new things. Strengthen the potential of employees to be ready for work aboard and cope with fluctuating economic conditions.
- Pay attention to maintain the health, safety and work environment, including employee compensation.

*2.1.3 Customer*

- Strive to give customer the bet benefit of both quality and price.
- Commit to develop and maintain a lasting relationship as well as providing a department to be responsible for providing product suggestion, advice, solution and receive a complaint to handling customer satisfaction in products and services.
- Organize a lucky draw prize program to build a relationship with customers

*2.1.4 Partners*

- Follow the framework of honest competition, strictly adhering to the contract, ethics and commitments made to trading partners.
- Have a policy to deliver products according to quality and on time.

*2.1.5 Competitors*

- Follow the framework of honest competition.
- Adhere to fair business operation within the framework of law and ethics. There is no dispute regards to competitors.

*2.1.6 Creditors*

- Comply with loan conditions in accordance with the agreements and obligations to creditors such as business creditors and the financial institute, etc.

## **2.2 Giving and Receiving assets**

Giving or Receiving assets or gifts/ souvenirs or any other benefits should do as follows;

- Do not offer or give. Do not asking or receiving any assets or items, or any other benefit for change for items and services or to act or omit to do wrong.
- Before giving or receiving gifts/ souvenirs, should be make sure that it is right accordance with the laws and regulations of the company.
- Items or gifts given to each other in their professional duties should be appropriate for the occasion and should be inexpensive.
- If it necessary to accept gifts / souvenirs which exceed value from associate business, must be report to the supervisor.



- Notify business contactor or other business that the company has no policy of giving or receiving assets due to the employee's duties.
- Employees are prohibited from contacting for products or services from a company or store for a personal use with free of charge or at a special price. In addition of being officially authorized.

### **2.3 Conflict of Interests**

- Employees and related persons should be avoid any action that are contrary to the company's interest, or it may affect any decision conflict of interest arise when employees personal interest conflict with company interest. Therefore, a performance of duties must be under the law and ethics.
- Do not operate a business that is in competition or in the same nature with the company.
- Not being a partner or holding a stock or a management in business which compete or in the same nature with DCC and its subsidiaries. If unavoidable, must be report to a supervisor immediately.
- In case of being involved in the business or any event that may cause to a conflict of interest, must be report to the supervisor for consideration immediately.
- Do not seek to take advantage of information or anything that is notify from duties and responsibilities.
- While being employed, the employee should not work or have a contract with others companies.
- Avoid accepting the employee's family member, unless acceptance with written approval.

### **2.4 Internal and External transactions**

#### *2.4.1.1 Transactions with government*

- Avoid acts that may induce the government or improper issue of the government employees. Familiarize or build a good relationship in proper can be made.
- Actualize straightforward when dealing with government officers or government agency.
- Follow the laws of each country or local area related with the hiring government employee. In case of hiring as a consultant or company employees, employment conditions must be appropriate and transparent.

#### *2.4.2 Transactions with person or outsiders*

- Must be in fair way and honestly adhere to the agreement.
- Avoid transactions that could harm or cause dissatisfaction with outsiders.
- Avoid transactions that disgrace to the company even if the transaction is beneficial for business.
- Transaction must be realize in value and price that is in accordance with the market forces. There is no discriminate or against doing business in unrighteous or unlawful.

- Do not impersonate a company name, the board of directors, management or employees in conducting transactions that are not related to the company. Although there is no direct or indirect impact on the company.

#### 2.4.3 *Interactions between companies in DCC group*

DCC consists of subsidiaries. These companies operate businesses that involve transactions such as service, sell, financial assistance, technical support or staff, etc. All employee that involved must be aware of laws, regulations and other conditions in each in locally specified.

- Study the rules and procedure / regulations and authority actualize to the procedure set by the company before begin the operation.
- When conducting inter-transaction, must be inform the rules, conditions or structure of transaction to the supervisor in detail.
- Various kind of transactions must be comply with rules and procedures set accordingly to the laws and regulations.
- If you have a question, ask your supervisor or legal advisor immediately.

### **2.5 Health, Safety, Social and Environment**

2.5.1 *Health and Safety* As a company, there is no thing important than work with safety.

Self-health and physical check before working and do not work if health and physical are not ready, to reduce risk of hazard from work.

- Report to the supervisor immediately when seeing something unusual in the workplace that may affect health and safety.
- Supervisor in each fields are responsible for determining or disseminate guideline to in prevent and control work accident for employees and related person.
- Cooperate in employee's health check-up accordingly to the risk of each person.

2 . 5 . 2 *Society and Environment* DCC has an activities to promote social responsibility and environment and strive to raise conscious mind to employees and related person by

- Arrange activities to support and provide assistance that is suitable for society and community.
- Cooperate to work in accordance with standard or international agreement that prepare to prevent or reduce environment impact.
- A person with responsibilities related to the production process, machinery control and machinery equipment must be supervise for not impact to environment exceeding a legal standard.
- Cooperate in reducing of garbage or waste both from production processes and general use in the right way.
- Use of resources, materials, equipment or raw materials most effectively and efficiency.

- Cooperate with natural resources conservation measure.

## **2.6 Procurement**

- Must be follow the procedures set in accordance with the company's procurement regulation and be justified with related person. However, on decision making must take into a terms of reasonable in price, quality and service.
- Must go through a strict process in accordance with the procurement procedure and the recruitment process form the responsible field. If the regulations are not under the procedure or not thorough purchasing department, must be write a clarification letter for explain the reason for the procurement to the responsible field.
- Not engaging in a deal with partner in a relationship relate to yourself such as family, close relative, owned or being a partner.
- Do not use the information from procurement for personal interest or unrelated person.
- Notify the seller to strictly follow the regulation of procurement. In case of seller incapable to do, must be consult with the supervisor immediately.

## **2.7 Public Relations / Marketing**

- Use of marketing communication tools such as advertisement and road show must be realistic, suitable for the environment and be justify to all parties.
- Avoid direct comparison of products and services with competitors.
- Do not present any create of conflict to society, politics, belief, international relation, gender, moral and culture.
- Promote positive presented, especially about matter that affect the feeling of society.
- Review the procedure of marketing communication to be suitable with business.

## **2.8 Competition**

DCC expect on all business manage a market competition under the law and ethically.

- Most countries have laws prohibiting anti-competitive behavior. These laws apply to everyone during on work. Violations of laws and regulations on completion could bring serious damage to employees related to business and the entire DCC group.
- The employees must not participate in any contract made with competitors which stated in price, market or a connive customer.
- The employees must ensure that any meeting conducts with competitors are for a legal purpose, such as trade association meeting for discus in legitimate issue.
- The employee should get permission from managing director before attending any meeting with competitor. It should be understood in this issue for should or should not be discuss.
- Review the laws instruction and should be consult with the company legal consultant on trade barrier.

## **2.9 Operate business in foreign country**

Operate business in foreign country or any transaction related with foreign country must comply with the laws and regulation in each country. In addition, also realize on the environment, tradition and culture in each locality including;

- Study traditions, cultures and related laws such as taxes law, trade control laws, immigration laws, etc.
- Abide the laws and being a good citizen in each locality and not conflict with the code of conduct of the company.
- Local labor must be abide by labor laws in each locality.
- Consult with supervisor or company legal consultant, when found out any transactions conflict with culture, local laws or international trade control laws.
- Report to supervisor about the result of business operation that may have a conflict with foreign law.

## **2.10 Procedure to information and Assets**

Employees and related person have duties and responsibilities in maintenance company's assets by;

- Do not use company's products and items for personal gain, exception the permission of the authorized person and paid at a reasonable price.
- Employees can use company's assets and information for company's benefit and look after for loss and do not use for a personal gain.
- Do not use the company's confidential information in an improper manner. Whether for benefit in personally or to give an unfair advantage to third parties.

### *2.10.1 Recording, Reporting, and Storage of Information*

Employees are responsible for recording and reporting information factually.

- Report on the financial status and performance with accuracy and honesty.
- Storage information carefully and easy to use. The confidential information must be handles in a specific way as defined by each levels, types or categories.
- When it's a time to destroy, relevant employees ensure proper destruction or each type of information.

### *2.10.2 Usage and Maintenance of electronic data*

- The company reserves the rights to procure, install a computer program as appropriate for employee's duties. Employees must not install, modify or change any computer system setting without the permission of authorized person.
- Employees must comply with policies and regulations for use of information technology, to be use for company's benefit only. Do not use for a personal business or political gain.
- Do not use equipment, computer, electronic data or other information technology in a way that cause damage to the company, others or a good moral of society either directly or indirectly.

- Protect and maintain electronic devices and technology from unauthorized use.
- Maintain and not allow others to use password for accessing the company's information systems.
- Use data effectively and efficiently.
- The duplication of software must be approved by the company only.
- DCC has the right to inspect the use of electronic devices, electronic information and information technology such as data transmission and data collection without the need for permission.

#### 2.10.3 *Use and maintenance of intellectual property.*

- The company regards intellectual property including patent, petty patents, lich rights, trademarks, confidential, knowledge or other information that are a valuable asset of company, must be protect and maintain.
- The company does not permit its employees to use any illegal copyrights or software patent.

#### 2.10.4 *Securities trading and use of inside information.*

Any information that may affect the company's stock price or information disclosed may cause damage to the company or disadvantage, it is considered to be confidential and important information.

- Employees should not the company's confidential information or news to the people that not be involve, unless it is in a provision or said in the laws.
- Discloser information must be made by a decision maker, unless assigned by the disclosure authority.
- Any information that is not released to public is confidential to the company, must not trade in company securities or related company when undisclosed information.
- Do not give an advice on trading in company's securities, unless it is related to a duty or the assignment.

### 2.11 **Political Action**

- The company is politically neutral which not act in favor or supporting political parties, any parties or anyone who has political power.
- Employees must not engage in political activities of personal interest during working hours or using company resources (such as email and telephone) without the permission from competent authority.
- Do not use the company's budget for political activities or social function without permission from competent authority.
- The company recognize and respect the rights such as voting or membership of political parties.



## **Board Charter**

### **Objectives:**

The Board of Directors is responsible for the shareholders in the Company's business operations and monitor controls over the managements for the maximum benefits of the shareholders and, at the same time, has taken into account the benefits of all parties of the stakeholders, the person giving approvals on the formulations of the Company's visions, missions, strategies, goals, business plans and budgets as well as providing a mechanism in monitoring controls over, following up and evaluating the operational results to meet the set goals in order to enable to the Company to sustainably grow.

### **Structures and Appointments:**

1. Company Board of Directors consists of the Board Chairman, Executive Board Chairman and other directors of not less than 5 persons in number and that a half of the total number of the directors must have their residences in the Kingdom and possess the qualifications as required by law and the independent directors of not less than one-third of the total number of the directors and must not be less than three persons.
2. Shareholders shall be the persons to consider and approve the appointment of the Company Board of Directors.
3. Company Board of Directors shall select one director to be the Board Chairman.
4. Appointments of the Company directors shall be in accordance with the Company Articles of Association and requirements of related law provided, however, that the appointments must be transparent and clear-cut, and that those persons' educational background and professional experiences with sufficient details shall be brought up for considerations for the purpose of the decisions of the Board of Directors and shareholders.

### **Qualifications of Board of Directors:**

1. The Company directors must be the persons having knowledge, ability, honesty, integrity, and ethics in business operations and ample time for dedicating their knowledge, ability and performing duties for the Company.
2. Possessing qualifications and being free of prohibited characteristics under the Law on Public Company Limited and other relevant laws and must not possess any characteristics indicating a lack of suitability to be entrusted to take responsibilities for carrying out business management with public entities being the public shareholders as prescribed by Office of the Securities and Exchange Commission (SEC) and Stock Exchange of Thailand (SET).

3. The Company directors are entitled to hold office as the directors in no more than 5 other listed companies provided, however, that in becoming such directors, their directorships must not hinder their duty performances as the directors of the Company and must be in accordance with the guidelines of the SET.
4. Independent directors must have the independence-related qualifications as specified by the Company and under the same guidelines as those of the Audit Committee according to the SET Notification, Re: Qualifications and Scope of Operations of the Audit Committee and must be able to take care of the interests of all shareholders equally without causing any conflict of interest. In addition, they must be able to attend the Board of Directors meetings and offer their opinions independently.

### **Office Term:**

In every shareholders annual ordinary meeting, at least, one third of the directors existing at such time shall retire from office. If their number is not a multiple of three, then the number nearest to one-third shall retire from office. The directors vacating office upon the expirations of their terms of office are eligible for re-elections if the meeting should elect them to hold office once again.

Directors to retire from office in the first and second year subsequent to the Company's registration shall be determined by lot while in the succeeding years, a director having the longest term of office shall retire from office.

In addition to the retirement on the expiration of the term of office, a director vacates office upon

- death;
- resignation;
- being disqualified;
- possessing prohibited characteristics under the Law on Public Company Limited or characteristics indicating a lack of suitability to be entrusted to take responsibilities for carrying out business management with the public entities being the public shareholders as prescribed under the Securities and Exchange Act;
- shareholders' meeting resolving to get such director to vacate office;
- a Court's order for dismissal.
- issued an order.

Any Company director desiring to tender resignation from office shall submit a letter of resignation to the Company. The resignation shall be effective as of and from the date on which the letter of resignation has reached the Company.

In the event that a vacancy has occurred among the directors because of the reason other than vacating office on the expiration of term of office, the Board shall elect any director who is properly qualified and free any prohibited characteristics under the law to fill up the vacancy as the replaced director in the next Board of Directors' meeting except the remaining term of the vacant director is less than 2 months, the replaced director then shall hold office so long as only the vacating director would have retained it had no vacancy occurred.

### **Roles, Duties and Responsibilities of Board of Directors:**

- 1. Leadership and Vision:** All directors of the Company Board are persons of leadership qualities with broad visions and independences in decision-making. In addition, they

have participated in making determinations or giving approvals on the visions, strategies, goals and budgets of the Company.

2. **Divisions of Roles, Duties and Responsibilities between the Board and the Management:** The divisions of duties are expressly clear in order to create the management balancing and reviewing. In this respect, the Board shall be the party to make consideration and give approval on the policy in the overall picture: such as; visions, missions and corporate governance policy while the Management Outfit will be responsible for managing the Company and formulate strategies and plans to be in accordance with the policy mapped out by the Board.
3. **Policy on Conflict of Interest:** In order to prevent the conflict of interest, the Company has clearly mapped out a policy for overseeing the transactions which may cause a conflict of interest by setting the procedural steps in writing on the approval of related transactions between the Company and the other companies or persons which may have a conflict of interest. In the event of a director having an interest in any agenda, such director has no right to cast a vote in such agenda. In addition, the Company is also responsible for formulating a policy and procedures on monitoring controls to prevent the Management and related persons from using the Company's internal information for their own interests.
4. **Internal Control and Audit System:** The Board of Directors has assigned all employees to share their roles and responsibilities in defining a suitable internal control system and strictly comply with it as well as clearly defining the operational powers of the Management at all levels. The Company uses the internal audit as a tool to evaluate the efficiency and effectiveness of the internal control system, review risk assessment, corporate governance and as a consultant on the aspect of the work system in order to support the departments within the Company to achieve their own objectives and goals.
5. **Risk Management System:** The Company is firmly determined to developing the risk management assessments to be more efficient and effective through the Risk Management Committee by making a consideration on the distributions of risks to comprehensively cover all departments throughout the organization, making risk ranking, defining risk management guidelines, assign responsible persons to implement risk control and management measures to be in an acceptable level. The Risk Management Committee has assessed the risks in important projects that have already been considered by the Executive Committee for submitting onto the Audit Committee for reviewing and then presented to the Company Board of Directors for consideration and scrutiny in order that the risks can be managed and closely monitored closely and assured that they are at an acceptable level and that the Company set goal can be successfully achieved.
6. **Board Meeting:** Normal meetings shall be held regularly every quarter, at least, and to enable directors to attend the Board of Directors meetings, the Secretary Outfit has set up a timetable schedule for the Board of Directors meetings every year in advance and informed all directors to be aware of the schedule of such meetings before every Board meeting.
7. **Board of Directors Reporting:** The Company Board of Directors is the party responsible for the consolidated financial statements of the Company and its subsidiaries and financial information appearing in the annual report. Such financial statements are prepared in accordance with the generally acceptable accounting standard in Thailand by choosing appropriate accounting policies and doing the practices consistently.
8. **Directors and the Management Development:** The Company promotes and provides facilitations to the directors and management personnel to receive training and develop their knowledge related to corporate governance of the Company including formulating a work succession plan. In this connection, readiness is prepared for personnel to replace



senior management who will retire together with mapping out guidelines on the development and the increase in the potentials of management personnel in the successions of the new positions.

**Meeting.**

1. The Company has regularly scheduled the Board of Directors meeting, at least, once in a quarter (not less than 6 times a year) and that each director knows of the schedule ahead of time.
2. Board Chairman and the Executive Board Chairman jointly make considerations on the meeting agendas.
3. The meeting invitation letters, meeting agendas and meeting supporting documents shall be prepared and sent out to the directors at least 7 days in advance of the meeting date in order to allow them ample time to make considerations on the information.
4. A quorum is required for the directors to attend the meeting. When considering and voting on important matters such as the acquisition or disposition of assets of the Company and subsidiary that have a significant impact on the Company expansion of investment projects financial management policy formulation and risk management, etc.
5. At the meeting, if any director being a stakeholder in the agenda must leave the meeting before starting to consider that agenda
6. Every director has the right to propose matters for the meeting agenda. Check the meeting documents and other important documents if in doubt Other directors and management must act to answer such questions.
7. Company Secretary or an assigned person Minutes of the meeting must be prepared within the time specified by law.

**Quorum:**

The minimum quorum at the time of the committee's resolution at the meeting of the board of directors must be at least two-thirds of the total number of directors. Not counting the number of directors who have interests which has no right to attend the meeting and vote on the aforementioned The decision of the meeting shall be made by a majority of votes.

One director has one vote. if the votes are equal The chairman of the meeting shall have an additional vote as a casting vote.

**Directors' Performance Evaluations:**

The performance appraisal of directors will be conducted to assess the performance of the Board of Directors and sub-committees once a year in order to assess the performance of the Board of Directors in accordance with corporate governance guidelines. It also helps the committee have a review of the results. Issues and obstacles during the past year together with the evaluation results to be used to improve the performance of the Board of Directors to be more efficient

This is effective from 4 November 2020 onwards.

Signed -- *Roongroj Saengsastra* —

(Mr.Roongroj Saengsastra)  
Company Board of Directors Chairman.



## **Audit Committee Charter of Dynasty Ceramics Public Company Limited**

---

### **1. Objectives of Audit Committee:**

To conform to the principles of good corporate governance of companies listed on the SET by showing that we have an efficient and effective, a transparent and verifiable system, which can help build up confidence and trust in shareholders, investors, stakeholders and all related parties, we therefore issued a requirement on the “Objectives, Scope of Authorities and Responsibilities of the Audit Committee”, effective as of and from the date of this Notification.

### **2. Audit Committee Structure:**

The Company Audit Committee consists of not less than 3, but, not more than 5 members. The Company Board of Directors in the party appointing the “Audit Committee” by making considerations from the independent directors having qualifications and experiences including the time for performing their duties as the Audit Committee members of the Company. In addition, one member, at least, of the Audit Committee must have knowledgeable and experience related to accounting or finance.

### **3. Term of Office:**

- The Audit Committee’s term of office is 3 years commencing from the date of appointment and in the case of the expiration of the term, the former Audit Committee members may be re-appointed to assume duties for another term.
- The Audit Committee members must be maintained at the number of not less than 3 persons, but not more than 5. If the number should be reduced to the extent of lesser than such number, the Audit Committee must make a follow up to make an arrangement for the appointment of additional members to be fully accounted as specified within 3 months from the date of the reduction. In this respect, the Audit Committee member filled in such position shall hold office only for a remaining period of the Audit Committee member whom he replaces.
- An Audit committee members vacates office only when
  - completing his/her term of office;
  - having been disqualified of being an Audit Committee member;
  - tendering resignation;
  - being dismissed;
  - being imprisoned by final judgment or a legitimate order liable for imprisonment except for an offence committed through negligence or a petty offence
  - being adjudicated by a Court as an incompetent or quasi-incompetent person;
  - becoming a bankrupt;
  - passing away.

- The Audit Committee is entitled to appoint a person possessing the qualifications it has approved and deemed to be suitable, to be a Committee Secretary, in addition.
- 4. Qualifications of Independent Directors/Audit Committee Members:** They are directors who do not manage the Company or its subsidiaries, are independent from the management team and major shareholders and has no business with the Company which may have an adverse effect on the interests of the Company and/or shareholders.

Key qualifications of independent directors/Audit Committee members consist of:

- 4.1 Independent directors must not hold shares of more than 1% of the shares issued by the Company or its subsidiaries, associated or related companies. In the case of being a member of the Audit Committee, such shareholding will be limited to no more than 0.5%;
- 4.2 Must not be nor used to be a director involved in the management, an employee, a staff, major shareholder or consultant receiving regular salary or the person having control power of the Company, its subsidiaries, associated, related companies or subsidiaries of the same level unless otherwise the foregoing mentioned attributes have come to an end for a period of not less than two years prior to the date of the appointment provided, however, that such prohibited attributes do not include the case that a director was used to be a government service official or a consultant of a government organization being a major shareholder or the person having control power of the Company;
- 4.3 Must have no financial interest or other benefits in the management and business, whether directly or indirectly, of the Company or its subsidiaries, associated, related companies major shareholder or the person having control power of the company in a manner that may impede the exercise of their independent judgments nor being nor used to being an implicit shareholder or a person with control power of a person having a business relationship with the Company, its subsidiaries, associated, related companies or major shareholder unless otherwise the foregoing mentioned attributes have come to an end for a period of not less than two years prior to the date of the appointment;
- 4.4 Must have no relationship with the executive directors, management staff, persons having control power or major shareholder of the Company whether it is by blood relationship or legal registration as parents, spouses, siblings and child/children including the spouse(s) of the child/children, management staff, major shareholder, persons having control power or persons to be nominated to become management personnel or persons with control power of the Company or its subsidiaries;
- 4.5 Must not be the directors appointed to represent the Company's directors, major shareholders or shareholders who are related to the Company's major shareholders;
- 4.6 Must not be nor used to be auditors of the Company, its subsidiaries, associated and related companies, major shareholders or the person having control power of the Company nor being nor used to being an implicit shareholder, a person having control power or a partner of the audit firm to which the auditors of the Company, its subsidiaries, associated and related companies, major shareholders or a person having control power of the Company have belonged unless otherwise the foregoing mentioned attributes have ended for a period of not less than two years prior to the date of the appointment;

- 4.7 Must not be nor used to be a provider of any kind of professional careers nor serving as a legal or financial advisor receiving the service fees of more than two million Baht per year from the Company, its subsidiaries, associated, related companies, major shareholders or the person having control power of the Company unless otherwise the foregoing mentioned attributes have ended for a period of not less than two years prior to the date of the appointment;
- 4.8 Must not carry out businesses of the same nature and being implicitly competitive with those of the Company or its subsidiaries or being an implicit partner in a partnership or a director taking part in the management, an employee, a staff or an advisor receiving a regular salary or holding more than 1 percent of the total number of the eligibly voting shares with other companies carrying the business of the same nature and being implicitly competitive with the Company's business or its subsidiaries;
- 4.9 Must not possess any other attributes which prevented him from expressing independent opinions in connection with the Company's operations.

#### **5. Scope of Duties and Responsibilities of the Company's Audit Committee:**

1. Making reviews to ensure that the Company's financial reporting is accurate and sufficient.
2. Making reviews to be assured that the internal control system and an internal audit system provide are appropriate and effective and making considerations on the independence of the internal audit unit as well as giving approve on the appointment, transfer and dismissal of the Chief of the internal audit unit or any other agency responsible for the internal audits;
3. Making reviews to ensure that the Company has complied with the Securities and Exchange Act, Requirements of the SET or Laws related to the Company's business;
4. Making considerations on, selections, nomination for appointment or employment termination of independent persons to perform duties as the Company's auditors and proposing considerations for such persons including attending a meeting with the auditor once a year, at least, without the Management outfit in attendance;
5. Making considerations on a connected transaction or a transaction that may have a conflict of interest to be in accordance with the laws and regulations of the SET in order to ensure that such transaction is reasonable and optimally benefits the Company;
6. Preparing the Audit Committee report by disclosing it in the Company's annual report. Such report must be duly signed by the Audit Committee Chairman and must contain the following information, at least:
  - 6.1 Comments on the accuracy, completeness, and credibility of the Company's financial report;
  - 6.2 Comments on the adequacy of the Company's internal control system;
  - 6.3 Comments on the compliance with the Laws on Securities and Exchange and SET, laws and Requirements of Securities Exchange or Laws related to the Company's business;
  - 6.4 Comments on the suitability of the auditor;
  - 6.5 Comments on a transaction that may have a conflict of interest;
  - 6.6 Number of the Audit Committee meetings and the attendances of each Audit Committee member;
  - 6.7 Overall opinions or observations which the Audit Committee has received as a result of performing duties under the Charter;
  - 6.8 Other particulars which the shareholders and general investors should be aware of under the scope of duties and responsibilities assigned by the Company's Board of Directors.

7. Reviewing the sufficiency and efficiency of the policy related to the Company's risk management;
8. Reviewing to ensure that all management personnel and employees are aware of the policy and comply with the Code of Conduct, including the Anti-Corruption Policy that the Company has prepared in writing;
9. Perform any other acts as assigned by the Board of Directors with the approval of the Audit Committee.

**6. Rights and Powers of the Audit Committee:**

- 6.1 Causing the internal control system and audit guidelines to be provided, making review of the internal controls and audits as well as the assessment of the internal audit by coordinating with the auditor and the internal audit department;
- 6.2 Making verifications to see if there is any connected transaction or a conflict of interest or a risk that may materially affect the Company's interests as well as making recommendations on the risk prevention and reduction;
- 6.3 In performing duties of the Audit Committee, if any abnormality which is significantly important to the financial position and the operational results should be found, it would have to be reported to the Company Board of Directors to take remedial actions as soon as possible: such as;
  - Conflict of interest transaction;
  - There is a corruption or something abnormal or major defect in the internal control system;
  - A violation of or non-compliance with duties according to the requirements of the SET and related laws has been found;
  - Making verifications to determine if the expenses and resources have efficiently and worthily been used, plans, product movements, production, maintenance of the production have been efficient, effective with safety and non-impact to the environment, community and society.
- 6.4 Checking and reviewing the Company's assets to see if they actually exist.
- 6.5 Proposing opinions to the Company Board of Directors for the implementation in accordance with this requirement or giving other recommendations or opinions for the benefit of the Company

Notification made on this 18 February 2020.

*--Roongroj Saengsastra--*

(Mr. Roongroj Saengsastra),  
Company Board of Directors Chairman.

The Company established the Audit Committee Charter and promulgated it on 28 October 2008. It was first revised on 25 February 2014, with subsequent second revision, dated 18 February 2020 which is the current version.



## **Trade Competition Policy**

Dynasty Ceramics Public Company Limited and its affiliates (“The Group”) uphold the importance of fair business operations within the framework of the law by taking into account the Code of Business Ethics, interests of customers and partners including fair competitions with other business entrepreneurs. Therefore, it is expedient to implement the Anti-Competition Policy in writing for use as practical guidelines for the Company’s directors, management personnel and employees by advising them to get to understand and strictly adhere to the Policy in their executions.

### **Policy:**

The Group will operate its business under the framework of the Anti-Competition Law and respect the Rules of Society by taking into account the Code of Business Ethics, interests of customers and partners including fair competitions with other business entrepreneurs as well as supporting free and fair trades without any discriminations or taking any advantage out of the others.

### **Practical Guidelines:**

1. The Group will not do anything that may result in unfair trade practices. hinder market mechanisms or free competition or has the effect of destroying, damaging, obstructing or restricting other people's business operations.
2. Joint investment, merger or acquisition It must be considered that it is not a monopoly in the market or create injustice in competition
3. Avoid behaviors that are unfair trade practices towards other business operators.
4. Employees must always be aware that compliance with competition laws is extremely important in business operations. to ensure that the business Respect competition laws Trade ethics as well as to educate trade partners about the importance of complying with competition laws.
5. Agencies involved in transactions and investments must have a system of control and audit. To ensure that the competition laws are properly and completely complied with.
6. To operate in accordance with this policy and provide business ethics It is a guideline for working as well.
7. Failure to comply with this Policy shall be deemed to commit an act against the Code of Business Ethics.

This Personal Data Protection Policy is approved by  
the Resolution of the Company Board of Directors Meeting, 5/2021, on 9 August 2021.

*--Maruth Saengsastra--*

(Mr. Maruth Saengsastra),  
Chairman, Executive Board of Directors.



## PERSONAL DATA PROTECTION POLICY

Dynasty Ceramic Public CO., Ltd., and its affiliates (“Dynasty Ceramic Group”) realize the importance of personal data protection, thus, the Personal Data Protection Policy has been established. This Policy describes the procedures on how the Company treats personal data: such as; data collections, storages, uses, disclosures, including various rights of the data subjects, etc. In order to enable the data subjects to be aware of the Company’s Personal Data Protection Policy, the Personal Data Protection Policy as follows is therefore promulgated:

### “1. Definition:

“**Personal Data**” means an individual data that enables to identified a person either directly or indirectly, but, it does not include data of a decease, in particular.

“**Sensitive Personal Data**” means a data which is completely intrinsic privacy of a person, but, it is of a sensitive nature and may risk an unfair discrimination: such; as races, ethnicities, political opinions, beliefs in cults, religions or philosophy, sexual behaviors, criminal records, health data, disability, labor union data, genetic data, biological or any data other data which affect the data subjects in the same way as prescribed by the Personal Data Protection Committee.

“**Personal Data Protection Committee**” means an appointed Committee having duties and powers to supervise and issue rules, measures or any other practices related to personal data protection under Personal Data Protection Act, B. E. 2562 (2019) by assigning the Company’s Risk Management Committee to perform duties of the Personal Data Protection Committee.

### 2. Personal Data Collection:

Dynasty Ceramic Group will collect personal data for the purpose and the scope by using legal and fair methods which. in such collection, it will be done to the extent of being necessary for the operations of the Company’s objectives only. Provided, however, that the Company will take steps to enable the data subjects to be aware of, to give their consents by way of electronics means or in accordance with the Company’s procedures. In the event that the Company has to collect the sensitive personal data of any data subject, an express consent shall be obtained from such particular data subject prior to the collections unless otherwise the collections of the personal data and the sensitive personal data are subject to exemptions as specified by the Personal Data Protection Act B. E. 2562 (2019) or as provided by other laws.

### 3. Purpose of Collections or Uses of Personal Data:

Dynasty Ceramic Group will collect and use the personal data of the data subjects for the benefit of the Company’s operations: such as; procurements, entering into contracts/agreements, financial transactions, carrying out the Company’s activities, work co-ordinations or to improve the quality of work to be more efficient: such as; database creations, Company’s operation process analysis and development and for any other purpose not being prohibited by law and/or for compliance with the laws or regulations relevant to the Company’s operations. The Company will collect and use such data for the period of time as necessary according to the purpose as the data subjects have been notified or as provided by law only.

Dynasty Ceramic Group will not do anything different from those stated in the objectives of the data collections unless otherwise

- (1) a notification on the new objective is given to the data subjects and that a consent accordingly has been obtained from them;

- (2) it is an execution in compliance with the Personal Data Protection Act or other relevant laws.

#### **4. Personal Data Disclosure:**

Dynasty Ceramic Group will not disclose any personal data of the data subjects to any persons without their consents and shall make such disclosures according to the purpose having been notified. However, in the interest of the Company's operations and provisions of services to the data subjects, it may be necessary for the Company to disclose personal data of the data subjects to affiliated companies or other people both in country and abroad: such as; service providers who have to perform work related to personal data. Nevertheless, in disclosing personal data to such persons, the Company will take steps to ensure that those people keep the personal data in confidence and that they must refrain from using such personal data for the purposes other than the scope as specified by the Company.

In addition, Dynasty Ceramic Group may disclose personal data of the data subjects under the rules prescribed by law: such as; the disclosures to the government organizations, government sector agency, regulatory agency, including in the event that there has been a request for a disclosure of data by virtue of law: such as; a request for data for prosecution or proceeding the cases in accordance with the law or a request from a non-government organization (NGO) or the other third party involved in the legal process.

#### **5. Guidelines on Personal Data Protection:**

Dynasty Ceramic Group implements various measures including the measure for the security of personal data in accordance with the laws, regulations, rules and practices on personal data protection for the Company's employees and other related parties as well as supporting and encouraging employees to be knowledgeable and aware of their duties and responsibilities in collecting, keeping, using and disclosing the data subjects' personal data. The Company's employees must comply with the policy and personal data protection practices as specified by the Company so that the Company can properly and effectively comply with the policy and Law on the Protection of Personal Data.

#### **6. Rights of Personal Data Subjects:**

The personal data subjects have a right to proceed with the actions as follows:

(6.1) A right to revoke a consent to the processing of personal data for which the consent has been given. The revocation of consent shall not affect the collections, uses or disclosures of personal data for which the consent has been given.

(6.2) A right to gain access into personal data and request for making Xerox copies of personal data as well as requesting for the disclosures in respect of the acquisitions of personal data without consent.

(6.3) A right to rectify personal data.

(6.4) A right to delete personal data.

(6.5) A right to suspend the use of personal data.

(6.6) A right to transfer personal data.

(6.7) A right to contest against personal data processing.

The data subjects can request for the exercise of their rights abovementioned by submitting their requests to exercise the rights, to the Company in writing or via electronic mail in the form specified by the Company via the "Company's Contacting Channel" below, which, in this respect, Dynasty Ceramic Group will make a consideration and notification on the result thereof according to the requests of the data subjects within 30 days from the date of receipt of said requests. Provided, however, that Dynasty Ceramic Group may deny the rights of the data subjects in the event that there is a law stipulating a provision enabling the Company in so doing.

#### **7. Penalties for Non-compliance with Personal Data Protection Policy:**

Failure to comply with Personal Data Protection Policy may constitute an offence and could be liable for disciplinary actions including penalties as stipulated under the law.



## **8. Personal Data Protection Policy Reviewing and Modifications.**

Dynasty Ceramic Group may from time to time modify or revise this Policy to be in compatibility with legal requirements, Company's operational changes including recommendations and opinions from various agencies which Dynasty Ceramic Group will issue a Notification thereof with clear-cut information before actions on such modifications or revisions will be initiated.

## **9. Company's Contacting Channel:**

Personal Data Protection Committee Secretary,  
Dynasty Ceramic Public Company Limited,  
37/7 Suthisarn Winitchai Road,  
Samsen Nok Sub-district,  
Huay Khwang District, Bangkok 10310,  
Telephone: 66 (0) 2276-9275-80 ext. 330,  
E-mail: [dpo@dynastyceramic.com](mailto:dpo@dynastyceramic.com)

This Personal Data Protection Policy is approved by  
the Resolution of the Company Board of Directors Meeting, 5/2021, on 9 August 2021.

*--Maruth Saengsastra--*

(Mr. Maruth Saengsastra),  
Chairman, Executive Board of Directors.



## **Dynasty Ceramic Public Company Limited and Its Affiliates**

### **Whistle Blower Policy on Providing Protection and Fairness to Employees Giving Information on Corruption or Non-compliance with the Laws, Rules, Regulations of the Company and Code of Conduct, Effective 1 January 2015.**

---

#### **Whistleblower:**

Means an informant disclosing unusual acts occurring in the organization as a signal to warn others to hear or know about a story, but, on the aspect of the finance, it means a person who gives a warning alert that a problem has occurred to the Company that a suspicious thing or misfeasance has been discovered. It may be a move to warn the Company's Management to be aware of.

Whistleblower Program is considered yet another activity for good corporate governance of the Company which is part of the business operation policy. The Company has prepared a Working Regulations and Code of Conduct Manual including defining the Whistleblower Policy, which is a measure to protect employees lodging grievances, making whistle-blowing report or providing information on non-compliance with the Laws, Rules, Regulations and Code of Conduct, for the following purposes:

#### **Purposes:**

1. To be a center of lodging grievances against a violation of the Laws, Rules and Regulations of the Company or Code of Conduct in carrying out the Company's business operations.
2. To prevent and solve problems that may cause damage to the Company and society as a whole.

#### **Strategy:**

1. Instilling values in the whistle-blowing of various wrongdoings;
2. Providing educations: such as; an example case about communications on telling the story of grievances, or cartoons;
3. Creating preventive mechanism, finding partners, organizing whistleblower-related activity like a work shop;
4. Promoting and supporting the Regulation compliances;
5. Anti-Corruption Campaign.

#### **Person Eligible for Lodging Grievance:**

1. Employees discovering any acts in violation of the Laws, Rules and Regulations of the Company or Business Ethics in carrying out business operations of Dynasty Ceramic Public Company Limited and its affiliates;
2. Employees being persecuted, intimidated, subject to disciplinary actions: such as; reductions in salary, suspension from duty, dismissal or discrimination through unfavorable means in relation to their employment conditions for the reason that they have lodged their grievances, provided information or would provide the information and assistances in the steps of the investigations or collections of facts to the grievance accepting person including the litigations, acting as a witness, giving testimonies, or any co-operations to the Court or a government agency

#### **Grievance Accepting Person:**

1. Supervisors of all levels in whom the employees have trust;
2. Central HR Manager;
3. Director of Audit Office;

4. Company Board of Directors Secretary;
5. Any Company's director.

**Grievance Lodging Procedures:**

1. A grievance can verbally be lodged whether directly or in writing;
2. Via e-mail address of the grievance accepting person;
3. Making a letter to the grievance accepting person;
4. In the event that the grievant has preferred to remain anonymous, he/she must expressly specify the facts or evidences in detail sufficient to substantiate that there is a reasonable ground to believe that there has been an act that violates the Laws, Rules, Regulations of the Company or the Company's Code of Business Conduct. In this respect, the grievance will be kept in top confidence. The grievant can lodge his/her grievance through more than one channel and it is not necessary to reveal his/her name. But if he/she should, he/she would be protected by the Company by anonymity and fairly treated including enabling the Company to inform him/her on result of actions or additional details on the grievance.

**Procedural Steps on Fact Checking:**

1. The grievance accepting person will be the party carrying on the investigations and collections of the facts or may assign a person or an agency or investigation team according to the Company's Regulations to conduct the investigations on the facts.
2. The grievance accepting person or the investigation team or the authorized person can invite any employee to provide information or request him/her to send any document related to the investigations.
3. If, after checking, the grievance should be found to bear a reasonable ground, the Company will proceed with the following actions:
  - In the event that the subject of the grievance is the matter that the DCC Group has committed an act against the Laws, Rules, Regulations or the DCC's Code of Conduct, the grievance will be referred together with the opinions and properly practical guidelines to the authorized person in the Company to make considerations for further actions.
  - In the event that it is an important matter: such as; a matter that will affect the reputation, image or financial position of the Company, that will create a conflict with the policy in carrying out the business of the Company or that is related to senior Management, etc., the grievance shall be referred to the Audit Committee or the Company Board of Directors for considerations.
  - In the event that the grievance has caused damage to any person, an appropriate and a fair mitigation method will be offered to the injured party.

**Protection for Whistleblowers or Informants:**

1. The grievant can choose to remain anonymous if he/she should think that the grievance that he/she has lodged would cause damage or harm him/her. Anyhow, the grievance must bear a sufficiently factual evidence to believe that there has been an actual act that violates the Laws, Rules, Regulations or the Company's Code of Conduct. But, if the grievant should choose to disclose his/her name, it would enable the person accepting the grievance to carry on the investigations and provide fairness to those involved faster.
2. All information related to the Company is held to be confidential information and will be disclosed only to the extent of necessary. The damage and safety of the grievant, data source, or related persons will be taken into account. In this respect, the person accepting the grievance and the person responsible for various procedural steps of actions shall keep the information acquired in confidence without making disclosure

thereof to others. If violated, they would be deemed to act in breach of the Code of Disciplines.

3. The grievant can request the Company to define a protection measure or the Company may go ahead to implement such measure if it should be of a view that the matter may cause damage or insecurity to both the grievant and the organization.
4. An employee who has treated other person with an unfair method, acted in an improper manner or caused damage to such other person due to a motive-derived reason that such person has lodged a grievance, provided information or made a whistle-blowing on a corruption or non-compliance with the Laws, Rules, Regulations or Code of Conduct including the matter that such person has been prosecuted, given testimonies, statements or provided any cooperation to a Court or government agencies on the matter relating to the offences under the Laws, shall be deemed to commit an act against the Code of Conduct and, thus, shall be liable for the punishment under the Laws if the commission of such act should be considered against the Laws.
5. The injured party or person being suffered with a misery shall be alleviated by means of a proper and fair or process.

### **Guidelines on Lodging Grievance and Providing Information:**

#### *Grievance Lodging;*

1. Clearly specifying the grievance that needs to be considered as to how it is considered to be a matter of a corruption or non-compliance with the Laws, Rules, Regulations or Code of Conduct: such as; the allegation is based on the Criminal Code, Labor Laws, Employee Working Regulations, or Procurement Regulations, etc., that bear sufficient information to constitute a reliability.
2. Evidences must be consistent with the subject of the grievance or bear sufficient evidence by a-must-specification of factual details showing that there is reasonable ground to believe that the violation has actually occurred: such as; name of the violator and the person involved in, (if any), the time and place of the incident, nature of violation, occurring impact, agencies or persons able to provide additional information, including any photographs, documents or relevant evidences, etc.
3. A grievance lodged directly against the Supervisor:  
If desiring to direct against the Supervisor, such grievance can be made by sending it to the person accepting the grievance via the method as outlined in the Whistleblower Policy.

### **Grievance-Related Fact Collections of and Investigations:**

#### **1. Grievance Reporting;**

When a grievance is lodged, the person accepting the grievance must initially inform the Audit Office in writing and upon the relevant action is completed, a notification on the result of the conclusion of the actions in full details shall be made to the abovementioned Audit Office to review and ensure that the Regulations are being complied with in accordance with the same standard in order that such details can be collected and stored as the statistics.

#### **2. Grievance-Related Fact Verifications;**

2.1 In the event that the “Fact Verification Working Group” is not required to be appointed.

- If it should be a matter bearing clear evidence and should not be related to many agencies, the person accepting the grievance would make a consideration and

conclusion on the matter for submitting onto the Audit Office for acknowledgment which must be completed within 30 days from the date of receiving the grievance.

2.2 In the event that the “Fact Verification Working Group” is required to be appointed.

- If the matter should be of a complex nature and involving multiple agencies, the person accepting the grievance would be required to make a consideration on the appointment of the “Fact Verification Working Group” to conduct the investigations on and collect the facts as appropriate.
- The Fact Verification Working Group so appointed shall consist of three persons, at least, from various departments involved in such grievance and must not have any conflict of interest directly in said matter.
- The Fact Verification Working must complete their work within 60 days or, if necessary, can request for an approval to extend such period of time by submitting a relevant application to Managing Director or Deputy Managing Director in each working line.

### **3. Actual Wrongdoing as Purportedly Alleged under the Grievance:**

After the facts have been verified, if the person accepting the grievance should be of an opinion that there is a reasonable ground to believe that there has been a corrupt practice/an illegal act by a Company’s employee, such matter would then be referred to HR Department for coordination on the matter of the appointment of the “Fact Finding Committee on Corruption Case” to conduct the investigations into the facts in case and send a copy of the details thereof to the Audit Office for acknowledgment.

### **4. In the event that the Grievance Accepting Person has an Interest in the Grievance:**

The person accepting the grievance must not take part in any considerations of such grievance, but, must and refer such grievance to the other grievance accepting person as he/she deems appropriate and can be fair to the grievant instead.

### **5. In the event that there is no Grievance Response:**

In the event that the grievant has disclosed his/her name, if the period of 30 days from the date of lodging the grievance should have elapsed and that there has been no response whatever from the grievance accepting person, the grievant shall be entitled to lodge an additional grievance through the other designated channel, as well.

### **6. Notification on Result of the Investigation into the Facts, to the Grievant:**

6.1 In the event that the grievant has disclosed his/her name;

When the grievance accepting person or the “Facts Investigation Working Group”, (as the case may be), has completed the investigations into the facts under the grievance, a notification on the result of such investigation shall be made to the relevant grievant within 7 business days from the date of the result conclusion.

6.2 In the event that a grievance is made by way of the grievance receiving website, the progress result shall be reported by each step of actions.

### **7. System Security Operation:**

7.1 It will be carried out by the Internal Audit Office under close supervision of Director of the Internal Audit Office.

7.2 Password 2 program will be used to prevent the information from being leaked to the other related party.

## **Dynasty Ceramic Public Company Limited and its Affiliates**

### **Anti-Corruption Policy**

---

The ideology of Dynasty Ceramics Public Company Limited and its affiliates in carrying out business operations is to deploy a competitive strategy of fairness, transparency, adherence to the good quality of the products as a material substance and strictly comply with the applicable laws as well as adhering to the corporate social responsibility (CSR) and all groups of stakeholders in accordance with good corporate governance and the Code of Conduct of Dynasty Group. The Company is therefore committed to implementing the anti-corruption in all forms, while requiring it and its affiliates including those involved in the business operations to execute in compliance with such anti-corruption policy that suggests all related organizations to thoroughly comply with, as well.

To ensure that Dynasty Group has a policy setting out the responsibilities, practical guidelines and appropriate operating requirements to prevent corruption practices in all activities and in order to make the decisions and business operations which may be at risk of corruptions able to be considered and treated carefully and prudentially, the “Anti-Corruption Policy” has therefore been prepared in writing for use as clear guidelines in performing duties and the development towards being a sustainable organization.

#### ***Definition according to the Anti-Corruption Policy:***

“Company” means Dynasty Ceramic Public Company Limited and its affiliates.

“Affiliate” means Tile Top Industry Public Company Limited including any company in which the Company continues to hold shares of more than 50 percent of the registered capital after this Policy has come into force.

“Corruption” means a bribery in any form by offering to give, making a promise, giving, giving an assurance on, demanding or accepting money, property or any other benefits which are considered the improper practice and a violation of the Laws, Rules, Regulations or an act performed for personal benefit or benefit of the other persons, whether directly or indirectly, unless otherwise it is in the case that such a Law, Regulation, Notification, Rule, local custom or commercial tradition has permitted in so doing. The corruption shall include a giving or an accepting of a bribery from government officials, government agencies, NGOs or any other persons dealing business with the Company in order to persuade such person to perform or omit to perform their duties or abuse their powers in all forms including exploiting unlawful business benefits for own self or other persons, both within and outside the organization.

#### ***Anti-Corruption Policy:***

1. To instill consciousness in and making communication to everyone within the organization to be aware of their responsibilities and comply with the Anti-Corruption Policy, including the disclosures of the information on the anti-corruption measures to the general public.
2. The compliances with this Anti-Corruption Policy shall regularly be reviewed so shall as the practical guidelines and the operational requirements to be compatible with the changes in in business, Rules, Regulations and Laws.

#### ***Responsibility:***

1. The Company Board of Directors has the duties and responsibilities for formulating a policy and monitoring controls to ensure that there is a system to effectively support

the anti-corruption system as well as instilling the system in everyone to extent of making it a corporate culture.

2. The Audit Committee has the duties and responsibilities for reviewing financial and accounting reporting system, internal control system and risk management system to ensure that they meet the specified standard, are concise, appropriate and efficient.
3. Managing Director, the management team and management personnel have the duties and responsibilities for formulating and reviewing the systems to ensure that there is a system and a provision to provide the anti-corruption policy promotion and support actions in order to communicate the same to employees and all parties involved.

***Practical guidelines:***

1. Directors, management personnel and employees of all levels in the organization must adopt for practical executions the anti-corruption policy to set a good example as well as admiring and extolling good and honest people by upholding these attributes as the values of the organization.
2. Employees of all levels in the organization must not fail or neglect to act on when coming across an action considered to be in a manner of a corruption by giving a notification accordingly to their Supervisors or a person in charge. They must contributively play their roles in tracking and checking on the corruption practices and misconducts in the organization.
3. Dynasty Group will provide fairness and protections to employees who refuse or report the corruption that they will not be demoted or punished even such doing will cause the Company to lose business opportunities.
4. The Company will promote, support, motivate, supervise, provide training, develop potentials for employees in the departments as well as disseminating information on the prevention of and anti-corruption, on a regular basis.
5. Accepting things or any other benefits:
  - (1) The Company has prescribed that there shall be the Notifications/Announcements on the Non-Acceptance of Gift Policy during the traditional festivals: such as; New Year's Celebration or any other occasions to create a good norm in carrying out the business by communicating to directors, management personnel, employees and business partners of the Company.
  - (2) Employees have the duties to inform the business partners and relevant stakeholders to be aware of the Notifications/Announcements on the Non-Acceptance of Gift Policy of the Company periodically and ask the stakeholders to cooperate with the Company on the aforementioned actions.
  - (3) In the case of a necessity to receive things or any other benefits which are unavoidable: for example; partners are not aware of the Notifications/Announcements on the Non-Acceptance of Gift Policy and eventually bring such things for delivery as a gift or employees under a situation being unable to refuse to receive such things in order to maintain a good relationship between such person or the organization, the employees should act as follows:
    - (a) If value of such things should not be more than 3,000 Baht (three thousand Baht), the recipient must report the receipt of the gift, property or benefit to his/her respective Supervisor by using "Report Form for Receiving Gift, Souvenir or other Benefit of the Company";
    - (b) If more than 3,000 Baht (three thousand Baht), a permission must duly be obtained from the Supervisor before deciding to accept even it is specifically indicated that such thing is a personal belonging, but, it is a must to receive for the reason to maintain a good relationship and after receiving such gift, property

or benefit shall be forwarded onto his/her Supervisor by using “Report Form for Receiving Gift, Souvenir or other Benefit of the Company”;

- (4) In the case where an authorized person to give the approval or a Supervisor has considered that it is unsuitable to accept a gift, souvenir or any other benefit, the recipient shall return it to the giver immediately. If being unable to return, it shall be given to the Administration Department or the Head Office and shall be regarded as the right and assets of the Company
- (5) Gifts or souvenirs given to the Company representatives and are regarded to be valuable to recollect as the important events of the Company: such as; receipts of prestigious awards, souvenirs from Social Aid Contribution Activity, etc.; shall be allowable for personnel of all levels to receive on behalf of the Company by providing reports on the acquisitions and storages of those gifts according to the “Report Form for Receiving Gift, Souvenir or other Benefit of the Company”.

Provided, however, that the Administration Department or Head Office shall prepare a conclusion on the receipts of such gifts, properties or benefits for presentation to the Company Board of Directors and further onto the Audit Committee, at least, twice a year to approve the receipts of such items.

**6. Political Contributions:**

- (1) The Company is politically neutral; has refrained from performing any acts in a manner of being in favor of or providing supports to any political party or person with political power.
- (2) Employees must not be engaged in political activities of personal interest during the Company working hours or by using Company resources (e.g. e-mail, telephone) without any permission of a competent authority.
- (3) The Company’s budget must not be used for carrying out any political activities or social duty without permission from a competent authority.
- (4) The Company recognizes and respects the rights and liberties in exercising the political rights: such as; voting in the elections or becoming a member of a political party.

**7. Charitable Donations:**

The Company has a policy and practical guidelines that the donations for charity, public interests shall be in a transparent and lawful way and not contradictory to a moral nor shall they be used as an excuse for bribery.

**8. Sponsorships:**

The Company has a policy and practical guidelines that support the sponsorships for various projects must have a purpose for the business and good image and reputation of the Company and that it must be granted under the Company’s name only.

**9. Facilitation Payment:**

Means a small amount of expenses paid informally to a government official. It is given to ensure that the government official will proceed with the actions according to the process or to persuade such official for faster action without having such process being required to rely on the discretion of government official and it is regarded as a legal act in accordance with the duties of that State official as well as being a statutory right of a corporate entity which it should have under the law: such as; in applying for a license, certificates and in receiving the public services, etc.



The Company has no policy to make any form of facilitation payment, both directly and indirectly, and that under no circumstances shall the Company proceed with any action or agree to accept and does any action in exchange for a facilitation of business operation.

**10. Revolving Door:**

A government official means a person being or used to being a government official/politician/counselor to a government agency and come to work for a private-run company and may rely on the relationship or internal information to benefit such private-run company or cause a conflict of interest in the performance of duties of the government agency or the regulatory organization monitoring controls over the business of the companies under its supervision whereby the consequences of such act is contemplated at the creation of unfair business advantages or the set out of a policy in favor of such private entity for which such government official has worked.

The Company has no policy to hire or appoint a government official who is still having a term of office to work in the Company unless otherwise such official has vacated office for a period of 2 years, at least, with a due diligence process conducted and prohibitions on the performances of duties and practical procedures to prevent power abuse or an issue of a conflict of interest: such as; a disclosure of confidential information of the government agency to which he/she used to belong, lobbying to gain unfair advantage, being assigned to contact his/her original agency to which he/she used to belong.

**11. Conflict of Interest:**

Directors, management personnel and employees of all levels in the organization must avoid any conflict of interest with the Company. Any actions undertaken must be reasonable on the ground for the benefit of the Company with no contradiction to the Company's Code of Conduct, relevant Laws, Rules and Regulations. Provided, however, that if there should be any action or circumstance considered to be in line of a conflict of interest with the Company, such personnel shall have duties report such conflict of interest through the channel specified by the Company.

The expenses incurred as a result of the charitable donations, grants of sponsorships, costs of the gifts, hospitality services and other expenses as mentioned above must be subject to the scrutiny and approval process according to the Company's Regulation as follows to prevent the Company from being involved in the corruption practice:

- Approved by the person authorized to approve the transactions;
- Must be substantiated by valid documentary evidence on proper disbursements;
- Must be audited by the Finance Department that the payment approver has the authority to approve transactions in accordance with the Regulations prior to the disbursements.
- Accounting Department checks various payment proofs to ensure that they are accurate and that such expenses can be recorded in terms of bookkeeping.

***Communications:***

The Company communicates various information related to the anti-corruption measures in order to enable the employees, management personnel, shareholders, customers, agents, business partners, all groups of stakeholders and business related parties to be informed

through both internal and external media through the regular staff meetings, notifications through the public relations board, website of the Company and the annual report, etc.

***Punishments and Notification on Action Result:***

1. Punishments inflicting on the employees committing wrongdoing shall be in compliance with the Company's Disciplinary Actions Regulations and/or Legal Penalty. The punishments will be determined based on the intention of the act and severity of the offence committed.
2. If the offender should be a director or chief executive officer, the Audit Committee shall hold a joint discussion with the Company Board of Directors to determine the infliction of the punishment as they deemed appropriate and/or to proceed with legal actions according to the Rules, Regulations on the Practical Guidelines of the Stock Exchange of Thailand and Office of the Securities and Exchange Commission to impose the disciplinary penalties for violations starting from a written warning, wage cut, temporary suspension without pay or dismissal from duty. The punishment will be determined based on the intent of the act and the seriousness of such offence.
3. In case of being able to contact the whistleblowers or the grievant, the Company will inform them on the result of the actions in writing.

***Follow-ups and Review:***

1. The Company implements measure on the follow-ups and review of this policy continuously on a regular basis whereby the Risk Management Sub-Committee shall be the party making considerations on the varied risks, report on the sufficiency and effectiveness of the anti-corruption measures to the Company Board of Directors regularly on a quarterly basis in order to map out guidelines on the corruption risk.
2. The Internal Audit has the duties to audit the internal control system and various processes regularly. In addition, the Compliance Unit is responsible for reviewing legal compliance and anti-corruption and reporting the results to the Audit Committee on a regular basis. However, if any material issues should be discovered, they must urgently be reported.

The Audit Committee is responsible for making report on the Minutes of Meeting and recommendations to the Company Board of Directors on a quarterly basis.

Notification made of this 9<sup>th</sup> Day of August 2021.

*--Maruth Saengsastra--*

(Mr. Maruth Saengsastra),  
Chairman, Executive Board of Directors.

Office Company Secretary.

## 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. The Audit Committee consists of independent directors and Audit Committee members, Gen. Yuthasak Sasiprapha as Chairman of the Audit Committee Mr. Surasak Kosiyajinda Mr. Thossaporn Banyongwes and Mr. Siriphong Thinrat (who is qualified to review the Financial Statement of the Company) as Audit Committee members. To accomplish the duties and responsibilities described above, in 2021 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 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 inter-company transactions or transactions with possible conflict of interest of the company and its subsidiaries on a quarterly basis based on conservatism assumption, reasonable and consideration of the stakeholders benefits, including sufficient disclosure in accordance with the conditions provided by the Stock Exchange of Thailand while such transactions have been sufficiently disclosed in notes to financial statements.

### **7. 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 and January 6, 2022 the Company has been certified for the second term of membership renewal from Thai Private Sector Collective Action Against Corruption: CAC. It demonstrate the intention and determination resist against all forms of corruption. Through transparent management compliance to the principle of corporate governance. Built confidence for all stakeholder.

### **8. Proposed appointment and remuneration of the auditor for the year 2022**

The Audit Committee has proposed the former auditor based on the qualification and experience as deemed appropriate, which is Karin Audit Co., Ltd, as the auditor of the company and its subsidiaries, and proposed to the Board of Directors for approval before it is

submitted to the general meeting of shareholders for appointment and determination of remuneration of the auditor in 2022.

According to the assessment in “Self-Assessment Form of the Audit Committee” of 2021, 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--

(Yuthasak Sasiprapa)  
Chairman on the Audit Committee  
15 February 2022

## Report of the Nomination and Remuneration Committee

To the Shareholders

The Board of Directors of Dynasty Ceramic Public Co., Ltd. has appointed the Nomination and Remuneration Committee of the Company which currently consists Mr. Maruth Saengsastra as Chairman of the Nomination and Remuneration Committee Mr. Monrak Saengsastra and Mr. Jaruwat Traithavil as members, to responsible for the nomination and consideration of the directors' remuneration with transparent and fair. In the year 2021 had held 2 meetings, with perfect attendance, to consider related matters. The committee has continuously held the meetings and regularly suggested opinion to the board of directors to consider. The important outcomes could be summarized as follows:

- **Deliberating the qualifications of candidates for the Company's directors**

- **To replace directors who are retired by rotation**

The Company has made an announcement on the company's website and on the Stock Exchange of Thailand's website to invite shareholders to propose names of qualified candidate to be elected as director during 1 September 2021 to 30 November 2021 in advance. However, during such period, no shareholder nominated any candidate for consideration.

In 2021, there are four directors who are retired by rotation consists namely are Mr. Siripong Tinnarat Mr.Jaruwat Traithavil Mr. Chanin Suppapinyopong and Mr. Somruthai Boonyarit. Therefore the Committee (excluding Mr.Jaruwat Traithavil with vested interests) has considered the list of 4 persons proposed by the Board of Directors, which is the same director who has retired by rotation. After carefully considering individual qualifications then unanimously resolved to propose to the Board of Directors meeting to consider 4 former directors which are Mr. Siripong Tinnarat Mr.Jaruwat Traithavil Mr. Chanin Suppapinyopong and Mr. Somruthai Boonyarit to be re-appointed for another term due to their expertise in management and also have experiences in various fields that is consistent with the company's business strategy. Those directors are being persons of morality and ethic, transparent unblemished working experience and always take a good responsibility in duties as director and sub-committee.

- **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 2022 and policy of annual bonuses for the year 2021 in collaboration with human resources and the Management Committee in the proper ratio and correspond to the performance of the company.

- **Performance evaluation of the Board of Directors**

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

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

*--Maruth Saengsastra--*

(Mr.Maruth Saengsastra)  
Chairman of the Nomination and  
Remuneration Committee

## Report of the Executive and Corporate Governance Committee

To the shareholders

The Executive and Corporate Governance Committee consists Mr. Maruth Saengsastra (Director) as Chairman of the Executive and Corporate Governance Committee Mr. Monrak Saengsastra (Director) and Mr. Jaruwat Traithavil (Director) as members. In 2021, 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. Development of guidelines and rules for corporate governance
  - The company has applied good corporate governance principles for listed companies, the lastest edition of 2017 (CG Code 2017) prepared by the Securities and Exchange Commission (SEC) to assess compliance with the operating rules. As result, most of them were similar.
  - Gave rights to shareholders to propose agenda and/or to nominate qualified candidates in advance to be elected as Directors at the 2022 Annual General Meeting of Shareholder on 1 September 2021 to 30 November 2021.
  - Review vision, mission, values of the organization which continues to adhere to the organization strategy.
2. Promote compliance with good corporate governance policies and business ethic. The corporate governance committee approved the review and improvement of the corporate governance manual and business ethic as a guideline for clarity in the operation. Also consider in improve the content of the anti-corruption policy for more consistency.
3. Acknowledge the progress report according to the corporate governance action plan and the team of sustainability project of the corporate governance 2021.
4. Acknowledge the result of the corporate governance survey of the Thai Listed Companies 2021 (CGR). The corporate governance committee has been informed of the result of the corporate governance report of Thai Listed Companies 2021 (CGR), organized by Thai institute of Director (IOD). The results show that the company got a very good scoring.
5. Acknowledge the report on compliance with corporate governance policy and anti-corruption policy.
  - Acknowledge the report on the implementation of the corporate governance policy and anti-corruption policy. Communicate to raise awareness and instill employees in compliance with good governance and anti-corruption policies continuously in 2021.
  - Acknowledge of the second renewal of Thailand's Private Sector Collective Action Coalition Against Corruption membership (CAC) which due on January 6, 2022.

Corporate Governance Committee emphasize commitment to good corporate and business ethic promote sustainability management and anti-corruption. This is a key driving force in achieve operational excellence that is transparent, fair and accountable to meet international standards trust and accepted by all stakeholders which lead the business to sustainable growth.

*--Maruth Saengsastra--*

(Mr. Maruth 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 which currently consists Mr. Jaruwat Traithavil as Chairman of the Risk Management Committee Mr. Monrak Saengsastra Mr. Maruth Saengsastra and Miss Somruthai Boonyarit as members. The scope of duties of Risk Management Committee, the board of directors have set According to the Risk Management Committee charter under the Enterprise wide risk management framework. In 2021, Risk Management Committee has a total of 2 meetings which the Risk Management Committee attended complete quorum in every meeting. The summarize of importance performing of duties as follows;

1. Determine and review Enterprise wide Risk management framework to be appropriate consistent with strategic plan and company's operation among change in situation.

2. Follow up, evaluate and gives suggestion on operation and other company project investment. This is to ensure that the management level is managed by considering to be under an acceptable risk level as importance. There are a guideline to define control measures or risk mitigation which is concrete and can be put into practice in order to reduce the damage that may occur in a timely manner.

3. Consider to give comments and approval to prepare Enterprise Risk Management report 2021, by determine to be in the line with business direction, strategic plan and organizational goals including reporting the results of Enterprise Risk Management to the Board of directors.

4. To support and encourage risk management culture in the organization so employees in every level are able to participate in the risk management related to the work under their responsibility.

The Risk Management Committee is assured that the Company's risk assessment is continuing in an effective manner and align with Good Corporate Governance policy. In addition, the Company has internal audit process is sufficient and suitable with the business operation that fully follow the law and related regulations.

--Jaruwat Traithavil--

(Mr. Jaruwat Traithavil)  
Chairman of the Risk Management Committee

DYNASTY TILETOP

DYNASTY TILETOP

เลขที่ 37/7 ถนนสุทธิสารวินิจฉัย แขวงสามเสนนอก เขตห้วยขวาง กรุงเทพมหานคร 10310

โทร : 02-2769275-81 แฟกซ์ : 02-2760313-17

37/7 Suthisarn-Vinijchai Road, Samsen-Nok Sub-district

HuayKwang District, Bangkok 10310

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