



Dynasty Ceramic Public Company Limited

# ANNUAL REPORT

56-1 One Report

# 2022

บริษัท โดนาสตี เซรามิค จำกัด (มหาชน)

รายงานประจำปี

แบบ 56-1 One Report

# 2565

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## Message from Chief Executive Officer

It cannot be denied that in the year 2022, there were many events that affect the economy both nationally and globally. Thailand is in the first step from the situation of the COVID-19 outbreak that began to subside. Many countries gradually lifted restrictions on travel to Thailand, with Thailand being able to fully open the country since the middle of the year. As a result, the tourism economy gradually recovered but still not recovering compared to before the epidemic and the recovery rate is quite slow. The war between Russia and Ukraine since the end of the first quarter along China's lockdown were two main factors contributing to supply chain shortages. Energy costs are high. Thus causing the inflation rate to rise higher. Followed with the issuance of severe financial measures in the same direction around the world. In fact that the company has high flexibility in business operations and manages all 203 branches by itself. These factors make the impact on the company relatively low. Total sales for the year decreased by only 0.6 percent and net profit decreased by 6.4 percent.

During economic recession, the management team is not calm in this situation especially in terms of costs and expenses. The company has a cost management system in every sector, such as starting to install solar energy, efficient in transportation management and starting to manage transportation vehicles by the company itself. Developing production processes by finding alternative raw materials. Maintenance of machinery and equipment for a longer service life and cost management in administrative expenses in every detail, etc. All of are part of the value-creating policy that all employees have been using since the beginning of the year. As a result, the company's significant cost increase is only the cost of the gas used for production. In addition to manage expenses effectively. The company has managed working system to be more concise to shorten the time in various work processes and have more time on developing. This makes the work of employees faster, more accurate and more efficient.

The company has implemented a plan to improve the image of outlets. There are 3 more outlets that have been completed, 2 more outlets have been renovated, and another 5 outlets are under construction. The renovated branches had average monthly sales increase of more than 30 percent. For this reason, the company has accelerated the construction and renovation work plan for 40 more sites which will be completed within 3 years by thoroughly studying the areas for investment in construction and renovation. With the aim of modernizing the image, it can cover all levels of market share. Enhance strengths by creating diverse, impressive experiences that can be adjusted quickly. Create outlet environment with awareness of environmental stewardship and surrounding communities. Also adhere to the policy of creating value as the main improvement.

In the coming year 2023, the company has a policy to drive business for sustainability and policies on the environment, society, and corporate governance, or ESG. In addition to developing the company to be a part of the modern world, more involved in preserving the environment. It is also a gateway that will lead the company to be accepted by both domestic and international organizations.

The management team has considered policies on work performance of all sectors in detail to make income. Efficiency development and increase the potential to generate stable profits and sustainable for the benefit of all shareholders. Thank you to all shareholders who have always supported the Company's operations.

Your Faithfully,



Mr. Maruth Saengsastra  
Chief Executive Officer

## Board of the Company



### **Seated row from left**

Mr.Trakul Winitnaiyapak (Chairman) Gen.Yuthasak Sasiprapha (Chairman of Audit Committee) Miss Somruthai Boonyarit (Director)

### **Standing row from left**

Mr.Jaruwat Traithavil (Chief of Production Officer) Mr. Siripong Tinnarat (Independent Director / Audit Committee) Mr. Chaivasith Viriyamettakul (Director) Mr.Monrak Saengsastra (Vice Chairman) Mr. Maruth Saengsastra (CEO) Mr. Surasak Kosiyajinda (Independent Director / Audit Committee) Mr. Totsaporn Banyongwate (Independent Director / Audit Committee) Mr.Chanin Suppapinyopong (CFO)



# 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

<i>To Country</i>	To produce tiles with creative production process that meets international standard at the lowest cost to manufacture quality products at reasonable prices
<i>To customers</i>	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
<i>To Shareholders</i>	To have high dividend payout
<i>To employees</i>	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
<i>To suppliers</i>	To operate business with fairness and integrity with suppliers
<i>To Corporate Social</i>	To incorporate the Corporate Social Responsibility strategy directly into the business strategy

#### 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.

## DCC Group Values

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

## Work Plan and Strategies

1. To be a manufacturer and distributor of floor and wall ceramic tiles covering under the trademark brands, Dynasty Group. Including creating new innovations in production and services to be a better alternative to construction materials.
2. Create cooperation with business partners to create a fair balance of mutual benefits.
3. Committed to sustainable growth by operate business with good performance, ethics, transparency, respect for rights and responsibility to shareholders, stakeholders. Reduce environmental impact, including use technology to increase efficiency in both production and sales.
4. Develop potential and management structure in line with the policy for business growth

### 1.1.2 Major changes and development

#### Factory Part

##### ➤ Production of Porcelain tiles

In 2022, the factory has improved the production process. To support the porcelain tile production process that has increased according to demand.

##### ➤ Solar Rooftop alternative energy project

The company has started using solar electricity which can reduce energy costs by over a million baht. Reduce greenhouse gas emissions by over 230 tons of carbon dioxide equivalent (tonCO<sub>2</sub>eq), equivalent to planting over 320 trees.

In 2023, there is a project to increase the production capacity of solar power systems by more than 3 MW, which is expected that all solar power projects of factories will reduce greenhouse gas emissions by more than 6,000 tons of carbon dioxide, equivalent size (tonCO<sub>2</sub>eq) per year can save more than 5 million baht per year.



## **Head Office**

### **➤ Digital Transformation**

Due to the communication and coordination problems during the COVID-19 pandemic. The head office was entered to the digital age also known as Digital Transformation. The head office has given employees opportunity to propose creative idea to solve problems or to tighten more in the process of working. For example,

- Developing new working system such as recruiting system for all over country outlet employees through online system. In which can shorten time for submitting documents and create visibility among those who want to apply without wasting time for staff who are working in outlets as well.
- Transfer system via QR Code that creates convenience for all types of customers. This may cause risk of collecting cash in outlets and reducing time to deliver cash.
- Newbie chat room that can provide knowledge, give advice and answer questions about various working systems to outlets staff promptly. Also collect and storage knowledge in a digital format that can be search at any time.

### **➤ Solar Cell Installation**

The head office started using solar energy to help for prevent the environment since last September by invest in solar cell installation by Banpu NEXT ecoserve Co., Ltd. with an investment of 4.2 million baht, which will be able to generate 185 kw of electricity and reduce electricity cost by 1.2 million baht per year.

### **➤ Transportation Management**

Energy cost was increased in 2022. Moreover, apart from natural gas and electricity, diesel fuel use in transportation is also highly increased. As the company has studied the cost of energy and cost of transportation continuously. Therefore, the company has adjusted all transportation rate which make distance of transportation cost and weight were difference reasonably. It can reduce the transportation cost by 16 percent. The company also started to manage the transportation itself with no need to rely on external transportation companies, by renting and managing their own fleet. In which can save up to 25 percent. In addition, also corporate with partners to organize back haul system that can reduce transportation costs by up to 60 percent on some trips. The company will increase size of fleet and contact with partner on back haul more in next year.

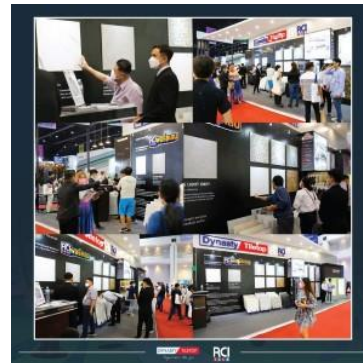
### **➤ Market channels Expansion and Image Creation**

The company has started to participate in the Architect Fair and Home and Baanlaesuan Fair, for the first time in 2022. The purpose is to create image and expand market channel with introduce new products, porcelain tiles as the main product for launching. The feedback from the Architect Fair resulted in more than 600 cases and Baanlaesuan Fair for over 400 cases. Also resulted higher sales in Bangkok Metropolitan region for porcelain tiles than other areas in country. The total sales was satisfied as well from the success of the event, the company plans for market penetration more in other provinces in 2023.

 <b>ควบคุมภาพ</b> <b>ทุกขั้นตอน</b> ได้รับรองมาตรฐาน	 <b>ผลิตเองในไทย</b> <b>ไม่ต้องรอนำเข้า</b> มีประกันสินค้า	 <b>บริการจัดส่ง</b> <b>ถึงหน้าบ้าน</b> การันตีได้รับ 1-3 วัน
 <b>สวย ทันสมัย</b> ดีไซน์ คนสมัย ตอบโจทย์	 <b>WORTHY LIVING</b> บ้านและสวนแฟร์ 2022 <b>28 ต.ค. - 6 พ.ย. 65</b> อิมแพค เมืองทองธานี	 <b>ดูแลง่าย</b> ประหยัดเวลา ทำความสะอาด
 <b>อยู่คู่เจ้าของบ้าน</b> อายุการใช้งาน หลายสิบปี	 <b>หมดกังวล</b> เรื่องกระเบื้อง อีกต่อไป	 <b>ทำกิจกรรม</b> รักโลกหรืออื่นๆ ได้เต็มที่

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## Outlets

### ➤ Solar Cell Installation

The company plans to invest in installing solar cell for 17 outlets with highest average electricity. Outlets land must be owned by company so that the investment can be use with full efficiency. The project is expecting to be complete by 2023 and there are a plan for another 20 outlets that could be start the installation at the same time. Same as at the factory where will be able to reduce the average of electricity cost by at least 50 percent.

### ➤ Landscape surrounding outlets

Planting trees around the outlets to create a beautiful scenery with shady and help to increase fresh air surrounding communities, with an average budget of 200,000 baht per outlet. The initial work plan has already improved for 4 outlets and plans to improve at least 20 more outlets within the year.



### ➤ Service Mind

Employees potential Development by providing knowledge and understanding about service mind. By using the topics taught from the principles of Japanese service (Omotenashi or Japanese Hospitality), which is considered the best service in the world. To be compared with company's current service, it can be adapt to use in practical. There has been evaluated services of internal agency through CCTV and customer satisfaction surveys, and received very positive feedback on praised for continuous improvement.

### ➤ Value Creation Policy

Employees potential Development with "Value Creation Policy" for products. Services, work systems and images. In which to make employees to be able to recommend products to customer correctly, more value, environment and workflows are also more efficient. Because of this policy not just creating value but also make every dimension of trading worthwhile.

### ➤ Renovation of Dynasty New Era outlets

The company begun to construction and renovation of new outlets for Dynasty New Era. The construction of 3 outlets will be complete in 2022 and showroom construction will be complete for 2 outlets. There are another 40 outlets under the construction and renovation plan which will be complete within 3 years. All of these constructions and renovation will be beneficial to many dimension of company image. For example, outlets be capable to cover a wider market share, enhance the image of company's brand, enhance a



variety of experiences, impressive, changeable in suddenly and more products related with tiles, etc.



## ❖ Awards and Recognition

- 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).



## 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 Ceramic Tiles and grout purchases from Tile Top Industry PLC (TTOP) and Sales from Ceramic Tiles and Porcelain Tiles from The Royal Ceramic Industry PLC and markup margin.
- Sales from purchases Grout, Tile Adhesive 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 etc.

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

Type of Income	By	Y2022		Y2021		Y2020	
		MB	%	MB	%	MB	%
<u><b>Domestic</b></u>							
Sales from tiles	DCC + Purchases from subsidiaries	7,389	87	7,601	90	7,717	90
Sales from grout and others	DCC and Outlets	565	7	493	6	486	6
<b>Total Sales - Domestic</b>		<b>7,954</b>	<b>94</b>	<b>8,094</b>	<b>96</b>	<b>8,203</b>	<b>96</b>
<u><b>Overseas</b></u>							
Sales from tiles	DCC +TTOP	388	5	302	3	298	3
Sales from grout and others	DCC	0	0	0	0	0	0
<b>Total Sales - Overseas</b>		<b>388</b>	<b>5</b>	<b>302</b>	<b>3</b>	<b>298</b>	<b>3</b>
<b>Total Sales</b>		<b>8,342</b>	<b>99</b>	<b>8,396</b>	<b>99</b>	<b>8,501</b>	<b>99</b>
Others income		64	1	85	1	88	1
<b>Total income</b>		<b>8,406</b>	<b>100</b>	<b>8,481</b>	<b>100</b>	<b>8,589</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 apprerance. Tile texture is strong, not easily broken, resistant to scratching and support impact resistance. Porcelain tile texture is less porous which caractereised 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 sych as walkways or stairs. Also can be use to tilling outside th building such as garage flooe 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 such as (Unit: Centimetre) Size 60x60 Size 60x120 and also have Porcelain which is a homogeneous sheets surfaces, called Porcelain Full Body in size 60x60.

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

### 1.3 Trading goods

Type	Under Trademark
Grout	WEBER
Tile Adhesive	DAVCO SURE, WEBER, INSEE
Tile Trim	OD, AURA, DP
Stair nose	OD,AURA
Nail Adhesives	BESBOND
Construction tools	INGCO
Wooden door	WOODSMITH
Polyurethane molding	NANO WOOD
Vinyl rain gutter	VG
Aluminum Wood grain	LITE WOOD
Mosaic	RCI MOSAIC

## 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”, “RCI”

### 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 (Unit:Baht)

Y2022	Y2021	Y2020
890,100	898,140	855,200

## **(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 2022 for 95%, divided into the following proportions:

% Distribution	Y2022	Y2021	Y2020
<i>Domestic</i>			
- Outlets	91	78	78
- Agents	4	19	19
<b>Total Domestic</b>	<b>95</b>	<b>97</b>	<b>97</b>
<i>Export</i>	5	3	3
<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	Y2022	Y2021	Y2020
1.	Floor	79	85	84
2.	Wall	12	12	13
3.	Other	9	3	3
	<b>Total</b>	<b>100</b>	<b>100</b>	<b>100</b>

## **2. Industry conditions and competition**

In 2022, in addition to the economic situation of Thailand is still slowdown due to the COVID-19 epidemic. There are also many factors that slow down the economy, such as the war between Russia and Ukraine which involve severe volatility in the supply chain. It affect the cost of energy to rise and affect other related costs as well. In addition, the problem of household debt of the population in the country is increasing. Interest rates and electricity bills has increased. As a result, the decision in spending slightly decreased.

To be consistent with the overall economic situation from the increase in production costs due to the continuous increase in the price of natural gas. The company has carefully considered the adjustment of product prices to maintain an appropriate net profit margin. This is to protect the benefit of shareholders as much as possible. On average, prices decreased 12.8 percent from the previous year on average.

In addition to the strategy to adjust the price, the company has a competitive advantage of having self-managed outlets, making it possible to adjust the price immediately to minimize the impact of the price increase. The management therefore using “Value Creation Policy”. It was established by all sectors participation in creating value, creating worthwhile by mainly taking into account to customer and can be done immediately by adjusting the behavior of employees. For example, adjusting the image of outlets to be clean, tidy, beautiful, attractive, creating more service impression. By giving advice, fast service, follow up and manage of various working processes to build trust with customers, etc.

To increase market channels, the company has participated in Architects Fair and Baanlaesuan Fair with the aim of exhibiting new products, porcelain tiles that have physical properties equal or better than imported tiles. With a production base in the country, this makes it a good choice for customers who want continuity and speedily. In addition of variety and easy find which are already the strength of the company, the feedback is extremely satisfactory. There was a noticeable increase in new project customers and the proportion of sales in the project channel grew by more than 27.69%.

Imported tiles from main producing countries such as China and India have increased import price, while the price has also increased. Due to the production country affect by the COVID-19 epidemic, causing to the production to be halted. In addition, the source of energy problems and interest rates are higher as well. Imported product quite affecting the company since most of the sales that occur in 2022 will mostly come from the upper market segment. With the current condition of the company's outlets in disrepair, so that the company was unable to penetrate this market well enough, lost sales opportunities and market share in the upper segment.

However, from the renovation of outlets by expansion size of showroom. The management are confident that we will continue to improve the image with under construction for 5 more outlets and a plan for major renovation for 40 outlets, which will be complete within 3 years. The first renovating outlet will be complete in mid-2024. Another 163 outlets, consists of relocate outlets due to a small size and is a leased land or outlets that will only remodel of product display to be more beautiful only because a location is not suitable for investment

To create a business with sustainable growth, the management has researched a ways to improve outlets, increase well-being for employees. Pay attention to the environment and community. Manage business with good governance for the benefit of all shareholders.

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

COMPANY	Y2021		Y2020	
	SALES (MILLION BAHT)	%MARKET SHARE	SALES (MILLION BAHT)	%MARKET SHARE
<b>DCC</b>	8,396	38	8,501	39
<b>RCI</b>	1,003	4	1,010	5
<b>UMI</b>	2,400	11	2,215	10
<b>COTTO</b>	10,419	47	9,971	46
<b>รวม</b>	<b>22,218</b>	<b>100</b>	<b>21,697</b>	<b>100</b>

*Source: Annual performance data year 2020-2021 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)		
	Y2022	Y2021	Y2020
<b>Dynasty Ceramic Public Company Limited</b>			
Full Capacity	32.12	32.12	32.94
Produce	18.34	20.42	21.36
% Capacity	57.10%	63.57%	64.85%
<b>Tile Top Industry Public Company Limited – subsidiary</b>			
Full Capacity	39.09	39.09	38.72
Produce	24.31	28.62	30.47
% Capacity	62.19%	73.22%	78.69%
<b>Royal Ceramic Industry Public Company Limited –subsidiary</b>			
Full Capacity	13.14	13.14	15.37
Produce	7.83	9.15	9.68
% Capacity	59.59%	69.63%	62.98%
<b>Total Full Capacity</b>	<b>84.35</b>	<b>84.35</b>	<b>87.03</b>
<b>Total Produce</b>	<b>50.48</b>	<b>58.19</b>	<b>61.51</b>
<b>% Total Capacity</b>	<b>59.85%</b>	<b>68.99%</b>	<b>70.68%</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 grasformed 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

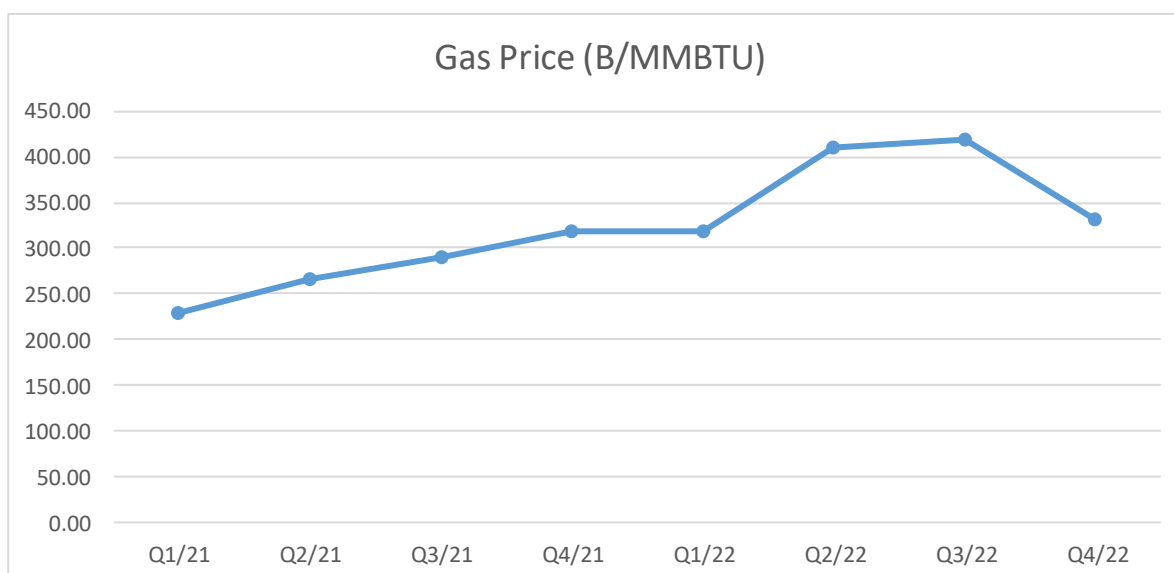
- ❖ Domestic approximately 90-95% of raw materials purchase from multiple vendors with no monopoly which have no risk of price bargaining and change of the seller
- ❖ International approximately 5-10% of raw materials purchase from countries such as China, Turkey, Singapore, Italy, Spain Taiwan and Indonesia, 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.



### **Acquiring land to build outlets**

The company has outlets across country (as of the end of 2022, there are 200 outlets), with 60 outlets Company owns the land by itself, accounting for 35% while the other 65% 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 2022, the company invested in purchasing 3 more lands, Mae Sot, Trakan Phuet Phon, Minburi district to build outlets and buy another land in Prachinburi province, including the land next to the factory to expand the original area to be wider. There are 4 outlets that have been continuously built since 2021 will be completed in 2022 in Saraburi, Nakhon Nayok , Kanchanaburi and Krabi provinces.



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

##### 4.1 Main assets and its subsidiaries

Assets according to the consolidated financial statements as of December 31, 2022 amounted to 9,386.1million baht, 30% of which were current assets consisting of inventories. Trade accounts receivable and other currents accounts receivable 70% of PPE , Right-of-use assets






Type / Characteristics of Property	Ownership	Y2022 MB.	Y2021 MB.	Y2020 MB.	Obligation
Land	Owner	2,123	1,887	1,670	No Obligation
Buildings and structures	Owner / On lease agreement	4,063	3,920	3,824	
Machinery and equipment	Owner	5,649	5,605	6,241	No Obligation
Furniture, fixtures and office equipment	Owner	1,114	1,109	1,188	No Obligation
Vehicles	Owner	38	36	25	No Obligation
Construction in progress and machinery during installation	Owner	408	435	330	No Obligation
Total		<b>13,395</b>	<b>12,992</b>	<b>13,278</b>	
Less: Accumulated Depreciation		(7,578)	(7,199)	(7,467)	
Grand total-net		<b>5,817</b>	<b>5,793</b>	<b>5,811</b>	

## 4.2 Intangible Assets

4.2.1 Software for data management Software on accounting, inventory, sales, including other information management system, etc. Book value as of December 31, 2022, remaining 16.8 million baht.

4.2.2 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	

#### 4.2.3 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 27% of total assets as of December 31, 2022 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	2,435,336,987	Remark 1
<b>Total</b>	<b>916,839,365</b>	<b>838,839,365</b>			<b>2,544,816,517</b>	
<b>Other current financial assets</b>						
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>2,545,880,454</b>	

<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)

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>							
<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>314,300</b>	<b>-0-</b>	<b>314,300</b>

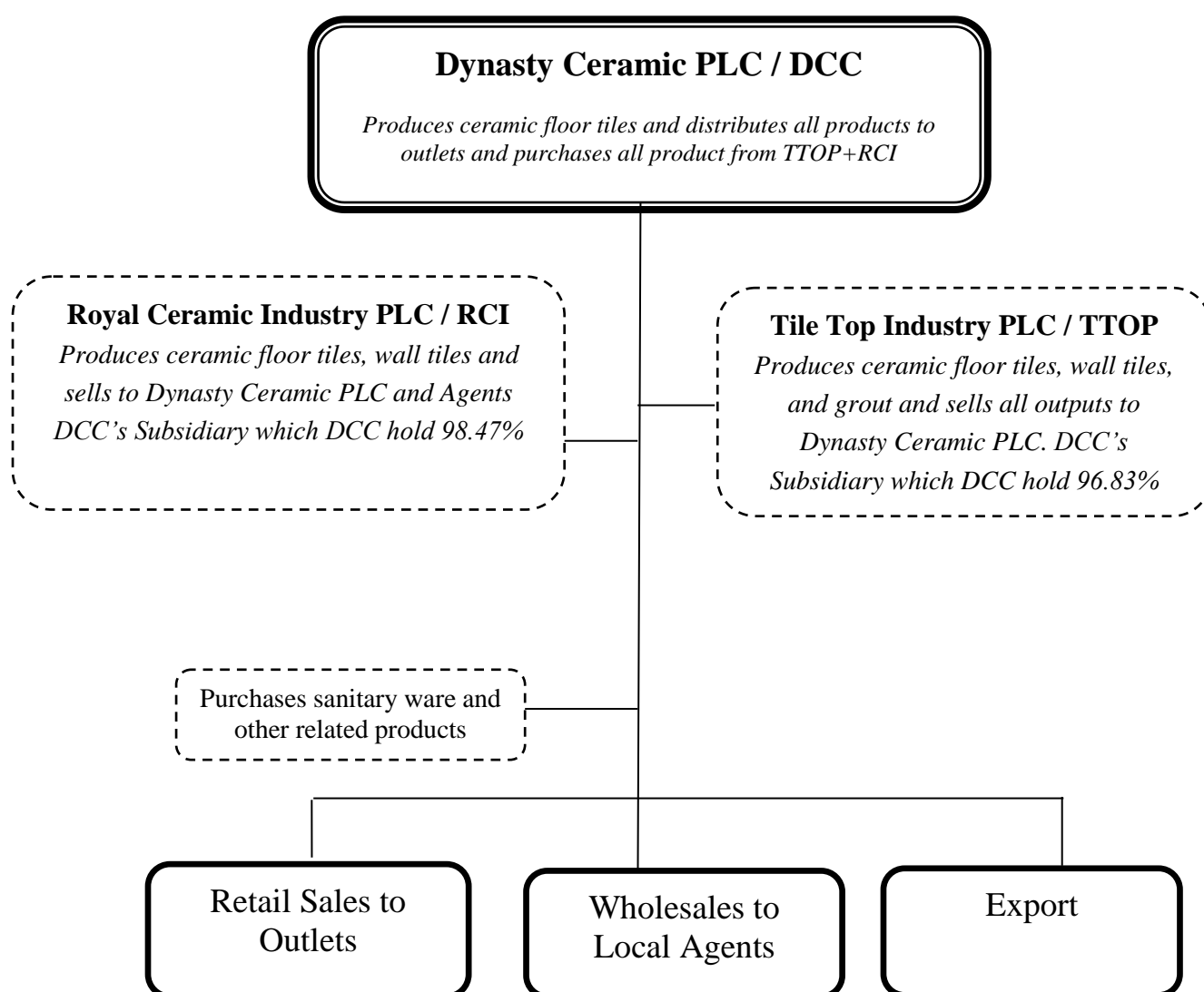
### 3.2 Investment Policy and Subsidiaries Control

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 2022)

##### ORGANIZATION STRUCTURE



#### 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 43.988 % (at 30 December 2022)

### 1.3.4 Shareholding Structure

List of 10 major shareholders at 30 December 2022 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	15.615
3	Mr. Roongroj Saengsastra	600,000,000	6.575
4	Mr. Chaayasith Viriyamettakul	505,000,000	5.534
5	Mr. Nakarin Saengsastra	377,000,000	4.131
6	Thai NVDR Company Limited	250,046,227	2.740
7	Mr. Viboon Wadcharasurang	210,426,124	2.3060
8	Miss Rosukhon Wadcharasurang	206,241,700	2.2600
9	Miss Supanee Thongplengsri	200,795,000	2.2000
10	Mr. Kuntawat Wadcharasurang	194,343,700	2.1300
<b>Total 10 major shareholders</b>		<b>5,393,852,751</b>	<b>59.106</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)		912,561,126.60	
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	Quatity	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. Chaayasith Viriyamettakul	6	701,500,000	7.68
	4.1 Mr. Chaayasith 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)		27,000,000	0.30
	4.5 Mr. Pipat Viriyamettakul (child)		25,000,000	0.27
	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	<b>3,568,072,032</b>	<b>39.09</b>
<b>2. Shareholders &gt; 5% including relate persons</b>				
1.	Mr. Roongroj Saengsastra	2	602,400,000	6.60

1.1 Mr. Roongroj Saengsastra		600,000,000	6.57
1.2 Mrs.Patcharawan Saengsastra		2,400,000	0.03
2. Mr. Viboon Wadcharasurang	6	965,079,604	10.58
2.1 Mr. Viboon Wadcharasurang		210,426,124	2.31
2.2 Mrs Luksana Wadcharasurang (spouse)		31,988,080	0.35
2.3 Mr. Kanthawat Wadcharasurang (child)		194,343,700	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)		165,280,000	1.81
Total	8	<b>1,567,479,604</b>	<b>17.18</b>
<b>3.Controlling Shareholder</b>			
Total	-	-	-
<b>Grand Total</b>	<b>19</b>	<b>5,135,551,636</b>	<b>56.27</b>

Shareholding distribution information as of December 30, 2022

Number of shares holding	No. of shareholders		No. of shares	
	No. of shareholders	Shareholding Proportion (%)	No. of shares	Shareholding Proportion (%)
1-999	4,732	23.68%	1,335,402	0.01%
1,000-10,000	7,522	37.63%	32,859,954	0.36%
10,000-100,000	5,843	29.23%	218,649,328	2.40%
100,000 – Less than 5% of no. of shares sold	1,886	9.44%	4,917,766,582	53.89%
5% more of the total number of shares sold	4	0.02%	3,955,000,000	43.34%
<b>Total</b>	<b>19,987</b>	<b>100%</b>	<b>9,125,611,266</b>	<b>100%</b>

Data as of 30 December 2022

- ❖ Shareholders that are Thai legal entities 59 entities; holding 520,029,837 shares or 5.70%
- ❖ Major shareholder that is Thai legal entity is Thai NVDR Company Limited; holding 250,046,227 shares or 2.74%
- ❖ Shareholders that are foreign legal entities 46 entities; holding 484,850,015 shares or 5.31%
- ❖ Major shareholder that is foreign legal South East Asia UK (Type C ) Nominees Limited ; holding 144,365,864 shares or 1.58%

### Director company's shareholding changes

No.	Name	Position	No. of shares 31/12/2021	No. of shares 30/12/2022	Diff (shares)	% Diff
1	Mr. Trakul Winitnaiyapak	Independent Director /Chairman	-0-	-0-	-0-	-0-
2	Gen. Yuthasak Sasiprapha	Independent Director / Chairman of Audit Committee	-0-	-0-	-0-	-0-
3	Mr. Surasak Kosiyajinda	Independent Director	-0-	-0-	-0-	-0-
4	Mr. Siripong Tinnarat	Independent Director	-0-	-0-	-0-	-0-
5	Mr. Totsaporn Banyongwate	Independent Director	1,368,080	1,368,080	-0-	-0-
6	Mr. Chaiyasith Viriyamettakul	Director	505,000,000	505,000,000	-0-	-0-
7	Mr. Monrak Saengsastra	Director/Vice Chairman	1,425,000,000	1,425,000,000	-0-	-0-
8	Mr. Maruth Saengsastra	Director/CEO	1,425,000,000	1,425,000,000	-0-	-0-
9	Mr. Jaruwat Traithavil	Director	11,200,000	11,200,000	-0-	-0-
10	Mr. Chanin Suppapinyopong	Director	-0-	-0-	-0-	-0-
11	Miss Somruthai Boonyarit	Director	-0-	-0-	-0-	-0-

### Top Management company's shareholding changes

No.	Name	Position	No. of shares 31/12/2021	No. of shares 30/12/2022	Diff (shares)	% Diff
1.	Mr. Sutee Bunnag	Deputy Managing Director of Research and Technical	-0-	-0-	-0-	-0-

## 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, 2022	Increase/(Decrease)	December 31, 2022
Registered Capital – Ordinary Shares (Baht)	913,919,154.10	(1,358,027.50)	912,561,126.60
Registered Capital – Ordinary Shares (Shares)	9,139,191,541	(13,580,275)	9,125,611,266
Value per share (Baht)	0.10	-	0.10
Issued and Paid-up Capital (Baht)	912,561,126.60	-	912,561,126.60
Issued and Paid-up Capital (Shares)	9,125,611,266	-	9,125,611,266

Company has reduced its registered capital according to the resolution of the 2022. on The Annual General Meeting of Shareholders held on March 29, 2022. By canceling registered shares that have not yet been issued in the amount of 13,580,275 shares, which are shares allocated to support the exercise of rights. According to the warrants to purchase ordinary shares of the Company (DCC-W1) without exercising rights within the term of the warrants as specified and expired. In this regard, the reduction of the registered capital and the change of the Memorandum of Association No. 4 at the Ministry of Commerce has been completed on April 11, 2022.



1.4.2 Others types of shares with rights or conditions different from ordinary shares.

None

1.4.3 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).

None

## 1.5 Issuance of other securities

1.5.1 In case the company has convertible securities

None

1.5.2 Bond securities.

None

## 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 2023 be proposed to consider and approve the payment of the annual dividend of the year 2022 at the rate of 0.126 Baht per share or the dividend payout ratio of the Company shall be 70.5% 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 1,149.8 Million Baht, of which cash totally 1,049.4 Baht or 0.115 Baht per share was paid as interim dividend during the year 2022. The remaining (Quarter 4 Oct-Dec 2022) of 0.011 Baht would be further paid out totally 100.4 Million Baht or the dividend payout ratio of the Company shall be 29.3% . In case of the Meeting of Shareholders for the year 2023 approves the dividend payment as proposed.

### Total dividends paid in the past 3 years

Dividend Details	Y2022	Y2021	Y2020
1.Consolidated Net Profit (Million Baht)	1,631	1,700	1,585
2.Retained Earnings (Million Baht)	3,413	3,242	3,179
3. Number of shares and Paid (Million Shares)	9,126	9,126	8,199
4. Earning per Share (Baht)	0.179	0.193	0.202
5. Dividend paid per share (Baht)	0.126	0.185	0.165
6. Total Dividend Paid (Million Baht)	1,150	1,688	1,353
7. Dividend Payout Ratio (%)	71	99	85
8. Appropriated for legal reserve (Million Baht)	91	91	82

Y2022	Consolidated Net Profit (Million Baht)	Directors approved to pay Dividend		
		Interim Dividend Paid (Million Baht)	Interim Dividend Paid (Baht per Share)	Dividend Payout Ratio (%)
Quarter 1	543.3	501.9	0.055	92.4
Quarter 2	432.6	319.4	0.035	73.8
Quarter 3	322.1	228.1	0.025	70.8
Quarter 4	342.4	100.4	0.011	29.3
<b>Total</b>	<b>1,631.4</b>	<b>1,149.8</b>	<b>0.126</b>	<b>70.5</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 is still a need for working capital to be use in the business.

-Royal Asia Brick and Tiles Company Limited:

The company was dissolved on November 30, 2022 and is in the process of liquidation.

Refer to the resolution of the Board of Directors Meeting No. 1/2023 on February 14, 2023 of Dynasty Ceramic Public Company Limited to change the Company's Dividend Payment Policy as follows:

### Existing Policy

“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.”

### New Policy

“The Company's dividend policy requires the company to distribute the dividend of **not less than 40 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.”

## **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**

In the past year, many manufacturing industries have faced economic fluctuations from COVID-19 epidemic. Cost of fuel and raw materials slightly high with currency fluctuations, due to the state of war that continues for a long time. As a result, the economy and the demand for construction materials in the country were in recession. Dynasty Ceramic

Public Company Limited group has operated according to the guidelines that have been prepared along on good enterprise risk management structure. There is an assessment and management of risks within the organization from the management level to the operational level. To ensure that the organization is alert and ready to respond and adapt to situations that may arise in the future.

The company has assess risk, reviewing opportunities and impacts that may occur to the company. And has communicated and managed in response to the risk and opportunity that has been assessed which can be summarized as follows;

## **1. Risk from business operation strategy and competitiveness**

Ceramic tiles are the main products of the company. It is a construction material product that consumers have different needs and behaviors of consumers. The company has therefore strengthened its market leadership by responding to being a manufacturer in Thailand that can produce ceramic tiles with the same quality standards as manufacturers in foreign countries, can respond to customer needs in a timely manner. There has been add on product groups such as large tiles and porcelain tiles, which used to be mostly imported products, environmental friendly products and products that respond to the aging society and adjusting channels to access products in different groups to better suit the needs of various customer groups

Risk of price competition especially small ceramic tile products which domestic producers have a large excess production capacity. There is fierce competition in the market, so the company has a policy to prevent such risks by changing the focus on providing services and timing to respond to customer needs. There are products for customers continuously to make a better difference. In addition, the company has strategies and policies that focus on large tiles produced in Thailand to the market more. It aims to maintain the overall profitability of the company.

## **2. Operational Risk**

### **2.1 Risk from higher cost of energy and raw materials**

Prolonged of wars and virus epidemics, resulting the price of various fuel gases rose to a high record. The price of natural gas, fuel, and raw materials used in the production process increased. Which pricing adjustments cause to higher cost of production. The company has therefore improved the production process to use energy in the production process to produce the most worthwhile image. By setting up an appropriate production capacity allocation and reducing excess production capacity from the market in production lines that use more energy compared to other production lines. Focus on reducing energy in the production process by adjusting the production formula or modify the machinery to reduce the rate of energy consumption per unit of output. In addition, the company has also improved the transportation process to reduce the cost of transportation of the company as well.

### **2.2 Personnel Risk**

Due to prolonged shedding of viral situation. A risks related to occupational health and safety of personnel in the organization may result in a shortage of personnel to work. The company has managed, developed, retained personnel and to give importance to taking care of personnel to be disease-free and healthy. There are appropriate fairness of welfare and remuneration. It can be able to perform substitutions or work from other places. Also the company still has a policy and continues to develop the production process to be fully

automated. These are reduce the risk that may cause an accident and replacement of personnel positions in areas that are heavy and unsuitable for manual labor.

### **3.Financial Risk**

#### **3.1Liquidity Risk**

In a recession economy, financial liquidity is an important aspect of business operations. The company has controlled over the adequacy of liquidity, finding fund at a cost that is consistent and suitable for the company use continually. In order to maintain sufficient reserves for business operations and hedge against potential fluctuations in cash flows.

#### **3.2 Credit Risk**

The company has managed and controlled the risk of the company accounts receivable. By controlling, operating and using financial instruments such as the issuance of letters of guarantee from financial institutions, assessment of the debtor's creditworthiness, setting credit limits for credit control of debtors, etc.

### **4.Environmental and Social Risk**

The company has a guideline to adhere with industry standards and other regulations that are strictly related to the environment and society. Insist on sustainable growth while reducing environmental impact and coexisting with society. Manufacturing business operation are inevitable to have negative impacts on the environment. The company is well aware that business operation may result in risk operation and reputation of the company. Whereby the company has system for analyzing, administrating, managing and improving the environment or related to environmental. Including surrounding society to achieve sustainability without conflict. Also develops products to meet the needs of society by conservation, protect the environment, reduce and eliminate conflicts that may arise in the relevant society.

### 3. Drive Business Sustainability

Dynasty Ceramic Public Company Limited has operated business in accordance with the guidelines for sustainable development according to the principle of the Stock Exchange of Thailand, covering environmental, social and governance. By striving to develop the organization for sustainable growth. Concern the business operation with responsible in terms of economy, society, environment, together with all stakeholders under a good governance which comply ethical business conduct and supervise business operation to ensure fairness transparency and could be examine for the company sustainable growth.



#### 3.1 Sustainable Management Policy and Goals

The company has established a policy to drive business towards sustainability. With regards to the growth of the company together with good governance which can respond to the expectations of all groups of stakeholders related to the company business by the main points are as follows:

- Committed to be a manufacturer and distributor of ceramic tiles and construction materials that grows sustainably under the principles of good governance and conducting business according to the principles good corporate governance.
- Develop every production process and conduct business with social responsibility and environment. By managing resources worthwhile, manage impact of social and environment efficiently.
- Develop engagement with stakeholders in all sectors taking into all sectors by concerning in human rights principles according to sustainable development guidelines.





# Sustainable Development

Then Now & Beyond



**พัฒนาการผลิต**

**ประสบการณ์กว่า 33 ปี**

รับรอง มอก. 2508-2555  
ISO 13006 ver. MIT

เราเป็นพันธมิตร  
จำหน่ายกระเบื้องโมโน

**เครื่องจักรทันสมัย**

25 สถานี ขนาดใหญ่  
และใช้ Digital Printing  
ลายตามสั่ง สมจริง

**โรงงานผลิตมาตรฐานสูง**

ตัวพิมพ์/สกรีน  
ไม่น้อยกว่า 80 ชิ้น/ตร.ม.

**ใช้งานได้หลากหลาย**  
ครอบคลุมทุกพื้นที่ใช้งาน

ห้องน้ำ, ห้องครัว, ห้องนอน, ห้องนั่งเล่น, ห้องประชุม, ห้องเรียน, ห้องสมุด, ห้องโถง, ห้องโถง, ห้องโถง

**คุณสมบัติพิเศษ**

ป้องกันรอยขีดข่วน  
ทนทานต่อสารเคมี  
ทนทานต่อรังสี UV  
ทนทานต่อความร้อน  
ทนทานต่อความชื้น  
ทนทานต่อมลพิษ

**ผิวหน้าหลากหลาย**

ลวดลาย: ไม้, หิน, โลหะ, สีสัน

**พัฒนาสินค้า**

**200 กว่าสาขาทั่วไทย**

**บริการครบที่เดียว**

ระบบติดตั้ง พร้อมจัดส่ง  
ระบบขนส่ง ส่งไว 1-3 วัน

ปรึกษา, วัดพื้นที่,  
คำนวณปริมาณ

**พัฒนาการบริการ**

**อนาคตที่เหนือกว่า**

สนับสนุนลูกค้า  
DYNASTY RETAIL NETWORK

ลดต้นทุนต่อตาราง  
เมตร ลดค่าใช้จ่าย  
ในการติดตั้ง

**DYNASTY PARK**

เป็นศูนย์กลางจำหน่ายกระเบื้อง  
รวบรวมร้านค้ามากมาย ในพื้นที่

ขยายฐานลูกค้า ทั่วประเทศ  
สร้างพันธมิตรทางธุรกิจ  
ต่อขยายความสำเร็จร่วมกัน  
เราจะเป็นหนึ่งในผู้นำด้านการออกแบบ  
สาขาที่มุ่งเน้นบริการลูกค้า  
เพิ่มจำนวนร้านค้า, Saker Root  
และ แทนฮาร์ตไฟฟ้า

## 1. Analysis Of Key Sustainability Issues

### *Corporate Governance and Economy*

- Drive business according to good governance and business ethics.
- Creating sustainable long-term returns to stakeholders.
- Development of products and services that truly meet the need of customers.
- Delivering products and services that meet customer needs.
- Effective risk management.

### *Environment*

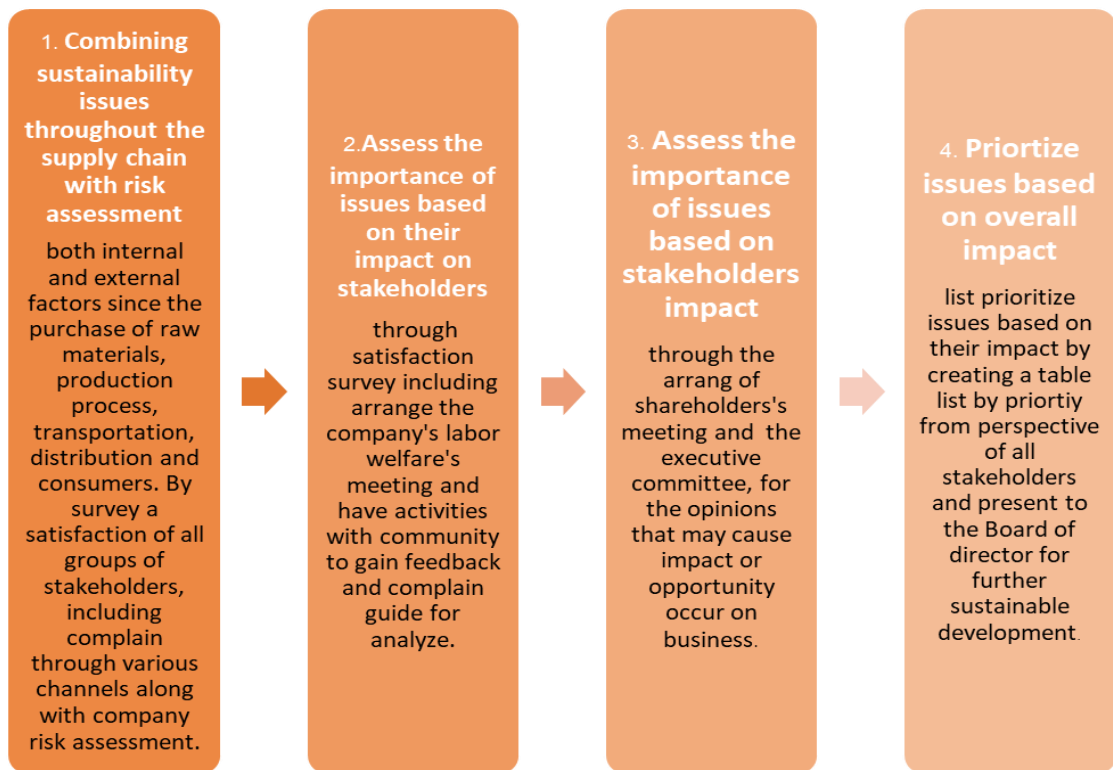
- Efficient energy management and effective.
- Policy implementation to reduce the use of resources and waste management

### *Social*

- Accident prevention and safety management
- Promoting well-being and treat employee fairly.



- Developing the potential of employees in the organization.
- Promoting the quality of life and well-being of the community and society.



## 2. Sustainability Key Issues

### 1) *Corporate Governance and Economy*

- 1.1) Corporate Governance
- 1.2) Risk Management
- 1.3) Business Ethics
- 1.4) Anti-Corruption
- 1.5) Development of products and services
- 1.6) Supply Chain Management





### 2) *Environment*



- 2.1) Compliance with laws, rules, regulation and contract conditions
- 2.2) Energy Consumption Management
- 2.3) Water Management and Waste Management

### 3) *Social*

- 3.1) Safety and Occupational health
- 3.2) Employment and Human Rights
- 3.3) Employee Development
- 3.4) Community and Social Development

### 3. The Relationship between Issues and Principle and International Standards

SDGs	Value Creation		Strategic	Target
	To Company	To Environment and Social		
 	<ul style="list-style-type: none"> <li>- Reduce cost and energy costs</li> <li>- Efficient use of energy</li> <li>- Support government policies. Increase the proportion of renewable and clean energy.</li> </ul>	<ul style="list-style-type: none"> <li>- Prevent a slowdown of climate chain by reducing greenhouse gas emissions.</li> <li>- Reduce or slowdown the impact of nature disasters.</li> </ul>	<ul style="list-style-type: none"> <li>- Reduce greenhouse gas emission, efficient energy management, reduce energy consumption in production process.</li> <li>- Use solar energy in production process</li> <li>- Reuse energy lost from emissions.</li> </ul>	<ul style="list-style-type: none"> <li>- Reduce greenhouse gas emission from manufacturing processes by 10% within year 2023 with a target of at least 1% reduction per year.</li> <li>- Increase the proportion of using solar electricity in the production process not less than 3% by 2024.</li> </ul>
	<ul style="list-style-type: none"> <li>- Efficient use of water in the production process.</li> <li>- There is sufficient water use in the production process.</li> </ul>	<ul style="list-style-type: none"> <li>- Protect and restore ecosystems related to water sources.</li> <li>- Reduce pollution, eliminate industrial waste and chemicals into water sources.</li> </ul>	<ul style="list-style-type: none"> <li>- Provide sufficient internal reserve water sources.</li> <li>- Do not drain water to the outside of the factory.</li> <li>- Reduce water consumption.</li> </ul>	<ul style="list-style-type: none"> <li>- Set a target to reduce water consumption from outside by 5% every year.</li> <li>- There is integrated water circulation system.</li> </ul>
	<ul style="list-style-type: none"> <li>- Reduce resource costs and waste management.</li> <li>- Create value for waste and increase utilization.</li> </ul>	<ul style="list-style-type: none"> <li>- Reduce area to drain industrial waste</li> <li>- Encourage society to recognize environmentally friendly product.</li> </ul>	<ul style="list-style-type: none"> <li>- Apply circular economy principles</li> <li>- Encourage and create a good internal environment and communities surrounding.</li> </ul>	<ul style="list-style-type: none"> <li>- Set a goal to improve production formula to reuse ceramic tile scraps without policy about drain industrial waste to the outside.</li> <li>- Set a goal of zero environmental complaints.</li> </ul>

	<ul style="list-style-type: none"> <li>- Reduce cost of human resources.</li> <li>- Efficient in employment and high productivity.</li> <li>- Good corporate image.</li> <li>- Launch new product to support company's growth.</li> </ul>	<ul style="list-style-type: none"> <li>- Safety work place.</li> <li>- Create job in the community for making lives of people in the community better.</li> <li>- Support human rights and equality.</li> </ul>	<ul style="list-style-type: none"> <li>- Support and create a good and safe working environment.</li> <li>- Create value and elevate quality of life of society and community.</li> <li>- Create opportunity, develop and change products and business in accordance for the future.</li> </ul>	<ul style="list-style-type: none"> <li>- Set a goal of zero accident.</li> <li>- Reduce rate of illness and disease from continuously working.</li> <li>- Zero complaint in human rights of society and community.</li> <li>- Research and investigate to increase new products.</li> <li>- Increase income from additional business.</li> </ul>
	<ul style="list-style-type: none"> <li>- Having a sustainable growth.</li> <li>- Good corporate image.</li> <li>- Attract the investor.</li> </ul>		<ul style="list-style-type: none"> <li>- Follow the principles of good governance.</li> </ul>	<ul style="list-style-type: none"> <li>- Operate in accordance with specified laws and regulation.</li> <li>- No complaint about corruption</li> <li>- Taxation system.</li> </ul>

#### 4. Primary Issue Affecting Sustainable Development (ESG)

Sustainable Issues		Impact		Importance Issues
		Internal	External	
1. Corporate Governance and Economy	1.1 Corporate Governance	Organization	Shareholders	To maintain business sustainable growth and distribution of income to stakeholders.
	1.2 Risk Management	Organization	Shareholders	Prepare a management plan to accommodate business uncertain.
	1.3 Business Ethics	Organization	Partners Competitors	Develop and return profit to society.
	1.4 Anti-Corruption	Organization	Partners	Doing business with transparency and fairness, can be certified.
	1.5 Development of Product and Service	Organization	Partners Customers	Meet the organization's goal to be a leader in ceramic tiles.
	1.6 Supply Chain Management	Organization	Partners	To maintain business sustainable growth and distribution income to stakeholders.

<b>2.Environment</b>	2.1 Compliance with Laws and Contract terms	Organization	Partners Government Agency Community and Society	Compliance with relevant laws and not violate the laws for continuous business operation.
	2.2 Energy Consumption	Organization	Community and Society	Corporation balance in society and environment responsible in accordance with growth of business.
	2.3 Water Consumption and Waste Management.	Organization	Community and Society	Corporation balance in society and environment responsible in accordance with growth of business.
<b>3. Social</b>	3.1 Safety and Occupational health	Organization	Partners Community and society Government Agency	Prevent accident that affect safety and occupational health for employee in the organization and surrounding community.
	3.2 Employment and Human Rights	Organization	Partners Competitors	Development and return profits to society.
	3.3 Employee Development	Organization	Community and Society	Develop potential and creativity of employee in the organization for organization development together.
	3.4 Community and Social Development	Organization	Community and Society	Working together to look after society and community grows.

## 5. List of Primary Issues Affecting Sustainable Development

<b>Importance to Stakeholders</b>	<b>High</b>		<b>3.4</b>	<b>1.1 1.5 1.6 2.1 2.2 2.3 3.1</b>
	<b>Medium</b>			<b>1.2 1.3 1.4</b>
	<b>Low</b>			<b>3.2 3.3</b>
		<b>Low</b>	<b>Medium</b>	<b>High</b>
<b>Importance to Organization</b>				

1.Governance and Economy	2.Environment	3.Social
1.1 Corporate Governance 1.2 Risk Management 1.3 Business Ethics 1.4 Anticorruption 1.5 Development of products and services 1.6 Supply Chain Management	2.1 Compliance with laws, rules, regulation and contract conditions 2.2 Energy Consumption Management 2.3 Water supply and Waste Management	3.1 safety and occupational health 3.2 Employment and Human Rights 3.3 Employee Development 3.4 Participation in community and social development

## 3.2 Sustainable Development Operations (ESG)

### 1. Management of Company Business Value Chain

To prevent business interruption and impact on credibility of all group of stakeholder. The company has appropriately manage process of value chain by give importance in efficiency use of resources. Starts from the purchase of raw materials, production process, transportation and warehouse management and distribution, including responsibility to customer who use company products and services as follows;



### 1.1 Partner Responsibility

Company Primary Partners are raw materials suppliers, land tenants, contractors and freight forwarders, etc. Every company will select business partners which have must pass the criteria for the qualification of raw materials or quality of work. According to the company's standard as well as assessing business partners and develop the quality of work in accordance with company standard. Also evaluate business partners and develop the quality of raw materials that do not affect society and the environment. To be summarized as follows;

Quantity (Number)	Y2020	Y2021	Y2022
New raw material suppliers	-	-	1
New Contractors/ New suppliers	32	38	42
Other	46	59	61
<b>Total new vendors / New contractors</b>	<b>78</b>	<b>97</b>	<b>104</b>
<b>Proportion of Sellers / New contractors (%)</b>	<b>3</b>	<b>3</b>	<b>3</b>

The company has manage regulation in each process of procurement for main raw material. It must be comply with quality standard and process control system, including laws, rules and regulations. Receiving raw material before production process must be pass quality checked at every step as specified in quality standards for having a quality products. After all, the products will be deliver to domestic and foreign customers by partners or freight forwarders with shipping standers to reach customer on time.

*Refer: Trade Competition Policy (page 231) Sustainable Procurement Policy of DCC group (page 244) Anti-Corruption Policy (page 239)*

### **1.2 Raw Materials**

Raw materials for the production of tiles are clay, mineral stone, glaze materials, printing paints and water. All materials must obtain a legal concession such as having a legal concession certificate, including comparison prices with other business partners who have the same standard. Raw material must be inspected for quality with standard issue before pass to the production process. In order to gain the quality finished products with standard issue.

<b>Quantity (Tons/Year)</b>	<b>Y2020</b>	<b>Y2021</b>	<b>Y2022</b>
Production Volume (Tons)	1,012,124	783,207	852,257
Amount of main Raw Materials (Tons)	1,145,219	1,107,307	974,957
Recycled Raw Materials (Tons)	77,699	77,089	59,493
Proportion of Recycled Raw (%)	6.8%	7.0%	6.1%

### **1.3 Manufacturing Process**

The company continues to improve production process by set a main policy to improve and develop the production process in form of Creativity Productivity or increase productivity creativity. By rely on every employee participation to creating a creative production system. Focus on increase productivity in every production process under the principle of “Low Cost, Standard Quality Lead time is shortest”. The result from the implement of various increase productivity, cause to reduction of waste in the production process. New products, energy saving, reduction of waste in every processes resulting in increasing and maintaining the level of competitiveness. With low production costs and efficient of energy use. Reduce pollution caused by production process and reduce the amount of greenhouse gas emission, etc.

### **1.4 Transportation / Warehouse Management**

The company has a process of organizing transportation system by using trucks from the external transportation companies arrange by category and quantity to be sufficient for delivery. Currently, there are 23 transportation companies with ready-to-use vehicles and more than 2,200 vehicles in circulation in the system. The transportation companies are responsible for providing drivers, product warranty and car maintenance. The company will control job call time loading and unloading products from trucks and all transportation regulations, including checking drug of the driver. Calculation of the transportation rate paid by the company is based on the transportation rate from the Comptroller General's Department. The value varies with weight, distance and difficulty, easiness of operation.

The company has a policy to deliver products to customers within 3 days, which is an important strength in sales and has been accepted by customers at all levels. The company



uses a sales data system gathered from outlets across the country to make daily production plans. This makes it possible to efficiently control the inventories with more than 1,592 patterns. The warehouse has a total inventory capacity of 3 factories up to 13 million square meters and 200 outlets have a total inventory capacity of 14 million square meters, a total of 27 million square meters. Or have enough for sale up to 4 months, usually keep the product for sale about 3 months.



In 2021, the company has developed Automatic stock replenishment system, known as the PUSH system, uses the principle of "Big Data Theory" to select products in which stores should be replenished, what and how much, which makes the store's inventory management more efficient. Old products, hold stock for more than 180 days, reduced to only 1 percent from 6 percent and reduce the problem of small volume delivery, not fully loading on vehicle from the factory as well. This makes the management of transportation vehicles from the factory more efficient and faster, resulting in the delivery department being able to deliver products per day up to 320,000 square meters from 200,000 square meters.





In 2022, due to economic conditions, the price of gas used for transportation has increased. The company has started renting pickup trucks to test the transportation management by itself for a period of 3 months. From the experiment of transportation management by itself, the average transportation cost is reduced by 25 percent and has expanded the performance by adding more 15 pickup trucks in Q4 and 40 pickup trucks by early 2023. In an effort to strengthen sales, create a good image for the company. The management has never stopped developing the work system. The way of working for concrete and sustainable growth of the company.

### **1.5 Customer**

The company pays attention to the needs of customers by taking into account in value, benefits response truly needs. With design services, measure the area, free delivery, and also provide after-sales service, follow up and inquire about the quality of the product. So that customers can be confident that if customers want more products whether building new or repairing, the company has products ready for sell.

### **1.6 Product and Service**

The company is committed to produce and develop product quality according to the needs of customers and in line with the international standards set. The products of company continuously development, covering all market and customer needs. Company has a vision to produce ceramic tiles covering all types of application with continuous product. Products are produced by Thai people with factories in Thailand which can replace import products. At present, ceramic tiles of the company produced by their own factories, divided into 2 main groups.

- *High Value Products* – Large size ceramic tiles of 50 centimeters or more. Low water absorption ceramic tiles or porcelain tiles.
- *General Value Products* – Small size ceramic tiles which meet the needs of various customers. Focus on affordable price and easy to modify.

## Assessment of Satisfaction on Products and Service

The company has created a satisfaction survey of products and services via QR Code with customers directly through the outlets inspector teams to understand needs and satisfaction to be used as information to further improvement on products and services.

### Factors in choosing DCC's products

Topic	%
Price	28
Quality	22
Receiving advice from acquaintances (word of mouth)	20
Service	18
Previous Purchase Experience	6
First Impression	6

Others, Close to home, Many choice of products, Delivery, Can be return

Opportunity	Sure	Maybe	Not Sure
Opportunity for customers to come back for purchase	94%	6%	0%
Opportunity to introduce other customers	92%	6%	2%
Feeling	Very Good	Good	Fair
Feeling to the product	79%	18%	3%
Service Satisfaction	83%	15%	2%

### **1.7 Innovation and Technology**

The company has an innovation policy focusing on being an organization that develops productivity through creative thinking. Development and enhancement of employee in the organization through training and encourage to meet the development. Focus on creativity to improve one work process. Improving with efficiency and effective through experimentation or use of various technology. Resulting to a lower production cost, increase productivity, increasing the ability for competition.

### **1.8 Product**

In the past year, there was development and innovation of product as follows:

- There were bring dust and waste of tiles grind in in the preparing process of new ceramic soil. At present, dust and waste of tiles can be use at a rate 3%-5% and does not affect the quality of product. This is to reduce use of natural raw materials. Reduce drain waste and reduce environment impact.

- Development of production formula that reduce mixing time process. Resulting to save electricity consumption in ceramic soil preparation process.
- Development of production that use coating material from sludge in mixing and coating process. This is result in reduce raw material use for new coating by more than 50%, which company has launched and released this group of products by named “Eco Product” to meet customer needs who want to take part in preserve the environment.

### **1.9Technology**

From promoting and encourage company employees to develop ideas and improve creative product system under “Creative Productivity project” In the past year, there were a production innovation projects and automatic system as follows:

Projects	Objective	Completed
1) Reducing of grinding raw material time project	Reduce use of electricity in raw material mixing process. Increase production capacity of raw material mixing process without adding the machinery.	December 2022
2) Packing system improvement project	Reduce packaging waste problem. More choice on packaging customization for customer.	December 2022
3) New installation selection system project	Reduce waste in process of selecting large tiles. Increase production capacity in selecting and packaging process. Supporting larger tiles in the future. Reduce risk of accident from selection process. Reduce workload of employees.	December 2022
4) New compressed air installation project	Reduce use of electricity in compressed air production system. Able to record and save data of compressed air system energy use.	December 2022
5) Curved for tile conveyor system improvement project	Reduce waste in conveying tiles. Reduce risk of accident.	December 2022
6) Sieving pulp system change to round type project	Reduce employees workload Reduce machinery maintenance costs	December 2022

## **1.10 Marketing and Services**

For more than 30 years, Dynasty has been operating a production and sells floor and wall tiles business with strong point of production cost control. There are more than 200 self-administered outlets across the country, enabling all systems to be connected from upstream to downstream. This makes Dynasty being an entrepreneur with a unique business model that cannot be imitated.

For more than 30 years, Dynasty has used the strategy of enclosing the city with a clear target market group, which is the renovation, repair group, middle to lower market. Because with location that covers all areas, it is very convenient and fast for selling. This is be able to expand the business until it has more than half of the market share. However with economic volatility that may affect the target group. The company is considered the top risk then began to develop strategies that aim to gain more market share in other groups, starting from upgrading sales and services as well "*Value Creation Policy*" and "*Service Attention Policy*", which can immediately develop the potential of employees in concrete. Start with no charge topic first to visualize change and cultivate step by step with does not change too fast.

For the Value Creation Policy, consists of 10 development topics. For example, Section 6 “Convenient” is discuss about creating an environment that is suitable for the payment of customers, living and working systems that are comfortable. Each topic has a principle that not only thinks about customers but also employees so that every activity achieves the goals according to each topic and create value for every activity according to the objectives of the policies.

In terms of Service Attention Policy or Service Mind Creation, uses the principles of Japanese service or called Omotenashi. Which are considers as Japanese service being the best in the world. Dynasty has brought all 4 principles to create service mind and improve content to suit the environment and the working system.

In part of lift up good service, requires a strict regulations not too tight or too slack. The management has studied the work of employees every day in details to create an Employee Daily Journey. In order to fully understand every detail of the work site and bring to create regulation in the operation. For example, time recording, dress up, work procedures and self-assessment. There will be subtleties that must be clarified to employees clearly in what they should not do or what is prohibited.

From the sentence “Businesses need to stay young”, when look at Dynasty that have been in operation for more than 30 years. Many outlets are old and rather dilapidated. Some outlets have inappropriate service areas or some outlets have locations where urban planning affects visual accessibility. For these reasons, the company has spent more than 3 years studying of how to improve the image of outlets in detail. By tries to arrange a new product layout, try out with built a new showroom in existing outlets with a different location. Location studies using current sales data to determine the possibility of choosing a new location or get into detail about the arrangements at the exhibition panel and get the conclusion of a major image adjustment of Dynasty.

The main objectives of image improvement are as follows:

1. To develop sales potential to cover the lower-middle-upper market
- 2 . Create an image for the company, employees and products under the company's trademark to step into the international level
- 3 . Enhance strengths by creating a variety experiences, impressive and changeable.

4 . Add products related to building decoration with the company's products leading

5. Adhere to the value creation policy.

6. Create a good environment that is valuable to the community

Currently, there are 40 outlets in the plan which will be completed within 3 years and the company is planning to increase renovation to complete 200 outlets. Which is expected to take about 10 years in total. Selection of outlets to be renovated, mainly taking into account the payback rate.

Creating an image for the company. In addition to improving what happened directly to those who witnessed the aforementioned. Both about improving the efficiency of employees, outlet services and outlets improvements. Dynasty is fully entering into the Digital Transformation era. The company has started the system structure from the internal for more than 10 years and has improved the capabilities of the internal system or back- end system. The company is planning to modernize Point of Sale system by primarily concerned with speed and easy for employees to use. Able to provide a complete detailed of sales information to help employees communicate accurately with customers and give suggestion. In addition to Point of Sales (POS) system, the company has a ways to increase sales channels through various chat systems. Including online channels from companies that specialize in selling online products such as Shopee, Lazada, NocNoc and Alibaba, etc. The company also plans to create a Web Application to increase convenience and accessible to customers as well.

Strengths that Dynasty always have are easy to access, convenience, and products available for immediate delivery. The company is empowering itself with the times and can increase market coverage more. This major image improvement will be what will take the company to prosper widely known both domestically and internationally, in order to continue to grow sustainably.

### **1.11 Workflow**

The company has begun to adjust work operation into a more digital age. From the past COVID-19 situation, the workflow has been defined as a guideline as follows:

#### ***Work Simplification***

Concise the document process , checking documents for approval in each steps. Also freely customize the document processing or task assignment to suit the work style within the organization to increase work efficiency and reduce unnecessary steps. It is resulting in work process easier.

#### ***Safety Data***

Determine access rights to different types of documents of personnel in the organization according to the policy set. To prevent the leakage of information in confidential documents. Including having complete records of work in each steps, making it possible to check back in every work step. Deduct problem of lost documents and problems caused by people that is considered the key point of the work system.

***Accelerate the time of document work***

Organize the process of document routing appropriately, both in detail to the most important and urgent steps of work such as requesting various approvals so employees don't have to worry about the documents sent out and do not have to wait for documents to be complicated. In this section will increase the efficiency of the work system and employees to work in an orderly manner, make the work uninterrupted, eliminate the problem of residual documents. As a result, operations are more flexible and faster.

***Accessible from anywhere***

Related with the work in the digital age. No matter where you are, you can access it anytime, anywhere, just having an internet signal. Even during the period of having to adjust the working style to work from home, causing the work system to not be stuck even if you have to work from home.

***Reducing resource costs in the long run***

Help for cost saving and reduce the use of resources within the organization in sustainably. Because Workflow is a digital work system which no need to use paper documents to work or help to use as little paper as possible. As a result, organizations that bring the Workflow system to help them operate can save a lot of expenses. It also reduces the cost of resources associated with paperwork in the long run.

## **1.12 Responsibility for Tax**

The company has given importance to compliance with law related to tax management based on accuracy, transparency and verifiability. As well as insist to responsible to all groups of stakeholders and business ethic. Also, in order to comply with the sustainability guidelines which focus on business growth along with social development and environment balance. The company therefore established a tax treatment policy as follows;

***Guidance on tax***

- Prepare tax planning and tax payment in accordance with requirement of tax laws for maximize benefits to company group and stakeholders.
- Studying in tax implication for new investment or transaction together with business strategy for accuracy reflect transparency in taxation operation.
- Compliance the principle and committed to comply with the guidelines set by the Revenue Code and related lax laws with accuracy, transparency and verifiability.

***Tax Risk Management***

A company responsible for all groups of stakeholders by providing a tax system and tax operations that are accurate and complete by laws and review tax risk management to ensure that risk management is appropriate.



### ***Transfer Pricing***

A company determine transfer rate for transaction, purchase or services between companies with businesses or related persons. The price will be traded in good faith. This is to recognize income and expenditure that are used as a basis for paying tax in accordance with the law.

### ***Tax Incentives***

A company use tax incentives legally with full efficiency under sustainable business and appropriate. It may covering tax exemption measure in certain period or other benefits which is subject to tax policy in country.

### ***Provide tax laws knowledge***

A company encourage personnel responsible for taxation to have knowledge and ability to perform their duties efficiently. This is to reduce risk of cause damage to the company, by arrange tax employees to receive training tax law continuously.

### ***Relation with Government Agencies***

A company has an agency responsible for taxation to coordinate with government tax regulator with honestly, transparent and collaborative capability.

## **3.3 Environmental Sustainability Management**

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

The importance of environment, the company focus on performance to achieve goal of preventing, protect the environment and use resources wisely. Reduce loss in various procedures from the beginning of the process to the end of the process. For example, establishing policy for business partner to comply with the law. Company use reusable materials packaging. Use of clean energy and energy conservation within the production process.

Impact of business	Impact on value chain / Stakeholders
Working Environment	<ul style="list-style-type: none"><li>• Injure worker, have chronic illness, leave job, lack of worker</li><li>• Unhygienic environment in working area.</li><li>• Low work performance</li></ul>
Surrounding Environment	<ul style="list-style-type: none"><li>• Surrounding community was affected in health.</li><li>• There were a complaint which cause in the relationship between company and community.</li><li>• Affect lives of the community.</li><li>• It might be discontinue of production which affect the company's business operation.</li></ul>

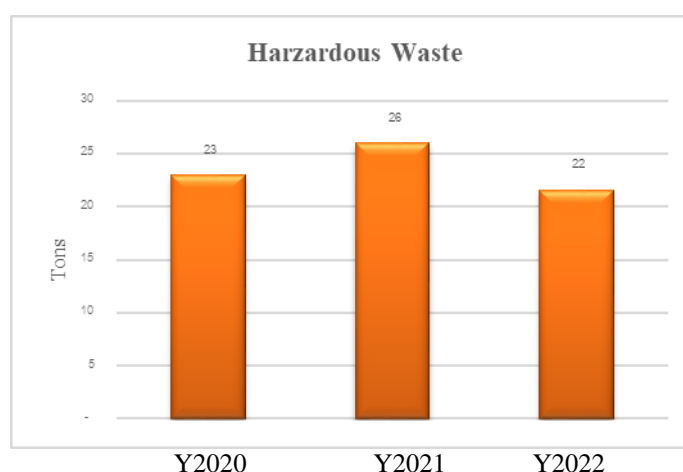
### **3.3.2 Environmental Performance**

The company has systematic environmental management. There are review, monitoring and continuously reviewing the performance and impact.

#### a) Waste Management

The company has policy of Zero Waste by 2032 by continue operating waste management. Waste is classified into 2 types as follows;

- **Non Hazardous waste** – operate by using 3R principles as follows;
  - Reduce - Reduce to use of materials, equipment or packaging. For example, not using packaging box of some raw materials. Modify packaging size of raw material to reduce package. Estimate volume of product arrangement to decrease use of pallet, etc.
  - Reuse – Bring materials, equipment or packaging to reuse. For example, raw materials bag can be return to suppliers for reuse. Wooden pallets for tiles can be reuse again, etc.
  - Recycle – Reuse waste that generated in production process or recycle waste heat energy to use in other processes, etc.
- **Hazardous waste** – Waste will be sent to destroy in legal way, which can be summarized as following;
  - Reuse – For example, bring back oil tank and old oil to be transform and reuse in other industry, etc.

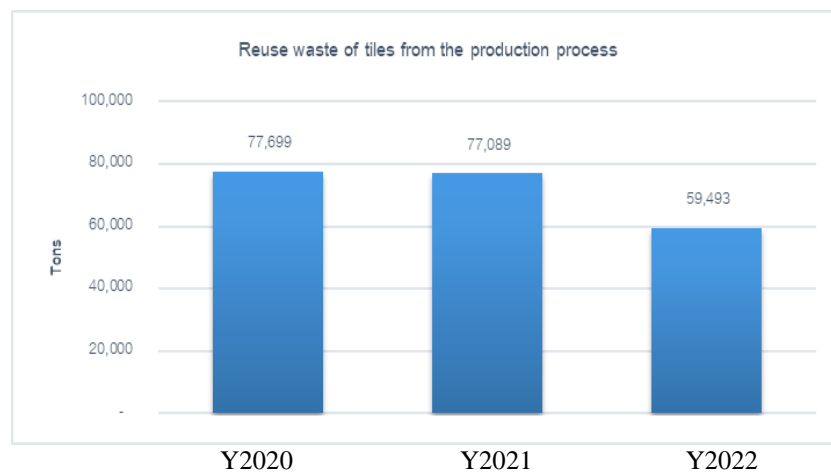


#### b) Waste Reduction

The company has analyzed and improved processes to create reusable waste project to be use again. The goal is to reuse tile waste in each process as new raw materials.

- **Reuse tile waste from the production process project.**

The production of tiles each day will left waste from the production process. These waste can be grind as a new raw material in the formula. At present, the company tested production formula with reuse waste of tiles at most in the rate of 8% from the normal formula without affecting the quality of product. It is reduce problem and expense for eliminating waste by landfill which reduce environmental impact at the same time.



### ➤ **Environmental Management**

- **Energy Management and Greenhouse gas management**

Greenhouse gas management is an important issue that society are interested. The company was committed to reduce rate of greenhouse gas emission at least 10% by 2020. Use 2020 database as a base for comparison. Currently, the company has a guideline for energy management and greenhouse gas management as are follows;

- Reuse the remaining energy that has been discarded.

Firing process is a production process that use a high temperature. After firing tile a temperature must be reduce to cooldown. In this step, must be use cool air to reduce temperature. This hot air occur by decrease of temperature, which this hot air can reuse in drying process before firing. The company has seen the importance and benefit of heat energy, then installed duct system and hot exhaust fan. This is to reuse hot air in the tile oven before burning. From this project, the company can reduce consume of NG gas by 2.5% per year. Currently, company's all of the production lines has been installed Heat Recovery System successfully.



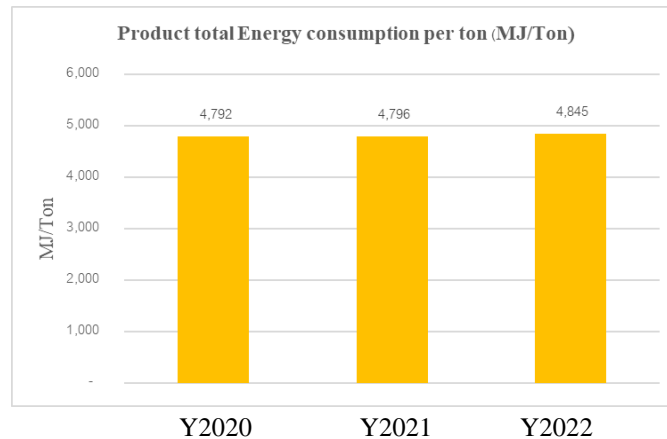
#### ○ Clean Energy Installation

Nowadays, alternative clean energy technology have been developed and easily to accessible. The company has started the solar rooftop installation project since 2021. With goal to gradually start to use in 2022. At present, the company has started using alternative clean energy technology since July 2022, resulting in saving electricity costs and can reduce carbon dioxide emissions by approximately 234.5 tons of carbon dioxide, equivalent in 2022.

In 2023, the company has a plan to produce electricity from solar energy systems at 4 MW from originally on 2022 to start over production at 1 MW.

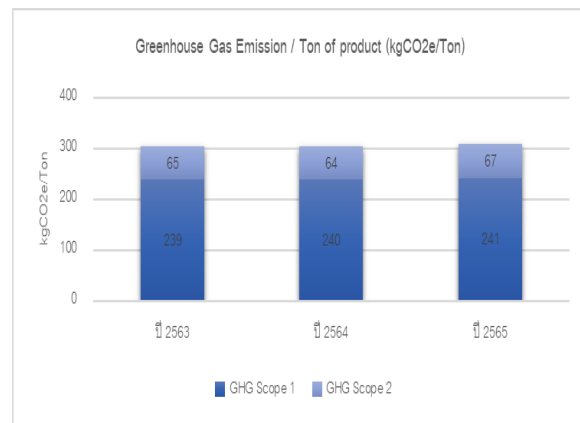
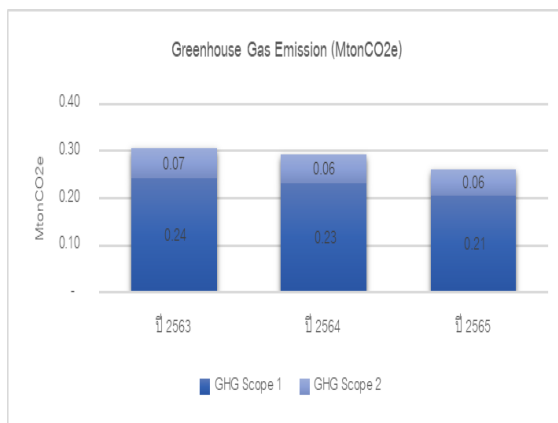


The company total energy consumption in the production process is 4,845 MJ/Ton. The electricity proportion of solar energy consumption is 0.42% and the energy consumption per ton of product is as follows;



The company has created a database of greenhouse gas emission, covering the production process of ceramic tiles. There are activities related to greenhouse gas emission as follows;

- Direct Greenhouse gas emission from process or machine control by company (GHG Emissions Scope 1)
  - Use of natural gas in the production process.
  - Use of diesel fuel in production process, generate emergency power, transportation and storage of product within the factory.
- Indirect greenhouse gas emission from purchasing electricity for outside (GHG Emissions Scope 2)
  - Use of electrical energy from external sources.



Summary of Gas consumption (Unit : scf)	Y2020	Y2021	Y2022
Plants	4,178,872,277	4,004,331,683	3,549,061,386
<b>Amount (Baht)</b>	<b>948,108,855</b>	<b>1,143,650,069</b>	<b>1,368,825,663</b>
Summary of diesel fuel consumption (Unit : Litres)	Y2020	Y2021	Y2022
Plants	792,477	762,856	748,866
HQ and Outlets	1,113,000	1,117,000	1,027,000
<b>Total</b>	<b>1,905,477</b>	<b>1,879,856</b>	<b>1,775,866</b>
<b>Amount (Baht)</b>	<b>38,913,275</b>	<b>46,422,268</b>	<b>54,663,881</b>
<b>Grand Total (Baht)</b>	<b>987,022,130</b>	<b>1,190,072,337</b>	<b>1,423,489,544</b>



Summary of electricity consumption (Unit : kWhs)	Y2020	Y2021	Y2022
Plants	132,001,168	122,998,407	113,550,133
HQ and Outlets	7,239,000	7,143,000	7,588,000
<b>Total</b>	<b>139,240,168</b>	<b>130,141,407</b>	<b>121,138,133</b>
<b>Amount (Baht)</b>	<b>440,939,507</b>	<b>442,911,243</b>	<b>482,341,631</b>

- **Management of airborne particulate matter or air pollution**

Due to the analysis and identify of risk points that will cause air pollution both inside and outside. The company has project to improve dust removal system within the tile edge polishing area. By install an additional cyclone dust collector system in front of dust bag

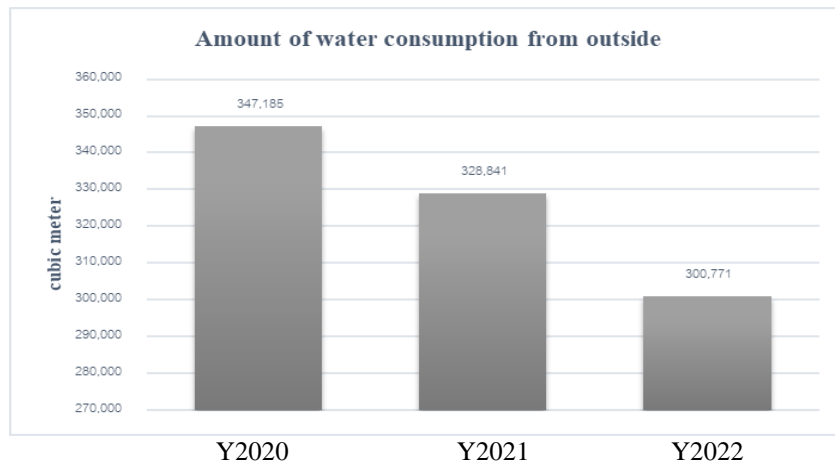


filter. With goal of reducing workload of the existing system. Reduces risk of dust emission outside due to Bag filter damage or early deteriorate. It also reduce cost of maintaining of dust removal system.

- **Water Management**

Water resources are the company main raw material in the production process of ceramic tiles. The important policy is the organization that does not drain waste water from the factories, Zero Discharge. Also design a water treatment system to circulate water usage in all factories. Company has water management by having a well to support water during rainy season to store water for use in the production process all year. Reduce tap water consumption from outside. External water consumption data can be summarized as follows;





External water consumption data (Unit : M <sup>3</sup> )	Y2020	Y2021	Y2022
Plants	347,185	328,841	300,771
HQ and Outlets	42,753	38,411	45,883
<b>Total</b>	<b>389,938</b>	<b>367,252</b>	<b>346,654</b>
<b>Amount (Baht)</b>	<b>11,130,883</b>	<b>11,094,463</b>	<b>10,281,927</b>

- Environment survey, inspect, monitor.

The company annually monitors and inspect the environment within factories and nearby communities.

	Y2020	Y2021	Y2022
Air Pollution	Passed	Passed	Passed
Noise Pollution	Passed	Passed	Passed
Water Quality	Passed	Passed	Passed



## 3.4 Sustainability Management in Social

### 3.4.1 Social Policy and Guidelines

The company give important in society, from treatment of all employees within organization to be safe and have a better quality of life. The company is aware if organization can grow sustainably. Sustainability of employees, partners, communities, society and including all group of stakeholders, as importance principle in driving toward sustainable. Therefore, it operate under concept of controlling, supervising and preventing all process and work procedure to ensure safety and not cause any impact on society and communities both inside and outside, short term and long term. Including analyzing and finding way to prevent possible impact, based on the principle of driving for sustainability. The main points can be summarized as follows;

#### 1. Doing Business with Fairness

Operate company business commit to morality and good corporate governance. Under framework of legality by law, regulation and relevant specification. In which the company confidence in right thing, transparent and fair operation as an important basis of the company to grows sustainably. However, the company clearly define in company's business ethics.

#### 2. Fair Labor Practices

The company consistently realize the importance of fair labor treatment as a success factor that will increase the value of business and enhance the competitiveness and sustainable growth of the company in the future. Moreover, the company has set policies and guidelines as follows;

- Arrange the employment process and fair employment conditions, including determine of remuneration and considering a performance under a fair performance evaluation process.
- Promote employee development by organize training program , seminars ,training, including sending employee to attend seminars and academic training in various fields to develop knowledge competency and potential of employee. Also implant good attitudes, morality, ethical and teamwork to employees.
- Operate employees to work safety with hygienic workplace by providing prevent accidents measure and strengthen employees for having sense of safety. Including train and encourage employees to have good hygiene and take care of workplace to be always hygiene and safe.
- Give a way and opportunity for employees to express their opinions or making compliant about unfair practice or any wrong in happens the company.

#### 3. Respect of Human Rights

The company realize the importance on support and respect human rights both inside and outside the company. Along with the principles of ethics and good corporate governance. The company has protected human rights by establishing policies and guidelines on human rights according to the Guiding Principles on Business and Human Rights of the Stock Exchange of Thailand, to comply with the sustainable development and ensure that company's operations are free on human rights violation. (*Refer Human Rights Policy page 247*)

#### 4. Anti-Corruption

Company realizes the importance of anti-corruption and is committed to conduct business with integrity under the framework of good corporate governance. Including responsible to society, environment and all stakeholders. A company has joined the network “The Private Sector Collective Action Coalition against Corruption” to show the intention and determination of against corruption and other type of corruption. (Refer: *Anti-Corruption Policy* page 239)

In addition, the company also has a policy to protect and provide fairness to employees who report clues. about corruption and/or non-compliance with laws, rules, regulations and the Company's Code of Conduct (Whistle Blower Policy) by complainants and whistleblowers. In which can be notify through the channels provided by the company, arranged as follows:

1. Submit documents to complaint boxes at all 4 locations, 3 factories in Saraburi province and at the head office or send by post to Internal audit office at the company's head office.
2. Sending letter by post to Internal audit office at the company's head office.
3. E-mail: [wecare@dynastyceramic.com](mailto:wecare@dynastyceramic.com)
4. Hotline : 02-276-9835 , 084-751-4747 (during business hours Monday – Friday 8.30-16.30)

#### 5. Customer Responsibility

The company realized in the standards, safety and needs of customers by research and develop products to meet needs of customers as much as possible. Also strive to develop products to be a product of manufacturer in Thailand and being environment friendly that can replace imported products. In addition, a company also has a channel for receiving suggestion and product complaint via e-mail: [wecare@dynastyceramic.com](mailto:wecare@dynastyceramic.com) The information received will be use to further improve and develop company's products and services.

#### 6. Creating Value and Elevating The society Quality Of Life for Society and Community

Coexistence, development of society and communities are on the mission of the company on business operation. There are continuously participate activity to build good relationship. Arrange factories as a place of learning for surrounding communities. There is also a policy to allow use of some areas of the company to arrange activity for society and community.

### 3.4.2 Social Performance

#### 1. Treatment of Labor In Organization

- **Occupational health and safety development**

Health, occupational health and safety development are the main key that will lead the organization to meet set up of successful. The company wanted employees as well as all involve persons for good health and safety. The goal is to be an organization with Zero Accident.

Accident statistics in the past year can be summarized as follows;

(Unit : Person)	Y2020	Y2021	Y2022
The number of injuries or accidents from work of employees that lead to absenteeism (times)	23	38	20
Number of employees injured from work absenteeism more than 1 day ( person )	8	23	12
Number of employees who died from work ( person)	0	0	0



- Organize activities to promote safety training with employee in the organization.



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.

Number of employee working hours (Unit:Hours)	Y2020	Y2021	Y2022
Number of employee working hours	9,056,861	8,413,989	8,163,524

Number of employees who resigned voluntarily classified by gender (Unit:Persons)	Y2020	Y2021	Y2022
Number of male employees who resigned voluntarily	679	813	962
Number of female employees who resigned voluntarily	220	277	342
<b>Total</b>	<b>899</b>	<b>1,090</b>	<b>1,304</b>
Major labor disputes	1	-	-

The company promote and arrange annual health check-ups for all employees in the organization. Follow up and evaluate health of employees to identify health risks that may appear from working and make a plan to prevent and reduce risk that may occur.

	Y2020	Y2021	Y2022
Percentage of employees receiving annual health check-ups	98%	-	99%

Remarks – In 2021, there is no health check-up but provided and encourage employees to get vaccinated against Covid-19. The vaccination rate is 99%.



- **Organize activities to educate and understanding about evacuation and firefighting**







- **Training and develop skill and knowledge of employees**

A company has conducted training to increase skills, knowledge, and abilities of employees, which can be summarized as follows;

	Y2020	Y2021	Y2022
Number of employees who received training	497	791	1,179
Average number of employee training hours	6	6	6
Training and development expenses (Baht)	367,419	443,012	452,487

- **Remuneration and Welfare management**

The company remuneration and welfare management commitment the principle of fairness both internally and externally. The remuneration structure is set appropriately by take account the economic situation and the competition mainly in the same type of business. Also a compensation in form of rewards, by considering the results of the company's performance. In the economic recession during the year 2022, the company has also allocated some budget to help with the cost of living for company's employees.

Company has allocated welfare benefit covering livelihood of employees such as helping with medical expenses and dental expenses. The amount in excess of normal social security, annual health checkups, employee uniform, etc.

In addition, the company remain committed to take a long term of caring for employees by providing a saving through a provident fund, registered under the Provident Fund Act. The members of the fund will be paid monthly and the company will pay

contributions to the fund at the rate of 5-10% of wages, according by the employee's length of service.

Compensation for employees by gender (MB)	Y2020	Y2021	Y2022
Compensation for employees -Male	665.3	648.4	614.0
Compensation for employees -Female	380.5	375.4	361.7
<b>Total</b>	<b>1,045.8</b>	<b>1,023.8</b>	<b>975.7</b>

Provident Fund	Y2020	Y2021	Y2022
Number of employees participating in the provident fund (persons)	3,122	3,024	2,846
The amount that the company contributes to provident fund (MB.)	47.5	46.9	45.3

*Employment (Information as of October 1, 2022)*

Description	DCC	TTOP	RCI	Total
Number of employees, not disabled (persons)	2,060	611	311	2,982
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)	2.04	0.24	0.35	2.63

## 2. Labor and Human Rights

A company treat employees and related parties according to the principle of respecting human rights without discrimination regardless of sex and age. Treat everyone equally, in term of protection of human rights by comply with Business and Human Rights of the Stock exchange of Thailand regulations.

In the past year, the company did not have any human rights complaints.

Employment Number of Employees classified by gender (person)	Y2020	Y2021	Y2022
Number of Male employees	2,693	2,848	2,935
Number of Female employees	1,280	1,333	1,390
Total Number of employees	3,973	4,181	4,325

\* Number of employment including turnover in and out each year

Number of male employees by age (Persons)	Y2020	Y2021	Y2022
Number of Male employees Less than 30 years old	978	1,100	1,242
Number of Male employees 30-50 years old	1,515	1,538	1,475
Number of Male employees Over 50 years old	200	210	218

Number of Female employees by age (Persons)	Y2020	Y2021	Y2022
Number of Female employees Less than 30 years old	432	476	550
Number of Female employees 30-50 years old	731	736	709
Number of Female employees Over 50 years old	117	121	131

Number of Male employees classified by position (Persons)	Y2020	Y2021	Y2022
Number of Male employees Operating level	2,499	2,669	2,776
Number of Male employees Executive Level	177	162	142
Number of Male employees Senior Executives	17	17	17

Number of Female employees classified by position (Persons)	Y2020	Y2021	Y2022
Number of Female employees Operating level	1,046	1,094	1,154
Number of Female employees Executive Level	226	231	229
Number of Female employees Senior Executives	8	8	7

### 3. Customer

The company is continuously committed to delivering products and services to meet the needs and satisfaction of customers, both in terms of quality and fair price. The products and services are safe and environment friendly. There is a development of new products both in terms of size, surface characteristics to suit the needs. It also adds various patterns to be more modern. There were collecting customer database to be used in the analysis of consumption behavior. Which can also learn about customer needs as a guideline for creating new innovations in the future.

In 2022, the company had 23 complaints from customers regarding service and product quality. The complaint has already been resolved.

### 4. Community Responsibility

Reducing environment impact and avoiding action that may have a negative impact on the community, which is the responsibility of the company. Also built a good relationship with the community that will resulting on working between society and communities are positive.



In the past year, the company organized activities with the community and society as follows;

➤ **Big cleaning day activity organized by Baan Kao Prong Raeng committee**



➤ **Cleaning activity at the factory area and the community surrounding**





➤ **Reforestation to increase fresh air**



**Project providing opportunity for students to do an internship with the company**

A company providing opportunity for students in communities nearby and students study in specific professional fields. This is hoped that all trainees will be able to apply the knowledge and experience gained from the internship to benefit themselves and society in the future.

Statistic of internship students with the company are as follow;

	Y2020	Y2021	Y2022
Number of internship students	87	51	36

- A project to educate mechanic students about ceramic tiles and choosing the right type of tiles at Construction Department, Samut Prakan Technical College between 14 -17 February 2022



### ➤ 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 2022, the company has supported 100 locations through the operation of 64 branches. The total number of tiles supporting to volunteer camps of higher education institutions and through direct operations of the branch, is 23,198 square meters of tiles.

วัดตงจันทน์ ตำบลเนินชีเหล็ก จังหวัดนครสวรรค์ (สาขาหน้าแมคโคร ดำเนินการ)  
รูปก่อนปูกระเบื้อง



รูปหลังปูกระเบื้อง



➤ Nam Jai from Dynasty project to help the society



### 3.5 Sustainability Performance Summary

#### Environmental

CMA-E1 Environmental Friendly Products							
Code	GRI Standards	ESG Indicators	Unit	2019	2020	2021	2022
CMA-E1.1	Disclosure 416-1	Policy and guidance for prevention of contamination or leakage from the production process.	Yes	Yes	Yes	Yes	Yes
CMA-E1.2	Disclosure 416-1	Life cycle impact assessment of product.	Yes	Yes	Yes	Yes	Yes
CMA-E1.3	Disclosure 416-1	Percentage of sales of eco products to the total product sales.	%	-	-	-	1.10
CMA-E2 Social and Environmental Impact assessment report (SIA /EIA)							
CMA-E2.1	Disclosure 413-1	Disclosure of social and environmental impact assessment results (SIA /EIA)	Yes	Yes	Yes	Yes	Yes
CMA-E2.2	Disclosure 413-2	Disclosure of social and environmental impact monitoring process information (SIA /EIA)	Yes	Yes	Yes	Yes	Yes



CMA-E3 Use of Environmental friendly material							
Code	GRI Standards	ESG Indicators	Unit	2019	2020	2021	2022
CMA-E3.1	Disclosure 301-1	Total weight of all materials	Ton	-	-	-	-
		Gross weight of classified material	Ton	-	-	-	-
		-Materials from nonrenewable resources that are used up. - Materials from resources that are inexhaustible.	Ton	-	-	-	-
CMA- E3.2	Disclosure 301-2	Percentage of recycled materials used in product development.	%	-	-	-	4.00
CMA- E3.3	Disclosure 301-3	Percentage of materials from obsolete or reclaimed, being reuse in product development.	%	-	-	-	3.20
CMA-E5 Air Pollution							
CMA-E5.1	Disclosure 305-7	Amount of air pollution from business operations.					
		- Nitrogen Oxide (NO <sub>x</sub> )	mg/m <sup>3</sup>	-	-	-	-
		- Sulfur Dioxide (SO <sub>x</sub> )	mg/m <sup>3</sup>	-	-	-	-
		- Persistent Organic Pollutants (POP)	mg/m <sup>3</sup>	-	-	-	-
		- Volatile Organic Compounds (VOC)	mg/m <sup>3</sup>	-	-	-	-
		- Hazardous Air Pollutants (HAP)	mg/m <sup>3</sup>	-	-	-	-
		- Particulate Matter (PM)	mg/m <sup>3</sup>	3.61	3.11	2.41	2.41
		- Others	mg/m <sup>3</sup>	-	-	-	-



CMA-E6 Biodiversity and Cessation of Deforestation							
Code	GRI Standards	ESG Indicators	Unit	2019	2020	2021	2022
CMA-E6.1	Disclosure 304-1	Policies and guidelines of biodiversity conservation and cessation of deforestation It covers to business processes and company's supply chain.	Yes	Yes	Yes	Yes	Yes
CMA-E7 Climate Change Risk							
CMA-E7.1	Disclosure 201-2	Climate change risk assessment by explaining the impact that may affect business operation	Yes	Yes	Yes	Yes	Yes
CMA-E7.2	Disclosure 201-2	Targeting, planning and measurement to relieve climate change risk.	Yes	Yes	Yes	Yes	Yes

## Social

### CMA-S1 Local Employment

Code	GRI Standards	ESG Indicators	Unit	2019	2020	2021	2022
CMA-S1.1	Disclosure 202-2	Local labor employment policies and guidelines.	Yes	Yes	Yes	Yes	Yes
CMA-S1.2	Disclosure 202-2	Percentage of local employee.	%	71.37	69.88	69.98	70.14

### CMA-S2 Respect for Diversity and Equality

Code	GRI Standards	ESG Indicators	Unit	2019		2020		2021		2022	
CMA-S2.2	Disclosure 405-1	Employee statistics by gender and nationality		Female	Male	Female	Male	Female	Male	Female	Male
		Total number of employees in the company	Person			1,280	2,693	1,333	2,848	1,390	2,935
		- Thai	Person			1,280	2,693	1,333	2,848	1,390	2,935
CMA-S2.3	Disclosure 406-1	Number of incidents or complaints about human rights violation, equality and unfair treatment of labor with corrective measures and treatment.	Number of cases	-		1		0		0	

CMA-S3 Promoting women workers											
Code	GRI Standards	ESG Indicators	Unit	2019		2020		2021		2022	
<b>CMA-S3.2</b>	Disclosure 405-1	Information of female employees by position		Female	Male	Female	Male	Female	Male	Female	Male
		The total number of employees	Person	-	-	1,280	2,693	1,333	2,848	1,390	2,935
		- Chief Executive	Person	-	-	8	17	8	17	7	17
		-Executive	Person	-	-	226	177	231	162	229	142
		-Officer	Person	-	-	1,046	2,499	1,094	2,669	1,154	2,776

CMA-S4 Fair wages setting							
Code	GRI Standards	ESG Indicators	Unit	2019	2020	2021	2022
<b>CMA-S4.1</b>	Disclosure 202-1	Fair wages setting policies and guideline.	Yes	Yes	Yes	Yes	Yes
<b>CMA-S4.3</b>	Disclosure 202-1	The percentage of employees who are paid equal to or greater than the legal minimum wage rate.	%	100	100	100	100

## Corporate Governance and Economic

### CMA-G1 Cyber security and Personal Data Protection

Code	GRI Standards	ESG Indicators	Unit	2019	2020	2021	2022
<b>CMA-G1.1</b>	Disclosure 418-1	Cyber security and protection of personal information policies and practices	Yes	Yes	Yes	Yes	Yes
<b>CMA-G1.3</b>	Disclosure 418-1	Measures and guidelines for the use of personal data	Yes	Yes	Yes	Yes	Yes
<b>CMA-G1.4</b>	Disclosure 418-1	Percentage of employees trained in cyber security and personal data	%	0	0	7.23	5.69
<b>CMA-G1.5</b>	Disclosure 418-1	The number of incidents or cases that the company has been harmed by cyber-attacks with corrective measures	No. of cases	0	0	0	0
<b>CMA-G1.6</b>	Disclosure 418-1	Number of incidents or cases of personal data leakage with corrective measures	No. of cases	0	0	0	0

### CMA-G2 คุณภาพของผลิตภัณฑ์

Code	GRI Standards	ESG Indicators	Unit	2019	2020	2021	2022
<b>CMA-G2.1</b>	Disclosure 416-1	Policies and guidelines for product quality management according to international standards, including TIS.2508 and MS ISO13006	Yes	Yes	Yes	Yes	Yes
<b>CMA-G2.2</b>	Disclosure 416-2	Number of cases or complaints about product quality with corrective and remedial measures	Times				

CMA-G3 Emergency and Crisis Management							
Code	GRI Standards	ESG Indicators	Unit	2019	2020	2021	2022
<b>CMA-G3.1</b>	Disclosure 403-7	Managing emergencies and crises policies and guidelines	Yes	Yes	Yes	Yes	Yes
<b>CMA-G3.2</b>	Disclosure 403-7	Number of emergency and crisis drills	Times	1	1	1	1
<b>CMA-G3.3</b>	Disclosure 403-7	Number of cases or incidents caused to business interruption with corrective measures	No. of cases	0	0	0	0

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

### Financial Highlights

CONSOLIDATED THE STATEMENTS OF COMPREHENSIVE INCOME (Unit:MB.)	Y2022	Y2021	Y2020
Total Revenues	8,406	8,481	8,589
Net Sales	8,342	8,396	8,501
Gross Profit	3,536	3,637	3,529
%Gross Profit	42.4	43.3	41.5
Distribution costs and Administrative expenses	(1,572)	(1,582)	(1,621)
Net Profit Before Interest & Depreciation	2,650	2,813	2,717
Net Profit	1,631	1,700	1,585

Consolidated the Statements of Financial Position (Unit:MB.)	Y2022	%	Y2021	%	Y2020	%
Total Assets	9,386	100%	8,943	100%	8,796	100%
Total Liabilities	3,376	36%	3,106	35%	3,938	45%
Total Shareholders' Equity	6,010	64%	5,837	65%	4,858	55%

Authorized Share Capital	Y2022	Y2021	Y2020
Authorized Share Capital - Baht	912,561,126.60	913,919,154.10	913,919,154.10
Total number issued of shares –Shares	9,125,611,266	9,139,191,541	9,139,191,541
Total number paid-up share-Shares	9,125,611,266	9,125,611,266	8,198,942,195
Booked Value - Baht	0.659	0.640	0.593
Earning Per Share - Baht	0.179	0.193	0.202



## 4.1 Summary of Operating Results and Financial Analysis

### Operating results of the consolidated financial statements

The performance in 2022 compared to the previous year, the total sales amounted 8,342.5 million baht, a decrease of 53.6 million baht or 0.6%, a decrease in sales volume of 7.2 million square meters or 12.6%. The average selling price increased by 12.8% from the main factor in producing gas costs, increased by 34.3%. Resulting in a decrease in gross profit margin to 42.4%. Other income decreased by 20.5 million baht or 24.2% due to a decrease in rental income of 19.9 million baht. Distribution cost decreased by 19.0 million baht or 2.4%, even though increase in diesel prices of 33.7%. However, because of the company has new products logistics management. Administrative expenses increased by 9.2 million baht or 1.1%, partly due to land and building taxes that the government charged in full. From the previous year that the government charged at a rate of 10 %, resulting in a total net profit of 1,632.9 million baht, a decrease of 81.2 million baht or 4.7 % from the previous year. Divided into interests in non-controlling subsidiaries of 1.6 million baht, remaining as Net profit attributable to the shareholders of the Company totaled 1,631.4 million baht, a decrease of 69.0 million baht or 4.1% from the previous year, equivalent to 0.179 baht per share of earnings per share.

### Statement of financial Position

**Total Assets** of the company and its subsidiaries as of 31 December 2022 amounted 9,386.1 million Baht, increased from the total assets of the company and its subsidiaries as of December 31, 2021 in the amount of 443.3 million baht or 5.0%. Inventories increased by 330.5 million baht or 14.5%. Because of the company has changed purchase policy at the end of the year by purchasing all the products produced by the subsidiary. Right-of-use assets increased by 95.8 million baht or 19.0% from the renewal of the lease agreement and make more lease agreement. Intangible assets increased by 7.0 million baht or 7.1 % from investment in sales management system to support information management to be more efficient.

**Total Liabilities** of the company and its subsidiaries as of 31 December 2022 amounted in 3,376.1 million Baht decreased from the end of 2021 amount 270.5 million Baht or 8.7% from short-term loan increased by 320.0 million baht or 25.6%, from the contract of renting a freight car and new forklifts. Replace expired contract in the amount of 100.5 million baht or 20.8%. Trade payables and other current payables increased by 112.9 million baht or 12.3% from paying installments.

**Total shareholder's equity** of the company and its subsidiaries as of 31 December 2022 amounted in 6,009.9 million Baht, increase from the end of 2021 by 172.8 million baht or 3% from Unappropriated profit increased by 171.1 million baht or 5.3% from the total comprehensive income of the company, amounted to 1,631.4 million baht and decreased from dividend payment Q4/2021 and Q1-Q3/2022 amounted to 1,460.1 million baht

*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 2022		at 31 Dec 2021		at 31 Dec 2020	
	MB.	%	MB.	%	MB.	%
<b><u>ASSETS</u></b>						
<b>CURRENT ASSETS</b>						
Cash and cash equivalents	39.88	0.42	58.24	0.65	70.87	0.81
Trade account and other current receivables - net	144.23	1.54	163.69	1.83	143.51	1.63
Inventories - net	2604.03	27.74	2,273.49	25.42	2,089.41	23.76
Other investments	-	-	-	-	-	-
Other current financial assets	1.06	0.01	1.06	0.01	1.06	0.01
Non - current assets classified as held for sale	8.69	0.09	8.69	0.10	-	-
<b>TOTAL CURRENT ASSETS</b>	<b>2,797.91</b>	<b>29.81</b>	<b>2,505.15</b>	<b>28.01</b>	<b>2,304.85</b>	<b>26.21</b>
<b>NON - CURRENT ASSETS</b>						
Other non-current financial assets	0.31	0.00	0.31	0.00	0.31	0.00
Other long - term investments	-	-	-	-	-	-
Investment property - net	88.36	0.94	72.85	0.82	68.80	0.78
Property, plant and equipment - net	5,816.61	61.97	5,793.08	64.78	5,810.62	66.06
Right-of-use assets	600.38	6.40	504.54	5.64	536.67	6.10
Intangible asset - net	16.85	0.18	9.85	0.11	12.72	0.14
Deferred income tax asset	50.26	0.54	42.86	0.48	48.60	0.56
Other non - current assets	15.38	0.16	14.13	0.16	13.05	0.15
<b>TOTAL NON- CURRENT ASSETS</b>	<b>6,588.15</b>	<b>70.19</b>	<b>6,437.62</b>	<b>71.99</b>	<b>6,490.77</b>	<b>73.79</b>
<b>TOTAL ASSETS</b>	<b>9,386.06</b>	<b>100.00</b>	<b>8,942.77</b>	<b>100.00</b>	<b>8,795.63</b>	<b>100.00</b>
<b><u>LIABILITIES</u></b>						
<b>CURRENT LIABILITIES</b>						
Short - term loans from financial institutions	1,570.00	16.73	1,250.00	13.98	2,165.00	24.61
Trade account and other current payables	808.98	8.62	921.93	10.31	785.77	8.93
Lease liabilities - current portion	122.95	1.31	99.02	1.11	106.09	1.21
Accrued income tax	145.41	1.55	179.13	2.00	183.44	2.09
<b>NON - CURRENT LIABILITIES</b>	<b>2,647.34</b>	<b>28.21</b>	<b>2,450.08</b>	<b>27.40</b>	<b>3,240.30</b>	<b>36.84</b>

Statements of Financial Position	Consolidated (Audited)					
	at 31 Dec 2022		at 31 Dec 2021		at 31 Dec 2020	
	MB.	%	MB.	%	MB.	%
<b>NON - CURRENT LIABILITIES</b>						
Unfunded provident fund - non contributory	50.37	0.54	49.66	0.56	51.19	0.59
Lease liabilities - net of current portion	461.71	4.92	385.13	4.30	408.27	4.64
Employee benefits obligation	178.87	1.91	180.84	2.02	197.18	2.24
Deferred income tax liability	29.48	0.31	32.80	0.37	32.60	0.37
Other non-current liabilities	8.38	0.09	7.17	0.08	7.84	0.09
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>728.80</b>	<b>7.76</b>	<b>655.60</b>	<b>7.30</b>	<b>697.08</b>	<b>7.93</b>
<b>TOTAL LIABILITIES</b>	<b>3,376.14</b>	<b>35.97</b>	<b>3,105.68</b>	<b>34.73</b>	<b>3,937.38</b>	<b>44.77</b>
<b><u>SHAREHOLDERS' EQUITY</u></b>						
Share capital -Registered common share	<b>912.56</b>	<b>9.94</b>	<b>913.92</b>	<b>10.22</b>	<b>913.92</b>	<b>10.39</b>
Share capital Issued and paid - up	912.56	9.94	912.56	10.20	819.89	9.32
Premium on share capital	3,233.50	34.45	3,233.50	36.16	2,260.49	25.70
Retained earnings						
Appropriated for legal reserve	91.26	0.97	91.26	1.02	81.99	0.93
Unappropriated	3,413.09	36.36	3,241.82	36.25	3,178.60	36.14
Other components of equity	(1,684.99)	(17.95)	(1,684.99)	(18.84)	(1,578.81)	(17.95)
Total Shareholders' equity of the Company	5,965.41	63.56	5,794.15	64.79	4,762.16	54.14
Non-controlling interests	44.50	0.47	42.94	0.48	96.09	1.09
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>6,009.92</b>	<b>64.03</b>	<b>5,837.09</b>	<b>65.27</b>	<b>4,858.25</b>	<b>55.23</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>9,386.06</b>	<b>100.00</b>	<b>8,942.77</b>	<b>100.00</b>	<b>8,795.63</b>	<b>100.00</b>

## Comparative of Statements of Comprehensive Income in 3 years

STATEMENTS OF COMPREHENSIVE INCOME	Consolidated (Audited)					
	Y2022		Y2021		Y2020	
	MB.	%	MB.	MB.	%	MB.
Revenue from sales	8,342.46	100.00	8,396.03	100.00	8,501.25	100.00
Costs of sales	(4,806.81)	(57.62)	(4,758.22)	(56.67)	(4,972.52)	(58.49)
<b>Gross profit</b>	<b>3,535.65</b>	<b>42.38</b>	<b>3,637.81</b>	<b>43.33</b>	<b>3,528.73</b>	<b>41.51</b>
Other income	64.12	0.77	84.59	1.01	88.11	1.04
Distribution costs	(763.77)	(9.16)	(782.82)	(9.32)	(777.61)	(9.15)
Administrative expenses	(808.65)	(9.69)	(799.52)	(9.52)	(843.83)	(9.93)
Finance costs	(18.65)	(0.22)	(17.65)	(0.21)	(48.90)	(0.58)
<b>Profit (loss) before income tax</b>	<b>2,008.71</b>	<b>24.08</b>	<b>2,122.41</b>	<b>25.29</b>	<b>1,946.49</b>	<b>22.89</b>
Income tax	(375.78)	(4.50)	(418.79)	(4.99)	(360.01)	(4.23)
<b>Profit (loss) for the years</b>	<b>1,632.93</b>	<b>19.57</b>	<b>1,703.62</b>	<b>20.30</b>	<b>1,586.49</b>	<b>18.66</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>1,632.93</b>	<b>19.57</b>	<b>1,714.05</b>	<b>20.42</b>	<b>1,586.49</b>	<b>18.66</b>
<b>Profit (loss) attributable to:</b>						
Owner of the Company	1,631.36	19.55	1,700.43	20.25	1,585.35	18.65
Non-controlling interests	1.56	0.02	3.19	0.05	1.14	0.01
<b>Earnings per Share</b>						
Profit attributable to equity holders of the Company (Baht per share)	0.179		0.193		0.202	
The number of ordinary shares weighted average (Unit : shares)	9,125,611,266		8,795,564,748		7,847,360,860	

## Financial Ratio (Consolidated Financial Statement)

<b><u>LIQUIDITY RATIO</u></b>	<b>Unit</b>	<b>Y2022</b>	<b>Y2021</b>	<b>Y2020</b>
Current ratio	Time	1.06	1.02	0.71
Quick ratio	Time	0.96	0.91	0.63
Cash ratio	Time	0.71	0.81	0.63
Receivable turnover	Time	67.23	69.31	50.98
Collection period	Day	5	5	7
Inventory-FG turnover	Time	2.17	2.42	2.63
FG Holding period	Day	168	151	139
Inventory turnover	Time	1.97	2.18	2.34
Holding period	Day	185	167	156
Account Payable turnover	Time	5.55	5.57	6.05
Average Payment Period	Day	66	65	60
Cash Cycle	Day	125	107	103
<b><u>PROFITABILITY RATIO</u></b>				
Gross profit margin	%	42.38	43.33	41.51
Operating Profit Margin	%	24.30	25.49	23.47
Other profit margin	%	0.76	1.00	1.03
Cash to profit margin	%	88.93	108.08	129.00
Net profit margin	%	19.42	20.09	18.47
<b><u>(EFFICIENCY RATIO)</u></b>				
Return On Assets : ROA	%	17.82	19.21	18.11
Return On Fixed Assets	%	36.34	38.55	36.38
Total asset turnover	Time	0.92	0.96	0.98
<b><u>(FINANCIAL POLICY RATIO)</u></b>				
Debt to Equity ratio	Time	0.57	0.54	0.83
Interest coverage ratio	Time	165.81	175.58	61.09
Interest bearing debt to EBITDA ratio	Time	0.81	0.62	0.99
Commitment coverage ratio	Time	1.57	2.09	1.20
Dividend Payout	Time	70.48	99.28	85.33

## 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	912,561,126.60 Baht, comprising of 9,125,611,266 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. 0-2276-9275-80 <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. 036-263661-7 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. 02-276-9275-80 <u>Factory</u> Address 3/2 Moo 8, Paholyothin Road, Nong Khai Nam Sub district, Nong Khae District, Saraburi Province 18140 Tel. 036-380720-9 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. 036-263667-8 Fax. 036-263-599

### 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)

#### Investor Relations

IR@dynastyceramic.com  
Tel. 02-2769275 Ext 251 Fax. 02-2760313

#### 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 2022, held on March 29, 2022 resolved to approve meeting allowances and remuneration for the directors at the following rates:

Directors' Meeting Allowance	Baht / Meeting / person
	Y2022
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 2021 as follows:

Directors' remuneration	(Baht/person)
	Y2021
1. All directors (11 persons)	300,000
2. Directors (5 persons)	300,000

The Board of Directors does not have any other remuneration beside the remuneration mentioned above, except the independent directors and non-executive directors. Also received other benefits including cost of attending seminars, training courses of the IOD and other related institutions.

Company	Number of Executive (Persons)			Monthly Salary / Bonus / Provident Fund/Benefits (MB)		
	At 31 December					
	Y2022	Y2021	Y2020	Y2022	Y2021	Y2020
Dynasty Ceramic PLC	7	7	7	21.14	20.9	19.10
TileTop Industry PLC	3	3	3	7.53	7.46	7.32
Royal Ceramic Industry PLC	6	6	6	11.71	11.57	10.80
<b>Total</b>				<b>40.38</b>	<b>39.93</b>	<b>37.22</b>

### (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.1/2023, held on February 7, 2023 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.1/2023, held on February 14, 2023 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 2022, the Board of Directors see that most of the performance have been perform or have been done well.

Committees / Sub-Committees	Board Self-Assessment (%)	Result of the Assessment of all Committees (%)
Board of Directors	95	96
<b>4 of Sub-Committees</b>		
1. Audit Committee	96	96
2.Nomination and Remuneration Committee	95	95
3. Risk Management Committee	96	96
4. Executive & Corporate Governance Committee	96	96

#### **(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.

## Training of Directors

Course	List
1. Preparation to support the enforcement of PDPA for the company secretary 2. In-depth seminar on survey guidelines for CGR projects in 2023	Miss Somruthai Boonyarit
1 . Preparation of financial statements Account Closing Preparation and presentation of financial statements in accordance with financial reporting standards before submitting financial statements.	Mr. Chanin Suppapinyopong

### **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 fill 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. (*Refer: Policy on the use of insider information Attachment 5 page 245*)

### 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 2022, the company continues to support the investors to receive news and information regularly through Opportunity Day every quarters. There are 15 conference calls and 6 video calls were given to investors and analysts from both domestic and international.

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.

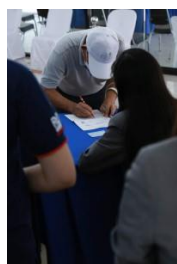
1. Company has scheduled the general meeting of shareholders once a year, within four months after the end of each financial year. And in case there is an urgent need to propose an agenda which is a special case, which affects or involves the interests of shareholders or related applicable law that must be approved by the shareholders, the Company will call an extraordinary meeting of shareholders to be the case. Thus, in the year 2022, Meeting of shareholders have 1 time, the 2022 Annual General Shareholders' Meeting was held on Tuesday 29 March 2022 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 2022. Shareholders were allowed to exercise this right from September 1 - November 30, 2021 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 29 December 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 2022 Annual General Shareholders' Meeting such information will be posted on DCC's website on 8 March, 2022, 21 days in advance of the previously scheduled date. The meeting is scheduled on Tuesday 29 March, 2022 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 2022, the meeting date is schedules on Tuesday, March 29, 2022. It has published the minutes of the meeting on April 11, 2022.



### **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. [\*\(Refer Full Business Ethics Attachment 5 page 215-222\)\*](#)

### 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 2022, 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 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).

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 2022 include:

- The company received as assessment result according to the Corporate Governance report of Thai Listed Companies (CGR) 2022 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 97%

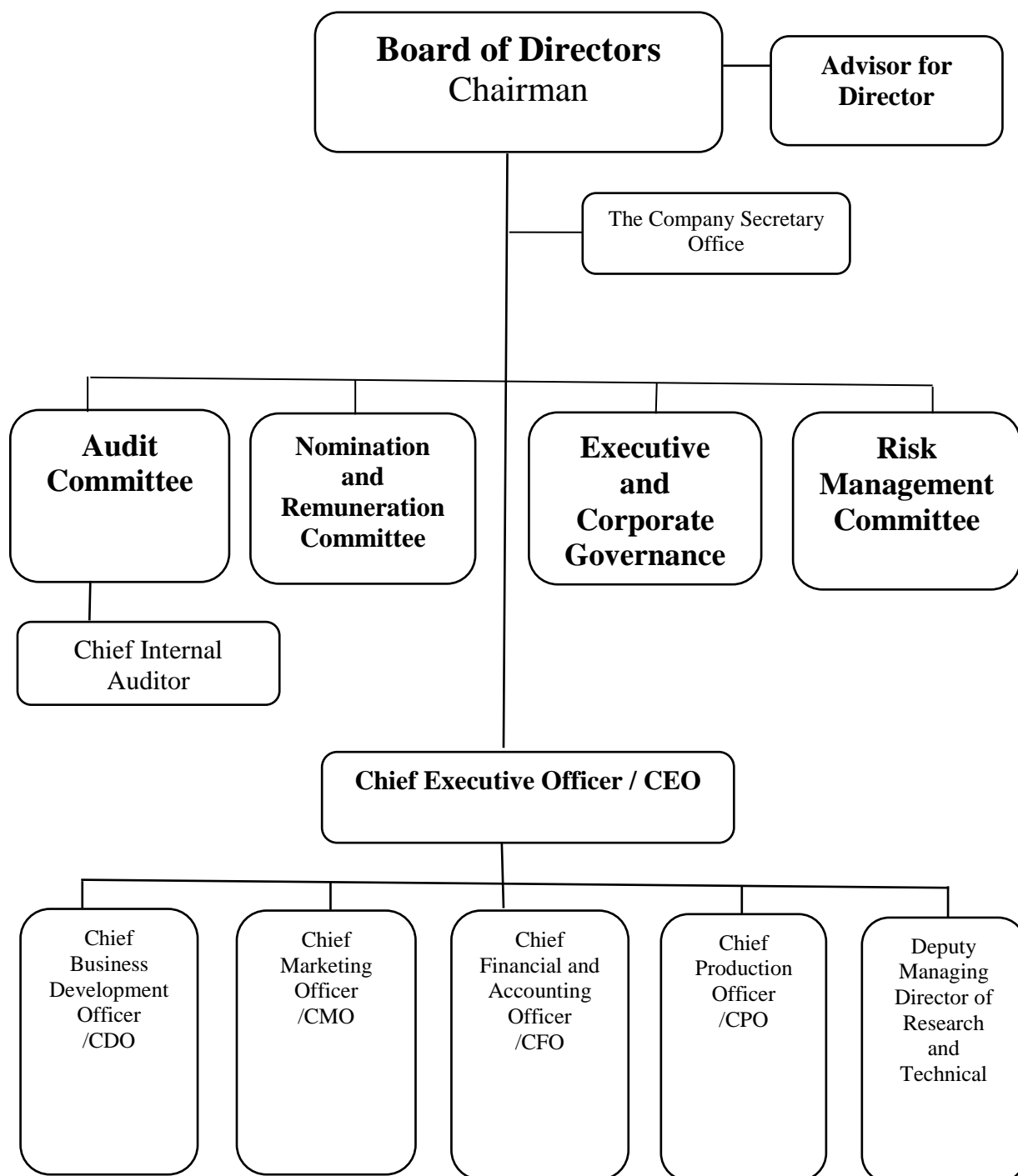
In addition, the company has also conducted a policy review practices including the charter of the committees and sub-committees to demonstrate the upgrading of corporate governance standards according to the CG Code 2017.

- 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.
- Review Personal Data Privacy Policy.
- Determine Sustainable Procurement Policy of DCC group Policy on the use of insider information Environment Policy Human Rights 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 2022)



## 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 be 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, consistinf of 6 non-executive directors (55%) of the total number of directors and 5 executive directors (45%) of the total number of directors as 1 female director (9%) 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 15, 2022.

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 190-203.\*](#)

## **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, 2022, 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.

Accoding 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) Conneted 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 on 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 manage 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. The Board of Directors' Authorization**

The Board of Directors is empowered to authorize various matters in accordance with the scope of authority stipulated by laws, the Company's Articles of Association, and the shareholders' meeting resolutions. Such matters include defining and reviewing corporate vision, operating strategies, operating plans, risk management policy, annual budget and business plans, and medium range business plan. Added to this is the defining of the target operating results, following up and assessing the operating results to ensure they are consistent with the plan, and overseeing capital expenditure, merger and acquisition, corporate spin-off, and joint venture deals.

## **7. Authorization of credit limit**

The Company has power to authorize spending on normal business transactions and financial transactions, such as loans or any loan application from financial institution by the summary as follows:

	<b>Approval limit</b>	
	<b>Normal business transactions</b>	<b>Financial transactions</b>
Executive Committee	Up to 100 million Baht	Up to 100 million Baht
Board of Directors	Unlimited	Unlimited

## **8. 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 non 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 clearly.

## **9.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 used to improve the performance of the Board of Directors to be more efficient (*The results of the performance evaluation of the Board of Directors appears on page 87*).

## **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 2022, 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 227-230.](#)*

## **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 executives 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 251-252.](#)

### **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 254.](#)

#### 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 253.](#)

#### Management Team

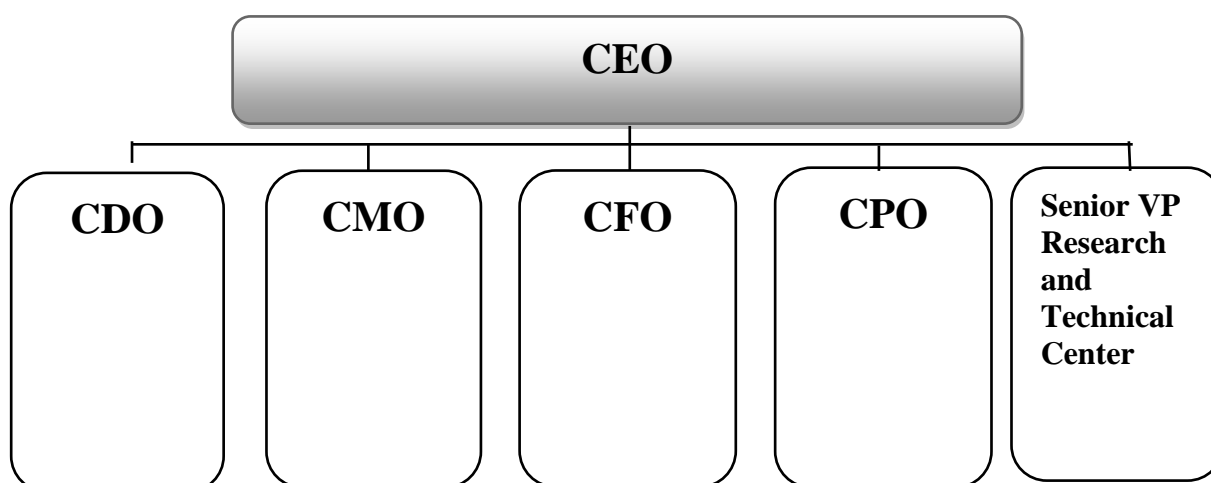
At 31 December 2022, the management team comprised of 9 members

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
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 positon 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, 2022 consists of 6 executives as follows:

No.	Name	Position	Profile
1.	Mr. Maruth Saengsastra	CEO	Attachment 1 page 194-195
2.	Mr. Monrak Saengsastra	CDO	Attachment 1 page 193-194
3.	Mr. Maruth Saengsastra	CMO	Attachment 1 page 194-195
4.	Mr. Chanin Suppapinyopong	CFO	Attachment 1 page 201-202
5.	Mr. Jaruwat Traithavil	CPO	Attachment 1 page 200-201
6.	Mr. Suthee Boonnak	Deputy Managing Director of Research and Technical	Attachment 1 page 206

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)

Exeutive 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 equilavent.*

## 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 40.38 million baht.

Y2022	Company	Subsidiaries	Total
Number of executives (Persons)	7		7
Remuneration (million baht)	21.14	19.24	40.38

## 7.5 Information of Employees

As of December 31, 2022, the company has a total of 2,951 employees. In 2022, the company has paid compensation to employees in the total amount of 596 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 401 million baht.

### Number of Employees and remuneration

Y2022	Company	Subsidiaries	Total
Number of Employees -Plant/ Branch (Persons)	1,938	877	2,815
Number of Employees-HQ (Persons)	121	15	136
Total (Persons)	2,059	892	2,951
Employee remuneration (Million Baht)	596	401	997

## 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 205-206](#).

## **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 201-202](#).

## **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 204](#).

## **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 202-203](#).

### **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

### **7.6.3 Audit Fee**

The Company paid the audit fee of the Company and its subsidiaries for the year 2022 to Karin Audit Co.,Ltd, which is the auditor's audit firm which has been approved by the SEC Office.

Confirmation form of the accuracy and completeness of the remuneration paid to the audit firm and its affiliates for the fiscal year ended 31 December 2022.

List	Audit Fee (Baht / Year)	Auditor's name
<b>Dynasty Ceramic PLC</b>		Miss Kannika Wipanurat
Annual Financial Statement Audit Fee	910,000	
Review of quarterly financial statements (total of 3 quarters)	870,000	
<b>Total</b>	<b>1,780,000</b>	
<b>Subsidiaries : Audit Fee</b>		
Tile Top Industry PLC (TTOP)	500,000	Mr. Jadesada Hungsapruet
Royal Ceramic Industry PLC (RCI)	580,000	Miss Kannika Wipanurat
Royal Asia Brick and Tiles Co.,Ltd (Subsidiary's RCI)	30,000	Miss Kannika Wipanurat
<b>Total</b>	<b>1,110,000</b>	
<b>Total Amount</b>	<b>2,890,000</b>	

*The Company and its subsidiaries do not have any services (non-audit fee) from the Office of the Auditor's Office audit. Parties involved with the Auditor and the Office of the Auditor's Office in the past fiscal year or a person related to such person in any way.*

The above information

☒ Correct However, I certify that there is no other service information that the Company and its subsidiaries have paid to Auditing firms and affiliated companies which known and have not been disclosed above mentioned.

☐ Incorrect, incomplete , say to .....  
.....  
.....

upon updating the above information (If any), I hereby certify that the information provided in this form, audit fees and other service fees other than audit work paid by the company and its subsidiaries to the audit firm and its affiliates are correct and complete.

Signed.....--Kannika Wipanurat--..... Auditor's Dynasty Ceramic PLC Group

(Miss Kannika Wipanurat)



## 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 2022, 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. Review the Charter of the Audit Committee
- 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 2022, 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.

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 2022					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	6/6	-	-	-	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 2022 are shown in the following table

Name	Tile Top Industry PLC			Royal Ceramic Industry PLC		
	Position	Board of Directors' Meeting	AGM 2022	Position	Board of Directors' Meeting	AGM 2022
1. Mr. Trakul Winitnaiyapak	-	-	-	Chairman	3/3 Resigned on May 31, 2022	1/1
2.Mr. Roongroj Saengsastra	Director / Chairman	6/6	1/1	Company Advisor	6/6	1/1
3.Miss Cattleya Saengsastra	Director / Company Secretary	6/6	1/1	Company Secretary	6/6	1/1
4. Mr. Monrak Saengsastra	Director / Vice Chairman	6/6	1/1	Director / Vice Chairman	6/6	1/1
5. Mr. Maruth Saengsastra	Director/CEO	6/6	1/1	Director / CEO	6/6	1/1
6. Mr. Jaruwat Traithavil	Director	6/6	1/1	Director	6/6	1/1
7. Mr. Chanin Suppapinyopong	Director	6/6	1/1	Director	6/6	1/1
8.Miss Somruthai Boonyarit	-	-	-	Director	6/6	1/1
<b>Total times</b>		<b>6</b>	<b>1</b>		<b>6</b>	<b>1</b>
<b>% of Board Meeting</b>		<b>100</b>	<b>100</b>		<b>100</b>	<b>100</b>

In 2022, Royal Ceramic Public Company Limited held 1 time of an Extraordinary General Meeting of Shareholders to consider the entire business transfer from Royal Asia Brick and Tile Company Limited (subsidiary).

In 2022, the Boards of Directors has set the schedule for year 2023 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	14 February 2023	14 February 2023	7 February 2023	7 February 2023	7 February 2023
2	28 March 2023	9 May 2023	25 July 2023	25 July 2023	25 July 2023
3	9 May 2023	8 August 2023			
4	8 August 2023	7 November 2023			
5	7 November 2023				
6	19 December 2023				

## Remuneration for the Directors

According to the year 2022 Annual General Meeting of Shareholders of the Company approval of the Remuneration for the Directors of the year 2021 and Meeting allowance of the year 2022 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. Trakul Winitnaiyapak	360,000	-	275,000	<b>635,000</b>	-	-	-	135,000	<b>770,000</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. Mr. Monrak Saengsastra	300,000	-	600,000	<b>900,000</b>	300,000	300,000	<b>600,000</b>	240,000	<b>1,740,000</b>
6. Mr. Maruth Saengsastra	300,000	-	600,000	<b>900,000</b>	300,000	300,000	<b>600,000</b>	240,000	<b>1,740,000</b>
7. Mr. Siripong Tinnarat	300,000	200,000	300,000	<b>800,000</b>	-	-	-	-	<b>800,000</b>
8. Mr. Totsaporn Banyongwate	300,000	200,000	300,000	<b>800,000</b>	-	-	-	-	<b>800,000</b>
9. Mr. Jaruwat Traithavil	300,000	-	600,000	<b>900,000</b>	300,000	300,000	<b>600,000</b>	240,000	<b>1,740,000</b>
10. Mr. Chanin Suppapinyopong	300,000	-	300,000	<b>600,000</b>	300,000	225,000	<b>525,000</b>	240,000	<b>1,365,000</b>
11. Miss Somruthai Boonyarit	300,000	-	275,000	<b>575,000</b>	-	-	-	240,000	<b>815,000</b>
<b>Total</b>	<b>3,360,000</b>	<b>840,000</b>	<b>4,150,000</b>	<b>8,350,000</b>	<b>1,200,000</b>	<b>1,125,000</b>	<b>2,325,000</b>	<b>1,335,000</b>	<b>12,010,000</b>

<sup>(1)</sup> Mr. Trakul Winitnaiyapak 2022 resigned from director of The Royal Ceramic Industry PLC on May 31, 2022



### 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 2022

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

	- VP of Office Operation and Internal Audit		- VP of Office Operation and Internal Audit
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DCC = Dynasty Ceramic PLC TTOP = Tile Top Industry PLC (DCC hold 96.83%) RCI = The Royal Ceramic Industry PLC (DCC hold 98.47%)

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 239-243.](#)

#### **(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

In the past year, violation related to corruption or violations of the company corporate governance policy were not found. [Refer: 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 Attachment no.5 page 235-238.](#)

## **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 2022 (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 [\(Refer:Report of Audit Committee Attachments 6 page 248-250\)](#) 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 251-252](#))
- Executive and Corporate Governance Committee Reference Report of Executive and Corporate ([Attachments 7 page 253](#))
- Risk Management Committee Reference: Risk Management Committee Report ([Attachments 7 page 254](#))



## **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. 1/2023 held on February 14, 2023. 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 2022**

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 2022 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 248-250](#)). 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 208](#))

### **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 208](#))

## **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 2020-2022, 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)		
		Y2022	Y2021	Y2020
Tile Top Industry PCL Subsidiaries in which DCC owns 96.83%				
Revenue from Raw Material / Supplies	At cost	1.5	2.1	3.4
Rental income from office	Contract price	0.7	0.7	0.7
Management Fee income	Contract price	14.5	14.5	13.2
Purchases -Finished goods	At competitive market price but more than cost	2,085.3	2,108.9	2,140.6
Purchases - Raw Materials / Supplies	At cost	1.7	2.0	2.7
Warehouse Management Fee	Contract price	4.4	4.4	4.0
The Royal Ceramic Industry PCL. Subsidiaries in which DCC owns 98.47%				
Revenue from Raw Material / Supplies	At cost	6.2	4.4	11.6
Rental income from office	Contract price	0.7	0.7	0.7
Rental machine income	Contract price	76.5	-	-
Freight Income	Actual Price	1,289.8	76.6	52.5
Purchases -Finished goods	At competitive market price but more than cost	6.2	1,003.4	1,010.3
Purchases - Raw Materials / Supplies	At cost	7.9	1.8	3.4
The Royal Asia Brick and Tile Company Limited 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)		
			Y2022	Y2021	Y2020
Tile Top Industry PCL	Subsidiaries Company	Trade Account Payable	1,273.3	1,213.7	1,144.8
The Royal Ceramic Industry PCL.	Subsidiaries Company	Trade Account Payable	479.6	141.6	144.6
Mr. Monrak Saengsastra and Mr. Maruth Saengsastra	Director of the Company	Lease liabilities	98.8	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 2022 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 31,2022, 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, 2022 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, 2022 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 in accordance with the Code of Ethics for Professional Accountants including Independence Standards issued by the Federation of Accounting Professions (Code of Ethics for Professional Accountants) that are relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code of Ethics for Professional Accountants. 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 to ensure that outstanding of inventory is existence.

## **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.

**Impairment of investments in subsidiaries****Risk description**

The Company had a significant balance of investments in a subsidiary to the statements of financial position. Management performed an assessment at the end of each reporting period to determine whether there was any indication that the investments in subsidiaries may be impaired. If there were indications of impairment, an impairment assessment was performed accordingly. Therefore, I focused on the recoverable amount and impairment of investments in a subsidiary and associates because these are material to the financial statements and are dependent on the management judgments and assumptions used in the impairment assessment. The Group's management is required to exercise judgment in determining assumptions which are uncertain when considering discounted future cash flows.

**Key audit procedure**

My audit procedures on the risk are understanding of and assessed the subsidiary projection of future operating performance and the financial model prepared by the management and evaluated whether they were consistent with the nature of business operations of the subsidiaries. In addition, I gained an understanding of and assessed the assumptions applied in preparing cash flow projections for the subsidiary, based on the understanding I gained of the process by which the figures were arrived at; comparison of past cash flow projections with actual operating results in order to assess the exercise of management judgment in estimating cash flow projections and assessed the reasonableness of the discount rate and approaches used by management in determining impairment of investments in subsidiaries including testing the accuracy of such calculations.

## **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 14, 2023

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

**STATEMENTS OF FINANCIAL POSITION**

**AS AT DECEMBER 31, 2022**

(Unit : Baht)

		Consolidated		Separate	
	Notes	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	6	39,884,008	58,236,070	22,909,885	42,405,610
Trade account and other current					
receivables - net	8	144,232,277	163,668,870	137,251,720	155,862,013
Other current receivables - subsidiary company	7	-	-	12,920,889	6,386,669
Inventories - net	9	2,604,032,354	2,273,491,278	2,550,145,290	2,028,318,251
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	8,692,526	8,692,526
TOTAL CURRENT ASSETS		2,797,905,103	2,505,152,681	2,732,984,248	2,242,729,006
NON - CURRENT ASSETS					
Other non-current financial assets		314,300	314,300	-	-
Investment in subsidiaries	11	-	-	2,544,816,517	2,544,816,517
Investment property - net	12	72,848,256	72,848,256	88,355,912	72,848,256
Property, plant and equipment - net	13	5,832,119,407	5,793,082,009	4,592,562,224	4,442,531,711
Right-of-use assets	17.1	600,380,605	504,534,760	583,069,387	495,076,889
Intangible asset - net	14	16,848,397	9,853,375	16,848,395	9,853,373
Deferred income tax asset	23	50,259,570	42,856,596	-	-
Other non - current assets	15	15,380,644	14,126,076	13,951,013	12,634,113
TOTAL NON- CURRENT ASSETS		6,588,151,180	6,437,615,372	7,839,603,448	7,577,760,859
TOTAL ASSETS		9,386,056,283	8,942,768,053	10,572,587,696	9,820,489,865
LIABILITIES AND SHAREHOLDERS'					
EQUITY					
CURRENT LIABILITIES					
Short - term loans from financial	16				
institutions		1,570,000,000	1,250,000,000	1,570,000,000	1,250,000,000
Trade account and other current payables		808,977,285	921,929,613	460,778,051	572,159,726
Trade account payables - subsidiaries company	7	-	-	1,765,875,439	1,361,708,663
Other current payables - subsidiaries company		-		1,578,291	
Lease liabilities - current portion	17.2	122,954,667	99,022,071	117,650,980	93,434,880
Accrued income tax		145,408,753	179,134,260	144,269,363	177,441,838
TOTAL CURRENT LIABILITIES		2,647,340,704	2,450,085,944	4,060,152,124	3,454,745,107

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, 2022**

(Unit : Baht)

		Consolidated		Separate	
	Notes	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
NON - CURRENT LIABILITIES					
Unfunded provident fund - non contributory	18	50,345,027	49,658,546	-	-
Lease liabilities - net of current portion	17.2	461,712,273	385,130,917	449,619,448	381,120,751
Non - current provisions for employee benefits	20	178,867,948	180,841,112	73,289,497	71,525,045
Deferred income tax liability	23	29,478,383	32,796,215	29,478,383	32,796,215
Other non-current liabilities		8,375,166	7,167,891	8,375,166	7,167,891
TOTAL NON-CURRENT LIABILITIES		728,798,798	655,594,681	560,762,495	492,609,902
TOTAL LIABILITIES		3,376,139,503	3,105,680,625	4,620,914,619	3,947,355,009
SHAREHOLDERS' EQUITY					
Share capital - common share at Baht 0.1 par value					
9,125,611,266 ordinary shares as at December 31,2022 and					
'9,139,191,541 ordinary shares as at December 31,2021	21	912,561,127	913,919,154	912,561,127	913,919,154
'Issued and paid - up 9,125,611,266 shares		912,561,127	912,561,127	912,561,127	912,561,127
Premium on share capital		3,233,498,174	3,233,498,174	3,233,498,174	3,233,498,174
Retained earnings					
Appropriated for legal reserve	22	91,256,112	91,256,112	91,256,112	91,256,112
Unappropriated		3,413,085,819	3,241,821,326	1,714,357,665	1,635,819,443
Other components of equity		(1,684,986,599)	(1,684,986,599)	-	-
Total Shareholders' equity of the Company		5,765,414,633	5,794,150,140	5,951,673,078	5,873,134,856
Non-controlling interests		44,502,147	42,937,288	-	-
TOTAL SHAREHOLDERS' EQUITY		6,009,916,780	5,837,087,428	5,951,673,078	5,873,134,856
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		9,366,056,282	8,942,768,053	10,572,587,697	9,820,489,865

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, 2022**

		(Unit : Baht)			
		<b>Consolidated</b>		<b>Separate</b>	
	<b>Notes</b>	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
<b>Profit or loss:</b>					
Revenue from sales	27	8,342,458,199	8,396,032,606	8,342,458,199	8,396,032,606
Costs of sales	7,27,29	(4,806,806,899)	(4,758,219,642)	(5,041,219,786)	(4,978,694,029)
<b>Gross profit</b>		<b>3,535,651,301</b>	<b>3,637,812,964</b>	<b>3,301,238,413</b>	<b>3,417,338,577</b>
Other income	7,27,28	64,114,698	84,586,303	79,645,140	98,866,231
Distribution costs	29	(763,765,125)	(782,818,535)	(670,653,496)	(685,467,576)
Administrative expenses	29	(808,650,628)	(799,517,981)	(773,864,345)	(763,598,403)
Finance costs	27	(18,645,154)	(17,654,079)	(17,110,060)	(15,966,186)
<b>Profit before income tax</b>		<b>2,008,705,091</b>	<b>2,122,408,672</b>	<b>1,919,255,652</b>	<b>2,051,172,643</b>
Income tax	24	(375,777,937)	(418,787,279)	(380,619,627)	(406,832,796)
<b>Profit for the years</b>		<b>1,632,927,154</b>	<b>1,703,621,393</b>	<b>1,538,636,025</b>	<b>1,644,339,847</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>-</b>	<b>10,433,625</b>	<b>-</b>	<b>8,013,763</b>
<b>Total comprehensive income for the years</b>		<b>1,632,927,154</b>	<b>1,714,055,018</b>	<b>1,538,636,025</b>	<b>1,652,353,610</b>
<b>Profit (loss) attributable to:</b>					
Owner of the Company		1,631,362,295	1,700,428,707	1,538,636,025	1,644,339,847
Non-controlling interests		1,564,859	3,192,686	-	-
		<b>1,632,927,154</b>	<b>1,703,621,393</b>	<b>1,538,636,025</b>	<b>1,644,339,847</b>
<b>Total comprehensive income attributable to:</b>					
Owner of the Company		1,631,362,295	1,710,830,320	1,538,636,025	1,652,353,610
Non-controlling interests		1,564,859	3,224,698	-	-
		<b>1,632,927,154</b>	<b>1,714,055,018</b>	<b>1,538,636,025</b>	<b>1,652,353,610</b>
<b>Earnings per Share</b>					
Profit attributable to equity holders of the Company	26.1	0.179	0.193	0.169	0.187
The number of ordinary shares weighted average (Unit : shares)		9,125,611,266	8,795,564,748	9,125,611,266	8,795,564,748
<b>Diluted earnings per share</b>					
Profit attributable to equity holders of the Company	26.2	0.179	0.193	0.169	0.187
The number of ordinary shares weighted average (Unit : shares)		9,125,611,266	8,803,620,055	9,125,611,266	8,803,620,055

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, 2022**

(Unit : Baht)

Consolidated									
Shareholders' equity of the Company									
	Notes	Share capital issued and paid-up	Premium on Share capital	Retained earnings		Other components of equity	Total shareholders' equity of the Company	Non-controlling interests	Total
				Legal Reserve	Unappropriated	Change in parent's ownership interests in subsidiaries			
<b>Balance as at January 1, 2021</b>		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)	-	-	-	-
<b>Balance as at December 31, 2021</b>		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
<b>Balance as at January 1, 2022</b>		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
Total comprehensive income for the years		-	-	-	1,631,362,296	-	1,631,362,296	1,564,859	1,632,927,155
Dividend payment	25	-	-	-	(1,460,097,803)	-	(1,460,097,803)	-	(1,460,097,803)
<b>Balance as at December 31, 2022</b>		912,561,127	3,233,498,174	91,256,112	3,413,085,819	(1,684,986,599)	5,965,414,633	44,502,147	6,009,916,780

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, 2022**

(Unit : Baht)

Separate					
Notes	Share capital issued and paid-up	Premium on Share capital	Retained earnings		Total
			Legal Reserve	Unappropriated	
<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
<b>Balance as at January 1, 2022</b>	912,561,127	3,233,498,174	91,256,112	1,635,819,443	5,873,134,856
Total comprehensive income for the years	-	-	-	1,538,636,025	1,538,636,025
Dividend payment	25	-	-	(1,460,097,803)	(1,460,097,803)
<b>Balance as at December 31, 2022</b>	912,561,127	3,233,498,174	91,256,112	1,714,357,665	5,951,673,078

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, 2022**

	(Unit : Baht)			
	Consolidated		Separate	
	2022	2021	2022	2021
<b>Cash Flows From Operating Activities</b>				
Profit (loss) before income tax	2,008,705,092	2,122,408,672	1,919,255,652	2,051,172,643
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	21,313,769	(20,670,710)	20,458,468	(19,237,871)
Decrease (increase) in other current receivables - subsidiaries company	-	-	(6,534,220)	(1,442,181)
Decrease (increase) in inventories	(330,361,658)	(184,043,928)	(521,827,039)	(159,325,372)
Decrease (increase) in other non - current assets	(1,254,568)	(1,073,756)	(1,316,900)	(1,059,419)
Increase (decrease) in trade account and other current payables	(127,442,785)	120,413,321	(113,172,036)	147,046,484
Increase (decrease) in trade account payables - subsidiaries company	-	-	404,166,775	67,393,407
Increase (decrease) in unfunded provident fund - non contributory	(1,778,801)	(4,135,456)	-	-
Increase (decrease) in other non-current liabilities	1,207,275	(672,346)	1,207,275	(672,346)
Depreciation and amortization	623,431,535	673,004,257	452,225,164	482,156,855
Allowance for doubtful accounts (Reversal of)	(1,877,176)	516,188	(1,848,176)	546,188
Allowance for impairment of investments from other (Reversal of)	-	(11,250,000)	-	-
Reversal of allowance for decline value	(179,418)	(37,011)	-	-
Loss from sale of investment	-	7,250,000	-	-
Loss (gain) from disposal of fixed assets	480,737	(955,582)	480,597	(444,627)
Unrealized loss (gain) on exchange rate	(71,513)	(7,098)	(24,517)	(7,712)
Dividends income	(47,145)	-	-	-
Interest income	(92,659)	(105,041)	(77,593)	(94,887)
Interest expense	18,645,154	17,654,079	17,110,060	15,966,186
Provision for unfunded provident fund	2,485,282	2,606,250	-	-
Provision for employee benefits obligation	11,988,399	11,468,653	5,961,041	5,586,489
Total adjustments to reconcile profit(loss) before income tax	216,446,428	609,961,820	256,808,899	536,411,194
<b>Net Cash Flows Provided from Operations</b>	<b>2,732,370,492</b>	<b>2,732,370,492</b>	<b>2,176,064,551</b>	<b>2,587,583,837</b>
Income tax paid	(420,224,250)	(419,763,252)	(417,109,933)	(273,310,037)
Cash paid for employee benefits	(2,058,000)	(643,600)	(2,058,000)	(643,600)
<b>Net Cash Flows Provided from Operating Activities</b>	<b>1,802,869,270</b>	<b>2,311,963,640</b>	<b>1,756,896,618</b>	<b>2,177,370,754</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, 2022**

	(Unit : Baht)			
	Consolidated		Separate	
	2022	2021	2022	2021
<b>Cash Flows from Investing Activities</b>				
Acquisitions of assets	(521,985,388)	(536,692,279)	(484,780,603)	(474,845,284)
Acquisitions of intangible assets	(13,414,569)	(2,600,681)	(13,414,569)	(2,600,681)
Cash received from proceed from disposal of fixed assets	876,477	4,115,965	876,477	1,582,658
Cash received from interest income	92,659	105,041	77,593	94,887
Dividends income	47,145	-	-	-
Cash received from sale of investment	-	4,000,000	-	-
Cash paid for investment in subsidiaries	-	(162,549,075)	-	(162,546,675)
<b>Net Cash Flows Used in Investing Activities</b>	<b>(534,383,676)</b>	<b>(693,621,029)</b>	<b>(497,241,102)</b>	<b>(638,315,095)</b>
<b>Cash Flows from Financing Activities</b>				
Increase in short - term loans from financial institutions	7,445,000,000	8,385,000,000	7,445,000,000	8,385,000,000
Repayment for short - term loans from financial institutions	(7,125,000,000)	(9,300,000,000)	(7,125,000,000)	(9,225,000,000)
Short - term loans	-	-	-	-
Interest payment	(15,986,747)	(16,020,228)	(15,855,480)	(15,735,819)
Dividend paid	(1,460,097,803)	(1,638,339,034)	(1,460,097,803)	(1,638,339,034)
Cash received from increase in share capital	-	1,065,669,432	-	1,065,669,432
Cash paid for lease liabilities	(130,753,106)	(127,286,609)	(123,197,958)	(118,658,994)
<b>Net Cash Flows Used in Financing Activities</b>	<b>(1,286,837,656)</b>	<b>(1,630,976,439)</b>	<b>(1,279,151,241)</b>	<b>(1,547,064,415)</b>
 NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	 (18,352,062)	 (12,633,828)	 19,495,725)	 (8,008,756)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	58,236,070	70,869,898	42,405,610	50,414,366
CASH AND CASH EQUIVALENTS AT END OF YEAR	39,884,008	58,236,070	22,909,885	42,405,610
 Supplemental cash flow information:				
Non-cash items :				
Lease liabilities	584,666,940	484,152,988	567,270,428	474,555,631

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, 2022**

#### **1. CORPORATE INFORMATION**

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

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

#### **2. BASIS FOR FINANCIAL STATEMENTS PREPARATION AND PRINCIPLES OF CONSOLIDATION**

##### **2.1 Basis of preparation**

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

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

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

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

		Percentage of holding (%)	
Company Name	Nature of business	2022	2021
<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	98.47
<u>Subsidiary held through The Royal Ceramic Industry Public Co., Ltd.</u>			
The Royal Asia Brick and Tile Co., Ltd. (“RABT”) *	Under liquidation process	-	100

\* At the Extraordinary General Meeting of Shareholders No.1/2022 of The Royal Ceramic Industry Public Co., Ltd. ("RCI") on August 25, 2022, passed resolutions for group restructuring by Entire Business Transfer of The Royal Asia Brick and Tile Co., Ltd. ("RABT") in which RCI holds 100% of shares and RABT has registered the dissolution with the Department of Business Development, Ministry of Commerce on November 30, 2022. Currently, the liquidation is being proceeded.

- 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, 2022 and 2021 and total revenues for the years ended December 31, 2022 and 2021 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	
	2022	2021	2022	2021
<u>Subsidiaries company</u>				
Tile Top Industry Public Co., Ltd.	22	23	25	25
Group The Royal Ceramic Industry Public Co., Ltd.	13	12	15	12



### **3. NEW FINANCIAL REPORTING STANDARD**

#### **3.1 Financial reporting standards that became effective in the current year**

During the year, the Group has adopted the revised and new financial reporting standards and interpretations which are effective for fiscal periods 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 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 standard that will become effective for fiscal years beginning on or after January 1, 2023**

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, 2023. 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	
	2022	2021	2022	2021
Cash on hand	5,239,124	6,481,950	5,077,124	6,319,950
Cash at banks				
Current accounts	9,932,182	8,952,565	7,878,236	7,790,638
Saving accounts	24,712,702	42,801,555	9,954,525	28,295,022
Total	39,884,008	58,236,070	22,909,885	42,405,610

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”)	Under liquidation process	Subsidiaries 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.

The significant transactions with related parties for the years ended December 31, 2022 and 2021 are as follows:

		(Unit : Baht)			
		Consolidated		Separate	
		For the years ended December 31,			
	Pricing Policy	2022	2021	2022	2021
<u>Sales – raw materials and supplies</u>					
Tile Top Industry Public Co., Ltd.	At cost	-	-	1,469,516	2,057,103
The Royal Ceramic Industry					
Public Co., Ltd.	At cost	-	-	6,228,873	4,358,930
Total		-	-	7,698,389	6,416,033

(Unit : Baht)

		Consolidated		Separate	
		For the years ended December 31,			
	Pricing Policy	2022	2021	2022	2021
<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	-	-	108,000	144,000
Total		-	-	1,548,000	1,584,000
<u>Management income</u>					
Tile Top Industry Public Co., Ltd.	Contract price	-	-	14,520,000	14,520,000
<u>Freight Income</u>					
The Royal Ceramic Industry Public Co., Ltd.	At cost	-	-	76,480,930	76,621,341
<u>Purchases – finished goods</u>					
Tile Top Industry Public Co., Ltd.	At competitive market price but more than cost	-	-	2,085,343,575	2,108,919,418
The Royal Ceramic Industry Public Co., Ltd.	At competitive market price but more than cost	-	-	1,289,840,406	1,003,431,565
Total		-	-	3,375,183,981	3,112,350,983
<u>Purchases – raw materials and supplies</u>					
Tile Top Industry Public Co., Ltd.	At cost	-	-	1,666,565	1,955,773
The Royal Ceramic Industry Public Co., Ltd.	At cost	-	-	7,887,790	1,774,537
Total		-	-	9,554,355	3,730,310
<u>Management fee</u>					
Tile Top Industry Public Co., Ltd.	Contract price	-	-	4,356,000	4,356,000
<u>Management expense</u>					
Current employment benefits		56,458,784	55,944,888	31,834,244	30,552,020
Post-employment benefits		326,194	317,777	177,159	172,206
Total		56,784,978	56,262,665	32,011,403	30,724,226

The significant balances with related company as at December 31, 2022 and 2021 are as follows:

(Unit : Baht)					
		Consolidated		Separate	
		2022	2021	2022	2021
<u>Other receivable - subsidiaries company</u>					
Tile Top Industry Public Co., Ltd.	-	-	45,351	-	
The Royal Ceramic Industry Public Co., Ltd.	-	-	12,875,538	6,386,669	
	-	-	12,920,889	6,386,669	
<u>Trade accounts payables – subsidiaries company</u>					
Tile Top Industry Public Co., Ltd.	-	-	1,273,383,934	1,213,711,054	
The Royal Ceramic Industry Public Co., Ltd.	-	-	492,491,504	147,997,609	
Total	-	-	1,765,875,438	1,361,708,663	
<u>Other current payables - subsidiaries company</u>					
Tile Top Industry Public Co., Ltd.	-	-	271,508	-	
The Royal Ceramic Industry Public Co., Ltd.	-	-	1,306,783	-	
Total	-	-	1,578,291	-	
<u>Lease liabilities</u>					
Mr. Monrak Saengsastra and					
Mr. Maruth Saengsastra	98,828,400	89,044,400	98,828,400	89,044,400	
Employee benefits obligation					
<u>Executive</u>					
Post – employment benefits	3,273,502	2,947,307	2,416,678	2,239,518	



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

Consist of:

	(Unit : Baht)			
	Consolidated		Separate	
	2022	2021	2022	2021
<u>Trade accounts and other current receivable</u>				
Trade accounts receivable	123,297,198	124,888,084	123,297,198	124,888,084
<u>Less</u> Allowance for expected credit losses	-	(1,848,176)	-	(1,848,176)
Trade accounts receivable - net	123,297,198	123,039,908	123,297,198	123,039,908
Other current receivable	21,140,525	40,863,408	13,954,522	32,822,105
<u>Less</u> Allowance for expected credit losses	(205,446)	(234,446)	-	-
Other accounts receivable - net	20,935,079	40,628,962	13,954,522	32,822,105
Trade accounts and other current receivable - net	144,232,277	163,668,870	137,251,720	155,862,013

Outstanding balances of receivable as at December 31, 2022 and 2021 classified by ages are as follows:

	(Unit : Baht)			
	Consolidated		Separate	
	2022	2021	2022	2021
<u>Trade accounts receivable</u>				
Not over 90 days	120,765,085	122,871,292	120,765,085	122,871,292
Over 90 days to 120 days	2,155,716	46,621	2,155,716	46,621
Over 120 days to 180 days	11,397	87,164	11,397	87,164
Over 180 days to 365 days	-	34,831	-	34,831
Over 365 days	365,000	1,848,176	365,000	1,848,176
Total	123,297,198	124,888,084	123,297,198	124,888,084
<u>Less</u> Allowance for expected credit losses	-	(1,848,176)	-	(1,848,176)
Net	123,297,198	123,039,908	123,297,198	123,039,908

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	
	2022	2021	2022	2021
Beginning balance	(2,082,622)	(1,566,434)	(1,848,176)	(1,301,988)
Increase	-	(958,172)	-	(958,172)
Decrease	1,877,176	441,984	1,848,176	411,984
Ending balance	(205,446)	(2,082,622)	-	(1,848,176)

#### 9. INVENTORIES – NET

	(Unit : Baht)			
	Consolidated		Separate	
	2022	2021	2022	2021
Finished goods	2,376,074,473	2,060,248,321	2,471,440,509	1,957,060,181
Work in process	39,409,582	35,601,652	14,313,404	14,757,168
Raw materials	91,230,640	80,876,705	25,765,685	18,787,026
Supplies	107,379,412	106,153,299	38,072,694	36,018,658
Goods in transit	1,298,423	2,150,895	552,998	1,695,218
Total	2,615,392,530	2,285,030,872	2,550,145,290	2,028,318,251
<u>Less</u> Allowance for decline values	(11,360,176)	(11,539,594)	-	-
Net	2,604,032,354	2,273,491,278	2,550,145,290	2,028,318,251

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

	(Unit : Baht)			
	Consolidated		Separate	
	2022	2021	2022	2021
Beginning balance	11,539,594	11,576,605	-	-
Increase	-	-	-	-
Decrease	(179,418)	(37,011)	-	-
Ending balance	11,360,176	11,539,594	-	-

During the year 2022, the subsidiary reversed allowances for decline value of Baht 0.18 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. (2021: Baht 0.04 million)

Costs of inventories which were recognized as expenses for the years ended December 31, 2022 and 2021 are as follows:

	(Unit : Baht)			
	Consolidated		Separate	
	2022	2021	2022	2021
Cost of goods sold	4,806,986,317	4,758,256,653	5,041,219,786	4,978,694,029
Reversal of allowance for decline value	(179,418)	(37,011)	-	-
Cost of sales	<u>4,806,806,899</u>	<u>4,758,219,642</u>	<u>5,041,219,786</u>	<u>4,978,694,029</u>

#### 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, 2022 and 2021 are as follow:

	(Unit : Thousand Baht)					
	Consolidated and Separate					
	Paid-up capital		Percentage of shareholding		Amount	
	2022	2021	2022	2021	2022	2021
World Wide Ceramic Co., Ltd.	1,000	1,000	99.93	99.93	<u>1,064</u>	<u>1,064</u>

#### 11. INVESTMENT IN SUBSIDIARIES

11.1 Investment in subsidiaries in the separate financial statement as at December 31, 2022 and 2021 which are stated at cost are as follow:

Company's name	(Unit : Thousand Baht)							
	Paid-up capital		Percentage of shareholding		Amount		Dividend Income	
	2022	2021	2022	2021	2022	2021	2022	2021
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	98.47	<u>2,435,337</u>	<u>2,435,337</u>	<u>-</u>	<u>-</u>
Total					<u>2,544,817</u>	<u>2,544,817</u>	<u>-</u>	<u>-</u>

11.2 Details of non-wholly owned subsidiaries which have material non-controlling interests as at December 31, 2022 and 2021, are as follows

(Unit : Million Baht)								
Company	Proportion of equity interest held by on-controlling interests		Accumulated balance of non-controlling interests		Profit/loss allocated to non-controlling interests during the year		Dividend paid to non-controlling interests during the year	
	2022	2021	2022	2021	2022	2021	2022	2021
	(%)	(%)						
Tile Top Industry Public Co., Ltd.	3.17	3.17	54.48	54.28	0.20	0.74	-	-
The Royal Ceramic Industry Public Co., Ltd. and its subsidiary	1.53	1.53	(9.98)	(11.34)	1.36	2.48	-	-

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, 2022 and 2021, are as follows;

(Unit : Thousand Baht)				
	Tile Top Industry Public Co., Ltd.		The Royal Ceramic Industry Public Co., Ltd. and its subsidiary	
	2022	2021	2022	2021
<b>Condensed statement of financial position</b>				
<b>As at December 31,</b>				
Current assets	1,363,481	1,302,887	577,714	383,401
Non-current assets	675,798	730,206	596,854	660,563
Current liabilities	(211,962)	(223,078)	(156,136)	(140,819)
Non-current liabilities	(127,323)	(117,958)	(40,713)	(45,027)
Equity attributable to owners of the Company	(1,645,517)	(1,637,781)	(987,694)	(869,456)
Non-controlling interests	(54,477)	(54,276)	9,975	11,338
<b>Condensed statement of profit or loss and other comprehensive income</b>				
<b>For the years ended December 31,</b>				
Revenues	2,089,997	2,113,660	1,290,082	1,004,871
Expenses	(2,082,059)	(2,102,916)	(1,170,481)	(973,942)
Profit (loss) for the year	7,938	10,744	119,601	30,929
Profit attributable to:				
Owner of the Parent	7,736	10,107	118,238	28,373
Non-controlling interests	202	637	1,363	2,556
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	7,736	13,323	118,238	27,545
Non-controlling interests	202	742	1,363	2,483

**Condensed statement of cash flows**

Net cash inflow (outflow) from operating activities	23,320	20,755	22,653	113,838
Net cash inflow (outflow) from investing activities	(20,108)	(17,788)	(17,035)	(37,518)
Net cash inflow (outflow) from financing activities	(5,137)	(5,482)	(2,549)	(78,430)
Net cash inflow (outflow)	(1,925)	(2,515)	3,069	(2,110)

**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, 2021	78,295,277	2,427,000	80,722,277
Transfer in (out) property, plant and equipment	20,659,718	(79,000)	20,580,718
As at December 31, 2022	98,954,995	2,348,000	101,302,995
<b>Accumulated Depreciation</b>			
As at December 31, 2021	(6,711,151)	(1,162,870)	(7,874,021)
Depreciation for the year	(4,654,475)	(495,147)	(5,149,622)
Transfer (in) out property, plant and equipment	8,334	68,226	76,560
As at December 31, 2022	(11,357,292)	(1,589,791)	(12,947,083)
<b>Net Book Value</b>			
As at December 31, 2021	71,584,126	1,264,130	72,848,256
As at December 31, 2022	87,597,703	758,209	88,355,912
<b>Depreciation in the statement of comprehensive income</b>			
December 31, 2021	3,715,520	484,862	4,200,382
December 31, 2022	4,654,475	495,147	5,149,622

### 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, 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
Purchase	231,505,659	588,092	12,687,882	12,686,390	3,169,000	261,348,365	521,985,388
Disposals / Amortized	-	(35,568,905)	(33,444,943)	(29,492,144)	(908,411)	-	(99,414,403)
Transfer in (out)	4,339,838	178,351,703	64,502,265	22,038,308	-	(269,232,114)	-
Transfer in (out) investment property	-	-	-	79,000	-	(20,659,718)	(20,580,718)
As at December 31, 2022	2,122,714,894	4,063,492,069	5,649,166,183	1,113,770,783	38,375,017	406,720,057	13,394,239,003
<b>Accumulated Depreciation</b>							
As at December 31, 2021	-	(1,908,906,847)	(4,310,286,258)	(964,887,135)	(15,086,487)	-	(7,199,166,727)
Depreciation for the year	-	(174,637,592)	(221,976,096)	(73,982,373)	(5,845,092)	-	(476,441,153)
Disposal / Amortized	-	34,990,202	33,444,834	28,713,742	908,410	-	98,057,188
Transfer in (out)	-	59	-	(59)	-	-	-
Transfer (in) out investment property	-	(8,334)	-	(68,226)	-	-	(76,560)
As at December 31, 2022	-	(2,048,562,512)	(4,498,817,520)	(1,010,224,051)	(20,023,169)	-	(7,577,627,252)

(Unit : Baht)

	Consolidated						
	Land	Buildings and structures	Machinery and equipment	Furniture, fixtures and office equipment	Vehicles	Construction in progress and machinery during installation	Total
<b>Net Book Value</b>							
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
As at December 31, 2022	2,122,714,894	2,014,929,557	1,150,348,663	103,546,732	18,351,848	406,720,057	5,816,611,751
<b>Depreciation in the statement of comprehensive income</b>							
December 31, 2021	-	177,529,331	248,982,218	102,012,962	4,471,695	-	532,996,206
December 31, 2022	-	174,637,592	221,976,096	73,982,373	5,845,092	-	476,441,153

(Unit : Baht)

	Separate						
				Furniture, fixtures and office equipment		Construction in progress and machinery during installation	Total
	Land	Buildings and structures	Machinery and equipment		Vehicles		
<b>Cost</b>							
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
Purchase	230,654,284	588,092	3,852,994	9,820,056	3,169,000	236,696,177	484,780,603
Disposals / Amortized	-	(35,568,905)	(2,942,332)	(26,028,671)	(908,411)	-	(65,448,319)
Transfer in (out)	4,339,838	177,707,574	12,886,239	21,366,766	-	(216,300,417)	-
Transfer in (out) investment property	-	-	-	79,000	-	(20,659,718)	(20,580,718)
As at December 31, 2022	1,903,497,957	3,172,101,211	2,435,653,467	963,981,612	22,288,796	403,027,800	8,900,550,843
<b>Accumulated Depreciation</b>							
As at December 31, 2021	-	(1,296,450,664)	(1,914,929,378)	(839,508,558)	(8,378,966)	-	(4,059,267,566)
Depreciation for the year	-	(157,140,897)	(85,429,449)	(67,138,779)	(3,026,613)	-	(312,735,738)
Disposal / Amortized	-	34,990,202	2,942,320	25,250,313	908,410	-	64,091,245
Transfer in (out)	-	59	-	(59)	-	-	-
Transfer (in) out investment property	-	(8,334)	-	(68,226)	-	-	(79,560)
As at December 31, 2022	-	(1,418,609,634)	(1,997,416,507)	(881,465,309)	(10,497,169)	-	(4,307,988,619)



(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, 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
As at December 31, 2022	1,903,497,957	1,753,491,577	438,236,960	82,516,303	11,791,627	403,027,800	4,592,562,224
<b>Depreciation in the statement of comprehensive income</b>							
December 31, 2021	-	159,998,012	94,409,447	94,530,560	1,835,331	-	350,773,350
December 31, 2022	-	157,140,897	85,429,449	67,138,779	3,026,613	-	312,735,738

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, 2022 and 2021, the Group used loans from banks and related parties for construction and installation of machines and factory equipment. Borrowing costs amounting to Baht 4.83 million and Baht 3.15 million, respectively. (The Company's portions: Baht 4.83 million and Baht 3.12 million, respectively), were capitalised as costs of assets, which were calculated based on capitalisation rates of 0.06% to 0.15% and 0.04% to 0.47%, respectively. (The Company's portions: rates of 0.06% to 0.15% and 0.04% to 0.11%, respectively)

As at December 31, 2022 and 2021 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 4,162 million and Baht 3,402 million, respectively. (The Company's portions: Baht 2,284 million and Baht 1,925 million, respectively).

#### 14. INTANGIBLE ASSETS – NET

	(Unit : Baht)			
	Consolidated		Separate	
	2022	2021	2022	2021
<b>At cost</b>				
Computer software	75,276,746	61,862,177	72,977,270	59,562,701
<u>Less</u> Accumulated amortization	(58,428,348)	(52,008,802)	(56,128,874)	(49,709,328)
Net	16,848,398	9,853,375	16,848,396	9,853,373

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

	(Unit : Baht)			
	Consolidated		Separate	
	2022	2021	2022	2021
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	14,114,044	12,859,461	12,699,413	11,382,513
Other	10,000	10,015	10,000	10,000
Total	15,380,644	14,126,076	13,951,013	12,634,113

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

# 16. SHORT – TERM LOANS FROM FINANCIAL INSTITUTIONS

		(Unit : Baht)			
		Consolidated		Separate	
Interest rate per annum		2022	2021	2022	2021
Promissory notes	2022 : 0.85 – 1.76				
	2021 : 0.85 – 1.45	1,570,000,000	1,250,000,000	1,570,000,000	1,250,000,000

Group Company has 4 promissory notes will be matured at call after promissory note issuance date.

As at December 31, 2022 and 2021 the Group have credit facilities with the financial institutions as follow :

	Credit line (Million Baht)		Interest rate	Maturity Date
	2022	2021		
<u>Bank overdraft</u>				
The Company	40	40	At the floating rate at MOR per annum	Within one year
The subsidiary	45	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	3,717	3,417	At the floating rate at MLR - 1.5% or MRR per annum, whichever is the lower Average floating rate In 2022 : 1.71 per annum In 2021 : 0.87 per annum	Due at call
The subsidiary	520	520	At the floating rate at MRR per annum	Due at call
	250	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
	2022	2021		
<u>Liabilities under trust receipts</u>				
The Company	60	360	At the floating rate at MLR – 1.5% per annum	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 2022 are presented below.

	(Unit : Baht)		
	Consolidated		
	Land	Vehicle	Total
<b>Cost</b>			
As at December 31, 2021	685,142,368	92,884,995	778,027,363
Addition	86,293,677	145,363,247	231,656,924
Increase (Decrease) from modification/Amortized	(11,764,585)	(38,775,025)	(50,539,610)
As at December 31, 2022	759,671,460	199,473,217	959,144,677
<b>Accumulated depreciation</b>			
As at December 31, 2021	(204,122,012)	(69,370,591)	(273,492,603)
Depreciation for the year	(107,092,391)	(28,328,822)	(135,421,213)
Increase (Decrease) from modification/Amortized	11,389,002	38,760,742	50,149,744
As at December 31, 2022	(299,825,401)	(58,938,671)	(358,764,072)
<b>Net book value</b>			
As at December 31, 2021	481,020,356	23,514,404	504,534,760
As at December 31, 2022	459,846,059	140,534,546	600,380,605

	(Unit : Baht)		
	Separate		
	Land	Vehicle	Total
<b>Cost</b>			
As at December 31, 2021	685,142,368	67,342,562	752,484,930
Addition	86,293,677	129,994,481	216,288,158
Increase (Decrease) from modification/Amortized	(11,764,585)	(22,637,976)	(34,402,561)
As at December 31, 2022	759,671,460	174,699,067	934,370,527
<b>Accumulated depreciation</b>			
As at December 31, 2021	(204,122,012)	(53,286,029)	(257,408,041)
Depreciation for the year	(107,092,391)	(20,827,866)	(127,920,257)
Increase (Decrease) from modification/Amortized	11,389,002	22,638,156	34,027,158
As at December 31, 2022	(299,825,401)	(51,475,739)	(351,301,140)
<b>Net book value</b>			
As at December 31, 2021	481,020,356	14,056,533	495,076,889
As at December 31, 2022	459,846,059	123,223,328	583,069,387

## 17.2 Lease liabilities

As at December 31, 2022 and 2021 lease liabilities are as below.

	(Unit : Baht)			
	Consolidated		Separate	
	2022	2021	2022	2021
Lease liabilities	614,438,423	514,599,635	596,735,239	504,842,504
Less: Deferred interest expense	(29,771,483)	(30,446,647)	(29,464,811)	(30,286,873)
Total	584,666,940	484,152,988	567,270,428	474,555,631
Less: Current portion	(122,954,667)	(99,022,071)	(117,650,980)	(93,434,880)
Lease liabilities - net of current portion	461,712,273	385,130,917	449,619,448	381,120,751

The following are the amounts for the years ended December 31, 2022 and 2021 recognised in profit or loss:

	(Unit : Baht)			
	Consolidated		Separate	
	2022	2021	2022	2021
Depreciation of right-of-use assets	135,421,213	130,345,521	127,920,257	121,720,976
Interest expense on lease liabilities	7,675,855	7,543,495	7,544,588	7,364,318
Expense relating to short-term lease	18,213,731	18,640,756	17,686,518	18,385,651
Leases of low - value assets	1,902,640	1,935,840	1,578,640	1,590,240
Total	163,213,439	158,465,612	154,730,004	149,061,185

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

	(Unit : Baht)	
	Consolidated	
	2022	2021
Beginning balance	49,658,546	51,187,752
Increase during the year – interest	2,485,282	2,606,250
Payment during the year	(1,778,801)	(4,135,456)
Ending balance	50,365,027	49,658,546

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, 2022 and 2021 amounted to Baht 43.03 million and Baht 45.72 million, respectively. (Separate F/S: Baht 22.89 million and Baht 24.24 million, respectively)

## 20. NON – CURRENT PROVISIONS FOR EMPLOYEE BENEFITS

- Movements in employee benefits obligation for the years ended December 31, 2022 and 2021 are as follows:

	(Unit : Baht)			
	Consolidated		Separate	
	2022	2021	2022	2021
Defined benefit obligation at January 1,	180,841,112	197,178,407	71,525,045	83,963,168
Current service cost	10,025,186	10,395,245	4,664,625	4,827,303
Interest expense	2,514,237	2,509,243	1,110,410	1,100,417
Re-measurement – actuarial (gains) loss	-	(13,042,031)	-	(10,017,203)
Benefits paid	(14,512,587)	(16,199,752)	(4,010,583)	(8,348,640)
Defined benefit obligation at December 31,	<u>178,867,948</u>	<u>180,841,112</u>	<u>73,289,497</u>	<u>71,525,045</u>
Wholly unfunded	<u>178,867,948</u>	<u>180,841,112</u>	<u>73,289,497</u>	<u>71,525,045</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, 2022 and 2021 are as follows:

	(Unit : Percent)			
	Consolidated		Separate	
	2022	2021	2022	2021
Discount rates	1.13 – 1.59	1.13 – 1.59	1.59	1.59
Salary growth rate	2.00 – 3.00	2.00 – 3.00	3.00	3.00
Staff Turnover rate**	1.91 – 34.38	1.91 – 34.38	5.73 – 34.38	5.73 – 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	
	2022	2021	2022	2021
Current service cost	10,025,186	10,395,245	4,664,625	4,827,303
Net interest expense	2,514,237	2,509,243	1,110,410	1,100,417
Total expenses recognized in profit or loss	12,539,423	12,904,488	5,775,035	5,927,720

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	
	2022	2021	2022	2021
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	
	2022		2022	
	Increase	Decrease	Increase	Decrease
	1%	1%	1%	1%
<b>Discount rate</b>				
Increase (decrease) in the defined benefit liability	(11,059,386)	12,432,312	(4,755,211)	5,376,939

	(Unit : Baht)			
	Consolidated		Separate	
	2022		2022	
	Increase	Decrease	Increase	Decrease
	1%	1%	1%	1%
<b>Salary growth rate</b>				
Increase (decrease) in the defined benefit liability	15,942,646	(14,335,844)	6,807,155	(6,091,868)

	(Unit : Baht)			
	Consolidated		Separate	
	2022		2022	
	Increase	Decrease	Increase	Decrease
	20%	20%	20%	20%
<b>Staff Turnover rate</b>				
Increase (decrease) in the defined benefit liability	(14,337,065)	17,037,879	(8,610,601)	10,643,961

As at December 31, 2022 expected maturity of employee benefits obligation before discount are as follow :

	(Unit : Baht)	
	Consolidated	Separate
Within one year	21,019,676	8,503,863
Between 2 – 5 years	60,698,888	25,496,538
Between 6 – 10 years	49,147,070	18,874,328
Total	130,865,634	52,874,729

## 21. SHARE CAPITAL

At the Annual General Meeting of Shareholders held on March 29, 2022 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). The Company registered the capital decrease with Department of Business Development, Ministry of Commerce on April 11, 2022

## 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	
	2022	2021	2022	2021
Deferred income tax asset	64,927,730	57,195,448	14,668,159	14,338,852
Deferred income tax liability	(44,146,542)	(47,135,067)	(44,146,542)	(47,135,067)
<b>Deferred income tax - net</b>	<b>20,781,188</b>	<b>10,060,381</b>	<b>(29,478,383)</b>	<b>(32,796,215)</b>

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

	(Unit : Baht)			
	Consolidated			
	Recognized as income (expense)			December 31, 2022
	January 1, 2022	Statement of income	Shareholders' equity	
<b>Deferred income tax asset :</b>				
Inventories from profit in inventories	11,033,776	8,020,040	-	19,053,816
Leases	61,739	(34,420)	-	27,319
Employee benefits obligation				
From employee benefits obligation	36,168,223	(394,633)	-	35,773,590
From unfunded provident fund	9,931,710	141,295	-	10,073,005
	<u>57,195,448</u>	<u>7,732,282</u>	<u>-</u>	<u>64,927,730</u>

**Deferred income tax liability :**

From difference of depreciation between

accounting and tax bases	(42,996,973)	2,020,482	-	(40,976,491)
Leases	(4,138,094)	968,043	-	(3,170,051)
	<u>(47,135,067)</u>	<u>2,988,525</u>	<u>-</u>	<u>(44,146,542)</u>

(Unit : Baht)

**Consolidated****Recognized as income (expense)**

January 1, 2021	Statement of income	Shareholders' equity	December 31, 2021
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**Deferred income tax asset :**

Inventories from profit in inventories	15,689,881	(4,656,105)	-	11,033,776
Loss carry forward	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
	<u>65,436,930</u>	<u>(5,633,076)</u>	<u>(2,608,406)</u>	<u>57,195,448</u>

(Unit : Baht)

**Consolidated****Recognized as income (expense)**

January 1, 2021	Statement of income	Shareholders' equity	December 31, 2021
--------------------	------------------------	-------------------------	----------------------

**Deferred income tax liability :**

From difference of depreciation between

accounting and tax bases	(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		
	Recognized as income (expense)		December 31, 2022
	January 1, 2022	Statement of income	Shareholders' equity
<b>Deferred income tax asset :</b>			
From employee benefits obligation	14,305,009	352,890	-
Leases	33,843	(23,583)	-
	<u>14,338,852</u>	<u>329,307</u>	<u>-</u>
<b>Deferred income tax liability :</b>			
From difference of depreciation between accounting and tax	(42,996,973)	2,020,482	-
Leases	(4,138,094)	968,043	-
	<u>(47,135,067)</u>	<u>2,988,525</u>	<u>-</u>

(Unit : Baht)

	Separate		
	Recognized as income (expense)		December 31, 2021
	January 1, 2021	Statement of income	Shareholders' equity
<b>Deferred income tax asset :</b>			
From employee benefits obligation	16,792,634	(484,184)	(2,003,441)
Leases	45,305	(11,462)	-
	<u>16,837,939</u>	<u>(495,646)</u>	<u>(2,003,441)</u>
<b>Deferred income tax liability :</b>			
From difference of depreciation between accounting and tax	(44,902,143)	1,905,170	-
Leases	(4,534,439)	396,345	-
	<u>(49,436,582)</u>	<u>2,301,515</u>	<u>-</u>

Deferred tax asset and deferred tax liability presented by considering net position of each taxable unit as at December 31, 2022 and 2021 comprises the following:

	(Unit : Baht)			
	Consolidated		Separate	
	2022	2021	2022	2021
Deferred income tax asset	50,259,571	42,856,596	-	-
Deferred income tax liability	(29,478,383)	(32,796,215)	(29,478,383)	(32,796,215)
<b>Deferred income tax - net</b>	<b>20,781,188</b>	<b>10,060,381</b>	<b>(29,478,383)</b>	<b>(32,796,215)</b>

## 24. INCOME TAX

Income tax expenses for the years ended December 31, 2022 and 2021 are as follows:

	(Unit : Baht)			
	Consolidated		Separate	
	2022	2021	2022	2021
Current income tax expense	386,498,743	415,455,718	383,937,459	408,638,664
The amount of deferred income tax expense relating to the initial and reversal of temporary differences	(10,720,806)	3,331,561	(3,317,832)	(1,805,868)
<b>Income tax expense</b>	<b>375,777,937</b>	<b>418,787,279</b>	<b>380,619,627</b>	<b>406,832,796</b>

Income tax recognized directly equity

	(Unit : Baht)			
	Consolidated		Separate	
	2022	2021	2022	2021
<b>Accounting profit before tax</b>	<b>2,008,705,092</b>	<b>2,122,408,672</b>	<b>1,919,255,652</b>	<b>2,051,172,643</b>
Tax at the applicable tax rate of 20%	401,741,018	424,481,734	383,851,130	410,234,529
Tax effect :				
Exemption of income and additional expenses	(4,345,804)	(4,112,149)	(3,162,408)	(2,941,141)
Non – deductible expenses	(27,576,961)	(2,011,251)	(69,095)	(460,592)
Tax losses for which no deferred income tax assets was recognised	5,959,684	428,945	-	-
<b>Income tax expense</b>	<b>375,777,937</b>	<b>418,787,279</b>	<b>380,619,627</b>	<b>406,832,796</b>
<b>Effective tax rate (Percentage)</b>	<b>18.71</b>	<b>19.73</b>	<b>19.83</b>	<b>19.83</b>

As at December 31, 2022, the subsidiary has unused tax losses totaling Baht 29.79 million (2021: 2.14), 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 2022*	On February 14, 2023	On April 27, 2023	0.011	100.40	-
- payment of interim dividend 3/2022	On November 8, 2022	On December 6, 2022	0.025	228.10	228.10
- payment of interim dividend 2/2022	On August 9, 2022	On September 6, 2022	0.035	319.40	319.40
- payment of interim dividend 1/2022	On May 3, 2022	On May 31, 2022	0.055	501.90	501.90
- payment of final dividend for year 2021**	On February 15, 2022	On April 28, 2022	0.045	410.65	410.65
Total					1,460.05
- 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 interim dividend 4/2020	On February 10, 2021	On April 27, 2021	0.044	360.80	360.80
Total					1,638.40

\* The shareholders approved such dividend payments at the Annual Shareholders' Meeting for 2023.

\*\* The shareholders approved such dividend payments at the Annual Shareholders' Meeting for 2022, held on March 29, 2022.

## 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, 2022 and 2021 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,			
	2022	2021	2022	2021
Profit (loss) attributable to				
ordinary shareholders of the Company				
(basic) (Thousand Baht)	1,631,362	1,700,429	1,538,636	1,644,340
Weighted average number of ordinary shares				
outstanding (basic) (Thousand Shares)	9,125,611	8,795,565	9,125,611	8,795,565
Basic earnings (loss) per share (Baht)	0.179	0.193	0.169	0.187

## 26.2 Diluted earnings (loss) per share

The calculations of diluted earnings (loss) per share for the years December 31, 2022 and 2021 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,			
	2022	2021	2022	2021
Profit (Loss) attributable to ordinary shareholders of the Company (Diluted) (Thousand Baht)	1,631,362	1,700,429	1,538,636	1,644,340
Weighted average number of ordinary shares outstanding (basic) (Thousand Shares)	9,125,611	8,795,565	9,125,611	8,795,565
Effect exercise of warrant to purchase ordinary shares (Thousand Shares)	-	8,055	-	8,055
Weighted average number of ordinary shares outstanding (Diluted) (Thousand Shares)	9,125,611	8,803,620	9,125,611	8,803,620
Diluted earning (loss) per share (Baht)	0.179	0.193	0.169	0.187

The final exercise date of the warrants (DCC-W1) was May 7, 2021.

## 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, 2022 and 2021 of the Group presented by geographical segment are as follows:

	(Unit : Thousand Baht)					
	Consolidated					
	Domestic		Overseas		Total	
	2022	2021	2022	2021	2022	2021
Revenue from sale to external customers - net	7,954,015	8,093,810	388,443	302,223	8,342,458	8,396,033
Cost of sales	(4,546,797)	(4,560,796)	(260,009)	(197,424)	(4,806,806)	(4,758,220)
Gross income	<u>3,407,218</u>	<u>3,533,014</u>	<u>128,434</u>	<u>104,799</u>	<u>3,535,652</u>	<u>3,637,813</u>
Other income					64,116	84,586
Interest expense					(18,645)	(17,654)
Depreciation and amortization					(623,432)	(673,005)
Income before income tax					<u>2,008,705</u>	<u>2,122,409</u>
Property, plant and equipment - net					5,816,612	5,793,082
Other assets					<u>3,569,445</u>	<u>3,149,686</u>
Total assets					<u>9,386,057</u>	<u>8,942,768</u>

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	
	2022	2021	2022	2021
Rental office and branches	-	-	1,548,000	1,584,000
Management income	-	-	14,520,000	14,520,000
Interest Income	92,659	105,041	77,593	94,887
Gain on exchange rate	-	44,027	-	-
Gain from disposal of fixed assets	20,792	2,246,865	-	1,645,329
Rental income	45,474,662	65,410,987	45,474,662	65,410,987
Income service system IT	-	84,869	-	84,869
Other	18,528,032	16,694,514	18,024,885	15,526,159
Total	64,116,145	84,586,303	79,645,140	98,866,231

**29. EXPENSES BY NATURE**

	(Unit : Baht)			
	Consolidated		Separate	
	2022	2021	2022	2021
Changes in finished goods and work in process	319,634,082	192,113,163	513,936,564	163,256,598
Raw materials and supplies used	2,145,851,230	2,146,240,639	847,168,786	798,786,453
Salaries, wages and other employee compensation	1,013,895,802	1,048,500,519	568,377,014	574,345,883
Depreciation and amortization	623,431,535	673,004,257	452,225,164	482,156,855
Transportation expense	611,971,594	624,121,753	518,832,609	526,770,795
Electricity and fuel expenses	1,818,516,631	1,554,387,749	776,202,545	635,499,475

**30. COMMITMENTS AND CONTINGENT LIABILITIES**

As at December 31, 2022 the Group have:

- 30.1 Outstanding letters of guarantees issued by bank for electricity usage amounting to Baht 18.75 million for the Company and Baht 20.47 million for the subsidiaries.
- 30.2 Commitment to pay under the agreement for construction of building of the Company amounting to Baht 80.44 million.
- 30.3 Unused credit facilities from bank in consolidated and separate financial statements amounted to Baht 3,292.78 million and Baht 2,349.45 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, 2022 and 2021, debt to equity ratio in the consolidated financial statement is 0.56:1 and is 0.53 : 1, respectively (the separate financial statements is 0.78:1 and 0.67:1, respectively).

### 32. FINANCIAL INSTRUMENTS

#### A) Accounting policies

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

#### 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.

#### B) 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.

#### C) 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.

#### D) 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	
	2022	2021	2022	2021
Liabilities – USD	8,728	71,856	8,728	71,856
Liabilities – EURO	148,972	189,746	55,510	48,169

#### E) 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. APPROVAL OF FINANCIAL STATEMENTS

These financial statements were authorized by the Company's authorized directors on February 14, 2023.

## 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>	72 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 31,2022</b>	1 year 11 months
<b>% of Share Holding at Dec 31, 2022</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**  
**Other Current Position: Non Listed Company**

1 Company: Legal Advisor /Bank of Ayudhya Public Company Limited  
 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  
 2014-2015 -Attorney General  
 -Chairman of board of Thailand Institute of Justice

**Meeting Attendance Year 2022**

-Board of Directors 6/6 meetings  
 -AGM 2022 1/1 meeting

**Illegal history within the past 10 years**

None



<b>2.Name</b>	<b>Gen.Yuthasak Sasiprapha</b>
<b>Position</b>	Independent Director and Chairman of Audit Committee (Not Authorized)
<b>Age</b>	85 years
<b>Citizen</b>	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
<b>Appointed</b>	21 April 2015
<b>Year of directors membership-Dec 31,2022</b>	7 years 8 months
<b>% of Share Holding at Dec 31, 2022</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

**Meeting Attendance Year 2022**

-Board of Directors 6/6 meetings  
 -Board of Audit Committee 4/4 meetings  
 -AGM 2022 1/1 meeting

**Illegal history within the past 10 years**

None



<b>3.Name</b>	<b>Mr. Monrak Saengsastra</b>
<b>Position</b>	Vice Chairman and Chief Business Development Officer (Authorized)
<b>Age</b>	47 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 31,2022</b>	9 years 11 months
<b>% of Share Holding at Dec 31, 2022</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

**Other Current Position: Non Listed Company**

2 Companies  
 1. Vice Chairman and Chief Business Development/The Royal Ceramic Industry PLC. (Construction Materials)  
 2. Executive Director /Tile Top Industry PLC (Construction Materials)

**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 2022**

-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 2022 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**

45 years

**Citizen**

Thai



<b>Highest Education</b>	M.S.Computer Science University of North Texas,USA
<b>Appointed</b>	21 April 2015
<b>Year of directors membership-Dec 31,2022</b>	7 years 8 months
<b>% of Share Holding at Dec 31, 2022</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 -CFO's Orientation Course Class IX from SET
<b>Family relationship among executives</b>	Mr. Monrak Saengsastra's brother
<b>Other Current Position: Listed Company</b>	None
<b>Other Current Position: Non Listed Company</b>	2 Companies 1.CEO and Chief Marketing Officer at The Royal Ceramic Industry PLC. (Construction Materials) 2. Executive Director /Tile Top Industry PLC (Construction Materials)
<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 - 2017 Senior Executive Vice President (Marketing)/ Dynasty Ceramic PLC and Tile Top Industry PLC -2011 - Present Investor Relation / Dynasty Ceramic PLC.
<b>Meeting Attendance Year 2022</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 2022 1/1 meeting
<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>	73 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 31,2022</b>	23 years 11 months
<b>% of Share Holding at Dec 31, 2022</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>	4 Companies 1. President / Vibhavadee Hospital PLC. (Health Care Services) 2. Director/ Chiang Mai Ram Medical Business PLC. (Health Care Services) 3. President / Green Resources Plc. 4. 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

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

None

**Meeting Attendance Year 2022**

-Board of Directors 6/6 meetings  
-AGM 2022 1/1 meeting

**Illegal history within the past 10 years**

None



<b>6.Name</b>	<b>Mr. Surasak Kosiyaajinda</b>
<b>Position</b>	Independent Director & Audit Committee (Not Authorized)
<b>Age</b>	79 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 31,2022</b>	24 years 8 months
<b>% of Share Holding at Dec 30, 2022</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

**Meeting Attendance Year 2022**

Law Office

-Board of Directors 6/6 meetings  
 -Board of Audit Committee 4/4 meetings  
 -AG M 2022 1/1 meeting

**Illegal history within the past 10 years**

None



<b>7.Name</b>	<b>Mr. Siripong Tinnarat</b>
<b>Position</b>	Independent Director & Audit Committee (Not Authorized)
<b>Age</b>	73 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 31,2022</b>	5 years 8 months
<b>% of Share Holding at Dec 31, 2022</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
<b>Other Current Position: Non Listed Company</b>	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
<b>A director or executive positions in other businesses that might cause conflicts</b>	None

<b>Experience</b>	Licensee School / Maneeya Kindergarten School
<b>Meeting Attendance Year 2020</b>	-Board of Directors 6/6 meetings - Board of Audit Committee 4/4 meetings -AGM 2021 1/1 meeting
<b>Illegal history within the past 10 years</b>	None



<b>8.Name</b>	<b>Mr. Totsaporn Banyongwate</b>
<b>Position</b>	Independent Director & Audit Committee (Not Authorized)
<b>Age</b>	72 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 31,2022</b>	5 years 8 months
<b>% of Share Holding at Dec 30, 2022</b>	DCC: 1,368,080 shares or 0.01 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>	1 Company 1. Managing Director / CT Link Co.,Ltd.
<b>A director or executive positions in other businesses that might cause conflicts</b>	None
<b>Experience</b>	-Technical and Government Sales Manager / Dunlop (Thailand) Co.,Ltd. -Plant Manager / Thai Swedish Assembly Co.,Ltd.

	-Process Engineer / Bangchan General Assembly Co., Ltd.
<b>Meeting Attendance Year 2022</b>	-Board of Directors 6/6 meetings -Board of Audit Committee 4/4 meetings -AGM 2022 1/1 meeting
<b>Illegal history within the past 10 years</b>	None



<b>9.Name</b>	<b>Mr. Jaruwat Traithavil</b>
<b>Position</b>	Executive Director /Chairman of Risk Management Committee /Chief Production Officer (Authorized)
<b>Age</b>	42 years
<b>Citizen</b>	Thai
<b>Highest Education</b>	-Master of Engineering Project Management, University of Melbourne, Australia -Bachelor of Engineering (Honours), Australian National University, Australia -Bachelor of Information Technology, Australian National University, Australia
<b>Appointed</b>	8 August 2017
<b>Year of directors membership-Dec 31,2022</b>	5 years 5 months
<b>% of Share Holding at Dec 30, 2022</b>	DCC: 11,200,000 shares or 0.137 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</b>	None

executives

**Other Current Position: Listed Company**

None

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

None

**Experience**

2010 – 2017 Vice President Production at Dynasty Ceramic PLC.

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

**Meeting Attendance Year 2022**

-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 2022 1/1 meeting

**Illegal history within the past 10 years**

None



**10.Name**

Mr.Chanin Suppapinyopong

**Position**

Director / Chief Finance and Accounting Officer (Authorized)

**Age**

38 years

**Citizen**

Thai

**Highest Education**

Bachelor of Engineering (Electrical engineering)/Kasetsart University

**Appointed**

4 November 2020

**Year of directors membership-Dec 31,2022**

2 year 2 months

**% of Share Holding at Dec 31, 2022**

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>	2 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)
<b>A director or executive positions in other businesses that might cause conflicts</b>	None
<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>	54 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



<b>Appointed</b>	of Commerce
<b>Year of directors membership-Dec 31,2022</b>	26 January 2021
<b>% of Share Holding at Dec 30, 2022</b>	1 year 11 months
<b>Training</b>	None (Including the share held by spouse and minor children)
<b>Family relationship among executives</b>	None
<b>Other Current Position: Listed Company</b>	None
<b>Other Current Position: Non Listed Company</b>	1 Company 1.Director /Royal Ceramic Industry PLC. (Construction Materials)
<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.
<b>Meeting Attendance Year 2022</b>	-Board of Directors 6/6 meetings -Board of Risk Management Committee 2/2 meetings -AGM 2022 1/1 meeting
<b>Illegal history within the past 10 years</b>	None

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

Mr.Chanin Suppapinyopong

9 September 2020 – Present (*Profile of Director No.10**page201-202))***Assigned person to be directly responsible for supervising accounting**

<b>1.Name</b>	Mrs. Piyarat Chiengkomolkeet
<b>Position</b>	VP Accounting
<b>Age</b>	51 years
<b>Citizen</b>	Thai
<b>Highest Education</b>	Bachelor of Accounting / Bangkok University
<b>Appointed</b>	15 November 2018
<b>% of Share Holding at Dec 31, 2022</b>	None
<b>Training-Accounting</b>	<ul style="list-style-type: none"><li>- Calculation of employee benefits using actuarial principles 2022/ Actuarial Business Solutions Co., Ltd.</li><li>- Accounting and tax differences, updating tax issues and the relevant new laws for the year 2022/Department of Business Development.</li></ul>
<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 Industry PLC / Tile Top Industry PLC
<b>A director or executive positions in other businesses that might cause conflicts</b>	None
<b>Experience</b>	<ul style="list-style-type: none"><li>-Feb 2020 - Present Royal Ceramic Industry PLC and Tile Top Industry PLC</li><li>-Nov 2018 – Jan 2020 Assistant Director of Accounting/ Royal Ceramic Industry PLC and Tile Top Industry PLC</li><li>-Apr 2011 – Oct 2018 Accounting Manager-Outlets/ Dynasty Ceramic PLC</li></ul>

## 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>	74 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,</b>	DCC: 187,300,000 shares or 2.05 percent

<b>2022</b>	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>	1998-2021 Director / Dynasty Ceramic PLC
<b>Meeting Attendance Year 2022</b>	-Board of Directors 6/6 meetings -AGM 2022 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>	67 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, 2022</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

## **Attachments 2**

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

Disclosed on page 123-124

## Attachments 3

### 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 - 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.

## **Attachments 4**

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

- **Assets used in business**  
Disclosed on page 19
  
- **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**

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### **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.**

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#### **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**

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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.

## **Dynasty Ceramic Public Company Limited and its subsidiaries Sustainable Procurement Policy of DCC group**

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DCC group is committed to create a sustainable business. It has to be based on social and environmental responsibility to make the procurement process of DCC group efficient and effective. This ensure that business practices are consistent with DCC group's sustainability policy. As well as a relevant laws and regulations by create confidence among stakeholders through a process that is transparent, fair, can be verified. This policy will enhance competitiveness and sustainable growth together with both DCC group and its partners.

Sustainable procurement policy covers operation guidelines following:

1. Procurement for most benefits. Consider worthiness both in terms of price, quality and service  
by determine covering economic, social and environmental aspects.
2. Conduct selection of business partners with fair, transparent, tight control and support business partners who operate ethically, having social and environmental responsibility.
3. Strictly comply with safety, occupational health and environment regulations.
4. Operate business with attention to the impact on the community and society. And be a part of community and social development according to the opportunity and suitability.
5. Promote and support environmentally friendly products. Develop technology to save energy, reduce emissions to the environment to ensure our ability to deliver quality, safe and environmentally friendly products and services. It is a part of sustainable supply chain management.
6. Promote the employment of local workers and create career development opportunities for the better quality of life in local community.
7. Manage knowledge and promote knowledge and competency enhancement of employees and partners. Maintain good relations with each other along with pushing the use of technology to enhance long-term growth together.

All executives and employees in DCC group have a duties to support and operate under this policies strictly.

Announced on November 8, 2022

*--Maruth Saengsastra--*

(Mr. Maruth Saengsastra)  
Chief Executive Officer

## **Dynasty Ceramic Public Company Limited and its subsidiaries**

### **Policy on the use of insider information**

The Board of Directors realizes the importance of good corporate governance for transparency and protection. Seeking for personal benefits from the use of inside information of the Company that has not yet been disclosed to the public. Therefore establishing a policy on how to supervise directors and executives in using the company's inside information, including the trading of securities as follows;

1 . Educate directors, executives and executive-level positions in accounting or finance, about relevant laws and regulations so that the aforementioned person shall strictly commit as a guideline for practice.

2. Directors, executives, and employees are prohibited from using inside information that is material to the trading of the Company's securities and affects the change in the Company's share price, which has not yet been disclosed to the public for their own benefit and those involved.

3. Assigned directors, executives, including executive-level positions in accounting or finance or at higher level of executive or equivalent, prepare and submit reports on the holding of the Company's securities held by such persons, including their spouses and minor children to the company secretary. This must be prepared and delivered within 30 working days after taking office. In addition, directors and senior executives must inform about the purchase or sale of the company's securities every time. By notifying at least 1 day in advance before trading to the committee or the person assigned by the committee. Directors and high-ranking executives must report to the SEC when buying or selling securities within 3 business days, in accordance with the Securities and Exchange Act.

4. The company requires that the directors, prepare and submit report on interest of director to the company secretary.

5. The company requires directors to report changes in their securities holdings and report of interest to the Board of Directors Meeting for acknowledgment by company secretary. Which Is responsible for preparing the report for the next meeting of the Board of Directors. Including disclosure of changes in securities holdings of directors and executives during the year in the annual report.

6. The Company give importance to the prevention of the use of insider information for unlawful gain or reduce the benefits of the company or cause a conflict of interest which is set out in the policy of good corporate governance, ethics and practices in work, labor contract and regulations related to work.

7. The Company give importance on maintaining confidential information of customers. Such information shall not be used for the benefit of directors, executives, employees and related parties. Unless it is information that must be disclosed as required by law.

8. The Company give importance on the security of data in the information system by controlling and/or preventing access to the company's information from third parties and assign access rights to employees at different levels. According to the authority and responsibility.

9. Directors, executives, employees who violate the insider trading policy will be subject to disciplinary action and/or the law depending on the case.



## **Dynasty Ceramic Public Company Limited and its subsidiaries Environment Policy**

Group of Dynasty Ceramic Public Company Limited, a manufacturer of ceramic tiles, committed to producing a safe quality standardized products with not counterfeited, pay attention to customers, continuously development. Compliance with the law, operate according to safety principles, care about the environment to protect the environment pollution caused by every step of production. Including other activities related with the following guidelines:

- 1) Compliance with laws and regulations related to the company's activities
- 2) Control, prevent, treat and reduce pollution to have the least impact on the environment. Both in terms of water pollution, air, toxic waste, chemicals, noise and others according to laws, regulations, and requirements on the environmental strictly.
- 3) Enhancing the quality of the environment as well as the use of energy and waste from the work process, including the economical use of natural resources.
- 4) Encourage compliance with environmental, occupational health and safety policies. To create culture and good conscious mind on environmental quality, occupational health and safety.
- 5) Encourage and support employee's involvement, including employees consulting on environmental management, sustainable occupational health and safety.
- 6) Provide education and training for employees. To stimulate and cultivate awareness of the environment which is the duty and responsibility of every employees. Including organizing public relations in cooperation with the community and related government agencies to improve environmental management.

Company executive encourage any kind of operations to achieve the set intention consistency.

Announced on November, 8 2022

*--Maruth Saengsastra--*

(Maruth Saengsastra)  
Chief Executive Officer



## **Dynasty Ceramic Public Company Limited and its subsidiaries**

### **Human Rights Policy**

Dynasty Ceramic Public Company Limited, a ceramic tile manufacturer, is committed to conducting business with ethics. Recognize and respect human rights standards and endeavor to conduct business in a manner that is consistent with fundamental human rights principles, core values, practices, culture, and compliance with applicable laws.

#### **Protection of employee rights**

- Committed to upholding the rights of employees and aims to provide a safe and healthy workplace.
- Against all forms of forced, indentured or compulsory labor. The company also opposes employment discrimination, promote and accept the diversity of employees in all departments.
- Make employment decisions based on the qualifications and abilities of the person in line with the job requirements. Regardless of race (including hair color and hair characteristics related to origin), skin color, religion, religious piety (including religious attire and belief dress codes), national origin, ancestry, alien or citizen status, age, disability, gender identity or gender expression, gender, sexual orientation, pregnancy status, genetic information, military service or veteran status, marital status, or any other attribute protected by applicable law.

#### **Protection of children rights**

-Condemn all forms of exploitation of children. Do not use child labor and support the elimination of exploitation of child labor. Support legislation to prevent and punish the crime of sexual exploitation of children.

Company executive encourage any kind of operations to achieve the set intention consistency.

Announced on November, 8 2022

*--Maruth Saengsastra--*

(Maruth Saengsastra)  
Chief Executive Officer

## 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 independent directors and audit committee in the past year consisted of the followings.

Name-Surname	Position	Number of attendance to the meeting in 2022 (times)
1. Gen. Yuthasak Sasiprapha	Chairman of the Audit Committee	4/4
2. Mr. Surasak Kosiyajinda	Independent director/audit committee member	4/4
3. Mr. Siriphong Thinrat	Independent director/audit committee member	4/4
4. Mr. Thossaporn Banyongwes	Independent director/audit committee member	4/4

Mr. Siriphong Thinrat (who is qualified to review the Financial Statement of the Company). 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 2022

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 2023**

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 2023.

According to the assessment in “Self-Assessment Form of the Audit Committee” of 2022, the Audit Committee is able to completely comply with the charter provided by the audit committee.

The opinion of the audit committee is that the company has the process to prepare and disclose the appropriate and reliable information in the financial statements with adequate internal control system, supervision and risk management, the related-company transactions have been disclosed in accordance with the criteria to reflect transparent management and complied with the good governance principles as regulated by the Stock Exchange of Thailand.

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

Gen            --Yuthasak Sasiprapa--

(Yuthasak Sasiprapa)  
Chairman on the Audit Committee  
14 February 2023



## 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 2022 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 2022 to 30 November 2022 in advance. However, during such period, no shareholder nominated any candidate for consideration.

In 2023, there are four directors who are retired by rotation consists namely are Mr. Chaikasith Viriyamettakul Mr. Totsaporn Banyongwate Mr. Monrak Saengsastra and Mr. Maruth Saengsastra. Therefore the Committee (excluding Director 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. Chaikasith Viriyamettakul Mr. Totsaporn Banyongwate Mr. Monrak Saengsastra and Mr. Maruth Saengsastra 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 2023 and policy of annual bonuses for the year 2022 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 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 2022, 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 2022.
4. Acknowledge the result of the corporate governance survey of the Thai Listed Companies 2022 (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. Communicate to raise awareness and instill employees in compliance with good governance and anti-corruption policies continuously.

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 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 2022, 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 2022, 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



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