



Annual Registration Statements/ Annual Report 2021 (Form 56-1 One Report)
TOA PAINT (THAILAND) PUBLIC COMPANY LIMITED

Message from the Board of Directors

Dear Shareholders,

In 2021, the COVID-19 pandemic in Thailand and across ASEAN seemed far from over and became much worse than in the previous year. The stringent measures to contain the spread of COVID-19 infections imposed by the government caused an adverse impact on the wider economy and people's purchasing power. In addition, the construction industry posted an ongoing slowdown. Underlining the crisis management, the Board of Directors set in motion proactive initiatives to handle uncertainties and challenges; seeking new business opportunities in collaboration with strategic partnerships and offering new innovative solutions and products to better respond to the customer behavior.



Although the pandemic brought disruptions and challenges to our business, we delivered a strong fiscal performance, reporting revenue of THB 17,570 million, up 8 %. This achievement resulted from our robust foundation, strategic agility, information technology leveraged to expedite higher business efficiency, and our brand-building expertise, which we markedly built on through online platforms.

Additionally, the revenues from construction chemicals and gypsum boards were an integral part to bolster our total revenue growth. At the core of our approach is a commitment to forging ahead with our portfolio expansion of construction chemicals and construction materials along with our leading decorative paint and coating brand to offer a total solution experience to our customers.

Strategically, we made substantial progress on expanding the non-decorative paint and coating business that included a wide range of construction materials over the past year.

We successfully acquired the new tile business by holding 52% ordinary shares in 2 companies, namely Phacha Enterprise Co., Ltd. and Phawatri Intertrade Co., Ltd. We recognized revenues from the 2 companies since February 2021. We also teamed up with a strategic partner to set up a new joint venture company called Incosource Co., Ltd. for sourcing tools and hardware in October 2021. We hold a 55 % stake in the joint venture company. The revenues from those 3 acquisitions will further help shore up our business growth. On December 16, 2021, the Extraordinary General Meeting of Shareholders No. 1/2021 approved the transaction to acquire 51% of ordinary shares of Gypmantech Co., Ltd. – a gypsum board manufacturer. This transaction, which is expected to be completed by 1Q22, will enable us to increase higher profitability from the gypsum board business.

Reported net profit was THB 1,955 million, a decline of 4% due to the prices of raw materials and oil that continued soaring following global markets and a weaker Thai baht in the previous year, which caused our production costs to escalate dramatically. Nonetheless, our selling prices were accordingly increased together with well-executed supply chain management and selling and administration expenses to ensure greater profitability.

The Board of Directors closely monitored the management team on setting the corporate strategy and objectives suitable for business needs and oversaw the performance on a regular basis. This allowed us to deliver good returns to shareholders while engaging all stakeholders, developing cutting-edge innovations and solutions that are both good for the environment and society. We also adhere to ESG principles well embedded in what we do including preparedness to handle challenges in this fast-paced world to enhance our corporate sustainability as per the following examples.

Environmental (E) : TOA Greenovation was pioneered to take the lead in running a clean production process and innovating products and services that are safe for the wellness and environment, and sustainably minimizing environmental impacts from our operations.

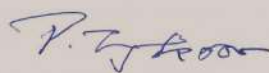
In 2021, we started installing rooftop solar panels to ensure sustainable energy while targeting GHG reduction, coupled with building climate change awareness through stakeholder engagement.

Social (S) : The employees' safety and occupational health were highly prioritized amid the COVID-19 outbreak. In doing so, we provided them with COVID-19 vaccines to achieve herd immunity. Besides, technology has been leveraged to maximize the efficiency of human capital management and individual potential development. Our ongoing commitment to CSR for the wider community and society consisted of providing educational opportunities, joining collaborative learning projects to promote professional upskilling for students, and continuing our Covid-19 relief program to support health and safety needs.

Governance (G) : We conduct our business with integrity, good corporate governance principles, and transparency, which essentially fosters our sustainable foundation. We have the COVID-19 Control and Emergency Response Committee to oversee the business operations to ensure continuity and effectiveness throughout this extremely challenging period. Aligning with the 'Total Solution' strategy, we designed our business model and developed products and services to fulfill the satisfaction and expectation of both general (B2C) and business (B2B) customers. Additionally, resilience and adaptive capacity are always focused to accomplish stable and sustainable outcomes.

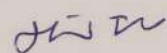
With the ongoing ESG-oriented efforts, we received an "Excellent – 5 Star" for the Corporate Governance Report of Thai Listed Companies 2021 by the Thai Institute of Directors (IOD) for 3 consecutive years, and a full score of 100% for the quality evaluation of the 2021 Annual General Meeting of Shareholders by Thai Investors Association for 3 consecutive years. Moreover, TOA was named for inclusion in the list of Thailand Sustainability Investment or "THSI" and in the list of SETTHSI Index for 2 consecutive years as well.

On behalf of the Board and management team, we would like to give our sincere thanks to everyone at TOA for their dedication and hard work to drive business growth and overcome uncertainties and challenges together. Furthermore, we express heartfelt appreciation to all relevant parties for trusting and supporting us as always.



(Mr. Prachak Tangkaravakoon)

Chairman of the Board



(Mr. Jatuphat Tangkaravakoon)

Chief Executive Officer

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Part 1

Business and Performance



Part 1: Business and Performance

1. Structure and Corporate Group

1.1 Policy and Business Overview

TOA is the leading paint and coating producer and distributor in Thailand. In addition, TOA has a wide manufacturing and distribution footprint across the ASEAN Economic Community (the “AEC”). The founders of TOA have over 57 years of experience in the paint and coating industry for manufacturing high-quality products with strong brand recall status supported by market-leading technology and customer service, including the research and development of innovative high-quality products to meet the demand of consumers. TOA believes that the achievement of market-leading position in Thailand resulted from TOA’s long-established presence, and the economies of scale associated with its incumbency as a large manufacturer, especially with mass-media branding and brand recognition, innovative product development using advanced technologies, full product range, widespread distribution compared to other operators in Thailand, cost production efficiencies and product quality.

1.1.1 Vision, Goal, and Strategy

(1) **Vision**

“To become a leader of the end-user paint and coating industry in AEC through product differentiation and the provision of service solutions”

(2) **Goal**

“We aim to be the market leader in the paint and coating industry in the AEC and successfully capitalize on the high potential growth of the region’s markets”

(3) **Business Strategy**

We aim to be a market leader in the paint and coating industry in the AEC in terms of qualified products and service solutions through advanced innovation to fulfill customer satisfaction with “Total Solution”. We intend to achieve this through the following strategic pillars:

3.1 Enhance brand engagement to be No.1 in the customer’s mind: We aim high to fortify our leading position to achieve a continued top-of-mind brand through the latest available technology to create high-quality and innovative products. We differentiate our products based on a combination of character, price, and functionality to provide all target customers with a full range of products to choose from. Moreover, we remain committed to manufacturing our premium products with advanced technology thanks to our strong research and development capabilities. These make us enable to deliver higher-end product classes with enhanced value propositions and functionalities at competitive prices as well as our auto tinting machines to help us respond quickly and successfully to the changing trends and customer satisfaction. As being the No.1

paint and coating manufacturer in Thailand, we take advantage of the competitiveness and economies of scale, thereby providing us with greater potential for growth and profit.

3.2 Expand into new potential markets: We capitalize on our strong business and brand to expand into new potential markets providing us with the availability of widespread distribution networks and product segments to boost sales growth sustainably. We believe that we are well-positioned to benefit from the following high potential growth in targeted markets:

- Business expansion into AEC markets with our extensive experience is indicative of potential growth from foreign investment, infrastructure development, and utilities, as well as ever-increasing urbanization. This is expected to boost demand for both decorative paint and coating products and non-decorative paint and coating products. We currently have operations in Vietnam, Indonesia, Myanmar, Cambodia, Laos, and Malaysia to expand our footprint in the AEC.
- We also expand another product segment to accelerate total sales, we broadly offer our construction materials and gypsum boards with the commitment to growing beyond colors through penetrating the market with a wide variety of product lines of construction materials and solutions or “Total Solution”. To this end, our end users can select diversified portfolios throughout the whole product line to enhance greater functionality; showing we are equipped with the production capabilities and product range from pre-construction stages to interior and exterior painting and coating stages, and to home improvement and repair.

3.3 Develop innovative products and services for target segments: We always highly focus on the research and development, innovation, and development for new product launches. We have effectively leveraged our technical know-how of existing products to successfully respond to changes in climate conditions, technological advances, and consumer preferences. This shows our research and development excellence to firstly offer creative and on-trend products. We have been committed to producing and delivering green and eco-friendly products that are safe for health and the environment. In addition, we succeeded in offering new decorative paint and coating products and non-decorative paint and coating products innovated with biobased raw materials or recyclable raw materials alongside the production process and technologies that care for the environment in response to environment-related requirements of customers.

3.4 Strengthen distribution channels: We aim to strengthen our widespread distribution channels through a great focus on expanding even more distribution channels; retail distribution channel, modern trade distribution channel, and project distribution channel, to provide end-user customers with easy accessibility to our products. To achieve such aim, we set up a strategy-led sales team divided as follows:

- Sales force serves to drive demand for our products by directly introducing and promoting products to our retail distributors.

- Product consultants provide in-depth advice to end-user customers and help them select their suitable products to grow sales to modern trade distributors.
- The project sales team and spec-in sales team introduce and promote our products to project owners/customers together with logistic systematization.

By leveraging our extensive distribution network, we have set out to create achievable synergy between a wide variety of existing product lines and new product launches such as construction chemicals, etc., giving us a valuable competitive advantage of cost-efficiency and long-term growth trends.

3.5 Embrace digital platform: Keeping pace with the digital transformation that is an important factor influencing and affecting customer behavior and preferences, economic conditions, and society, we elevated competitiveness by expanding the marketing and distribution models together with integrating and transforming our services into the digital platform as follows:

- Our digital platform is created via www.whoservice.com – a channel to provide one-stop-service and complete solutions offering home construction, improvement, and repair in response to the needs of homeowners. Our professional contractors are certified by our standards.
- An online platform is created to conveniently help end-users access to color designing services and products in mind at www.toasamart.com. Moreover, end-users who prefer in-store shopping can search nearby retail stores that supply paint and coating products, and construction material products.
- We also use social media platforms to promote our innovative products and solutions and fortify brand perception across target customers through powerful online platforms such as Facebook, YouTube, and so on.

1.1.2 Material Changes and Developments

The business was founded in 1964 by Mr. Prachak Tangkaravakoon as a family-run business, importing paint from Japan. TOA was incorporated in Thailand in 1977 to manufacture decorative paint products. In the same year, the Company also launched the “TOA” brand.

The Company began its expansion outside Thailand to other Southeast Asian countries in 1995 with the establishment of its first subsidiary, TOA Paint (Vietnam) Co., Ltd. in Vietnam. In 1998, the Company commenced operations of its first production plant in Vietnam located at Tan Dinh Industrial Park, which was subsequently relocated to the Tan Dong Hiep A Industrial Park in 2006. The Company has since expanded its operations and production plants to Laos, Malaysia, Indonesia, Myanmar, and Cambodia. In 2017, The Company was converted from a private company to a public limited company, and its ordinary shares for the initial public offering were traded in the Stock Exchange of Thailand (SET) on October 10, 2017.

Year	Key Milestones
1964	The Tangkaravakoon family business began importing TOA paints from Japan.
1972	The first production plant in Samrong was built by the Tangkaravakoon family to manufacture various products using know-how technology from Japan.
1974	The Tangkaravakoon family commenced shifting the focus of the business from being a producer and distributor of medium to economy decorative products to premium decorative products. This transition process continued throughout the mid-1970s to 1980.
1977	TOA was incorporated and it was the first paint manufacturer to successfully introduce emulsion paint with lead, mercury, and heavy metal-free formulations in Thailand.
1979	TOA was the first paint manufacturer in Thailand and Southeast Asia to successfully replace the less durable polyvinyl acetate ("PVAc") paint with 100% pure acrylic paint using technology from the United States that TOA marketed under its "SuperShield" brand.
1989	TOA built the Bangna Plant, its second production plant in Bangna-Trad.
1995	TOA established TOA Paint (Vietnam) Co., Ltd. and expanded its production base to Vietnam by commencing construction of a production plant.
1998	TOA's first production plant located at Tan Dinh Industrial Park in Vietnam commenced operations.
2001	TOA established its TOA Color World program and started providing TOA Color World Solution Services using Auto Tinting Machines.
2004	TOA established TOA Paint Products Sdn. Bhd. and TOA Coating Products Sdn. Bhd. in Malaysia.
2005	TOA acquired all of the shares in British Paints Co., Ltd. from the previous group of shareholders.
2006	TOA shifted its production plant in Vietnam from the previous production plant located at Tan Dinh Industrial Park to a new larger production plant, with semi-automated production systems, located at Tan Don Hiep A Industrial Zone in Vietnam.
2007	TOA established TOA Paint (Laos) Co., Ltd., a wholly-owned subsidiary.
2010	TOA established Captain Coating Co., Ltd. (formerly known as TOA Business Support Co., Ltd.) in Thailand. TOA also expanded its production by commencing the production of water-based paints at Bangna Plant using semi-automated processes. Bangna Plant was the first production plant in Southeast Asia to automate the production process of water-based paints.

Year	Key Milestones
2011	TOA established Professional PC Service Co., Ltd. in Thailand and PT TOA Paint Indonesia in Indonesia, a joint venture with Desiree Group Limited (however, in 2016, Desiree Group Limited transferred its entire shareholding to PT Budilestari Sentosa, which became PT TOA Paint Indonesia's joint venture partner).
2013	- TOA developed a non-toxic colorant paint mixer product that had a VOC level 10 times lower than other then-existing paint products ("Ultra Low VOCs"). - TOA established TOA Paint (Myanmar) Company Limited in Myanmar, a joint venture with Mantanakanok Company Limited, MK Company Limited, and Ms. Thet Thet Nu Aung.
2014	TOA established Imagica Co., Ltd. in Thailand.
2015	- In September, TOA was the first paint manufacturer in the world producing its innovative washable paint "TOA Note & Clean" – using Nano crystal glass from German innovation that changes the wall to whiteboard, both internal and external use. - In December, TOA commenced its construction of a production plant in Cambodia to expand its production base to Cambodia.
2016	- TOA completed its Corporate Reorganization to be prepared for listing in the Stock Exchange of Thailand. - In March, TOA announced its plans to set up one new production plant in Indonesia, a second production plant in Cambodia, and replace its Yangon Plant with the Thilawa Special Economic Zone in Myanmar. - TOA established TOA Coating (Myanmar) Co., Ltd. for the purpose of relocating the original Yangon Plant to a new production plant located in the Thilawa Special Economic Zone of Myanmar, a location that has better infrastructure and enables TOA to benefit from special incentives from the Myanmar government. - TOA established TOA Paint (Cambodia) Co., Ltd., and PT TOA Coating Indonesia for the purpose of expanding production, sales, and marketing of its products in Cambodia and Indonesia, respectively. - TOA also established TOA Skim Coat (Cambodia) Co., Ltd., a joint venture with Mr. Sok Hout for the purpose of producing skim coat products and expanding the sales of its products in Cambodia. Mr. Sok Hout has been one of our key customers for approximately 10 years.
2017	- TOA increased its registered capital from THB900.0 million to THB2,029.0 million. - TOA was converted from a private company to a public limited company on March 24, 2017. - TOA completed the expansion of resin production, its key raw material, for oil-based paints. - TOA completed construction of its production plant owned by TOA Skim Coat (Cambodia) Co., Ltd., the first production plant in Cambodia to manufacture skim coat products to repair and level the ruined surfaces.

Year	Key Milestones
	TOA and its existing shareholders registered ordinary shares for initial public offering (IPO) which was completed on October 4, 2017, and its ordinary shares were firstly traded in the Stock Exchange of Thailand on October 10, 2017.
2018	- TOA established its wholly-owned subsidiary, TOA Coating (Cambodia) Co., Ltd., for accelerating business expansion in Phnom Penh Special Economic Zone (PPSEZ) in Cambodia. - TOA securities had been selected and added to SET50, effective from July 1, 2018.
2019	The production plant in Indonesia was established and commenced operations in April 2019.
2020	- The production plants in Cambodia and Myanmar were established and commenced operations. - Board of Directors' Meeting No. 8/2020, on September 15, 2020, resolved to dissolve Imagica Company Limited due to inactive business. - New business models to achieve goals through "MEGA PAINT Warehouse" – a one-stop service to synergize the broad product line of construction chemicals and total solution services, and "WHO Service" which offers a new standard of construction services from professional contractors. - TOA was named for inclusion in the list of Thailand Sustainability Investment (THSI) and SETTHSI index.
2021	- TOA acquired the tile business by holding 52.0% ordinary shares in 2 companies, namely Phacha Enterprise Co., Ltd. and Phawatri Intertrade Co., Ltd. in February 2021. - In October 2021, TOA also teamed up with Hardware Expert Co., Ltd. – a strategic partner to set up a new joint venture company called Incosource Co., Ltd. for sourcing tools and hardware from domestic and foreign markets for distribution, holding a 55.0% stake in the joint venture company. - On December 16, 2021, the Extraordinary General Meeting of Shareholders No. 1/2021 approved the transaction to acquire 51.0% of ordinary shares of Gypmantech Co., Ltd. to help fortify growth potential and competitive advantage in the gypsum board business including gypsum board-related products, and to operate businesses from upstream to downstream.

1.1.3 Change in objectives of the utilization of proceeds obtained from the initial public offering (IPO)

The Company issued new shares for capital increase by initial public offering (IPO), which was completed on October 4, 2017, for 254,000,000 shares at the rate of THB 24 per share. The Company received the IPO proceeds, after deducting underwriting commission and expenses in connection with the offering, for THB 5,887.2 million with the purpose of using proceeds and estimated duration as specified in the Company's securities offering statement and prospectus (Form 69-1) as follows:

Objective of spending	Plan Amount (THB Million)	Estimated Duration of the Proceeds Utilization
1. Use of net proceeds to expand business in Thailand and overseas, including developing and improving internal operational efficiencies	2,000.0 – 2,100.0	within 2019
2. Use of net proceeds for operational working capital of the Company	3,287.6 – 3,887.2	within 2019
Total	5,387.6 – 5,887.2	

As at December 31, 2019, the remaining IPO proceeds were Baht 2,441.4 million (after deducting underwriting commission and expenses in connection with the offering), as per the following details.

(Unit: THB Million)

Objective of spending	Plan amount	Amount used as at Dec. 31, 2019	Remaining amount
1. Use of net proceeds to expand business in Thailand and overseas, including developing and improving internal operational efficiencies	2,030.0	1,867.0	163.0
2. Use of net proceeds for operational working capital of the Company	3,857.2	1,578.8	2,278.4
Total	5,887.2	3,445.8	2,441.4

However, the Company still needs the proceeds for business expansion including developing and improving internal operational efficiencies. Therefore, the Board of Directors deemed it appropriate, agreeing with the consideration raised by the management team, to change such objectives of the utilization of proceeds obtained from IPO pertaining to the remaining amount by aggregating the amount specified in no. 2 (operational working capital of the Company) with the amount specified in the objective no. 1 (business expansion in Thailand and overseas including developing and improving internal operational efficiencies). In this regard, the above-mentioned change is considered as the immaterial change in objectives of proceeds utilization by reallocation among those objectives specified in the securities offering statement no.2 (1) in accordance with the Notification of the Office of the Securities and Exchange Commission No. SorJor. 63/2561 (2018) Re: Change in Objectives of Proceeds Utilization under the Securities Offering Statement and Draft Prospectus. The details are as follows:

1) Proceeds amount to be changed

Objectives of Proceeds Utilization	Remaining amount		New amount	
	Remaining amount as at Dec 31, 2019 (THB Million)	Estimated Duration of the Proceeds Utilization	Remaining amount as at Dec 31, 2019 (THB Million)	Estimated Duration of the Proceeds Utilization
1. Use of net proceeds to expand business in Thailand and overseas, including developing and improving internal operational efficiencies	163.0	within 2019	2,441.4	

Objectives of Proceeds Utilization	Remaining amount		New amount	
	Remaining amount as at Dec 31, 2019 (THB Million)	Estimated Duration of the Proceeds Utilization	Remaining amount as at Dec 31, 2019 (THB Million)	Estimated Duration of the Proceeds Utilization
2. Use of net proceeds for operational working capital of the Company	2,278.4	within 2019		within December 2024
Total	2,441.4	N/A	2,441.4	N/A

2) Rationale, necessity, and worthiness of shareholders considering the change in objectives of proceeds utilization: to increase the business expansion and competitive capabilities as a result of the business expansion together with development and improvement for internal operational efficiencies, which helps grow and strengthen the business group and also generate a good return to all stakeholders.

3) Brief information concerning the change in proceeds amount: the Company still needs the proceeds for business expansion including developing and improving internal operational efficiencies: investment in new projects and developing assets or old systems for greater effectiveness such as:

- Domestic and overseas business expansion:
- Development and improvement for Enterprise Resource Planning ("ERP"):
- Development and improvement for devices and database of the Company:
- Development and improvement for the electronic platform:
- Development and improvement for machinery, equipment, and tools for manufacture and business operations:
- Development and improvement for systems and appliances to boost sales efficiency.

Therefore, it is deemed appropriate to change such objectives by using the operational working capital proceeds specified in no.2 totaling THB 2,278.4 million for business expansion in Thailand and overseas including developing and improving internal operational efficiencies specified in no 1.

4) Proceeds utilization plan after changing the objectives of proceeds utilization, adequacy of the fund, and solutions in case the IPO proceeds could not meet expectation: after changing such objectives, the Company still has enough proceeds for domestic and overseas business expansion and also an investment for developing and improving internal operational efficiencies.

5) Expected impacts on Company's business, or any planning specified in the securities offering statement (if any) as a result of the change in objectives of the utilization of proceeds disclosed in the statement: None

In this regard, the above-mentioned immaterial change in objectives of proceeds utilization was reported at the Annual General Meeting of Shareholders 2020 held on August 7, 2020.

1.1.4 The utilization of capital increase from IPO as at December 31, 2021 as follows:

(Unit: Million Baht)

Objective of spending	Proceeds utilization plan	After the change in objectives of the utilization of proceeds as at Feb. 2020			
		Remaining as at Dec 31, 2019	Remaining as at Dec 31, 2020	Amount used during Jan - Dec, 2021	Outstanding balance as at Dec 31, 2021
1. Use of net proceeds to expand the business in Thailand and overseas, including developing and improving internal operational efficiencies	2,030.00	2,441.40	1,977.73	580.14	1,397.59
2. Use of net proceeds for operational working capital of the Company	3,857.20				
Total	5,887.20	2,441.40	1,977.73	580.14	1,397.59

1.2 Nature of Business

1.2.1 Revenue Structure

The Company manufactures and sells a full range (in terms of price and usage) of decorative and non-decorative paint and coating products to professionals and **“Buy It Yourself” or “BIY”** customers in Southeast Asia and other countries.

A breakdown of the Company’s sales indicates that the majority of sales are derived from the manufacture and distribution of decorative paint and coating products. The revenue structure is summarized below:

	Year ended December 31					
	2019		2020		2021	
	THB million	%	THB million	%	THB million	%
Decorative Paint and Coating Products	11,635.0	68.5	10,774.3	66.1	11,078.0	63.0
Non-Decorative Paint and Coating Products	4,866.1	28.7	5,185.2	31.8	5,938.3	33.8
Other Products ⁽¹⁾	477.2	2.8	336.5	2.1	554.2	3.2
Total	16,978.3	100.0	16,296.0	100.0	17,570.5	100.0

Note: ⁽¹⁾ “Other Products” comprise sales of certain products to the related companies, such as raw materials and semi-finished materials.

1.2.2 Products

(1) Type of products or services, innovation and development

1.1 Business information by type of products

1.1.1 Decorative Paint and Coating Products

The Company classifies its decorative paint and coating products into three main categories: premium grade paints and coatings, medium to economy grade paints and coatings, and other decorative products based on a combination of character, quality, functionality and price of the decorative paints and coatings. This enables the Company to provide its customers with a full range of decorative paint and coating products to choose from, including the products produced and distributed by Captain Coating Co., Ltd.

The Company produces and distributes decorative paint topcoats (both emulsion paints and enamel paints), sealers, or primers, including high-quality anti-rust primers.

- The decorative paint topcoats are for interior and exterior use and are used as the top most coating to enhance the aesthetics of homes and buildings by adding colors, decorative texture, and the desired level of gloss. The main difference between interior and exterior decorative paints is the type of binder used. Interior paints typically contain binders that are rigid to increase their washability, enabling the coating to better withstand cleaning that is more common with interior surfaces. Exterior paints typically contain binders that better withstand temperature changes, exposure to moist outdoor conditions, and the sun's UV rays. The binder is a core ingredient that affects a paint's quality, particularly its durability and ability to retain color film, and is typically the key indicator that differentiates the grade of paint, for example, premium-grade paints are made with top quality binders. In addition, the amount and type of binders used to produce decorative paints will have an effect on the quality and finishing sheen of such paints. The Company's decorative paints are a popular choice for walls and ceilings as they have low odor and fast-drying properties, and are easy to apply on concrete, cement, and brick surfaces.
- The Company also produces sealers and primers. Sealers are often the first coating layer applied to the base material or surface. Sealers are typically used on surfaces where there is a need to create a barrier between the substrate and the next coating layer. For example, for cement surfaces with a high alkali content, a sealer is applied to prevent the lime in the substrate from breaking down topcoats which are directly applied. Primers are often also the first coating layer applied on a substrate to help paint adhere to such substrate and may be solvent-based or water-based. A sealer is a type of primer, and if a sealer is applied on a surface, primers are applied as an additional coating layer. Primers seal unpainted surfaces and prevent paint topcoats from soaking into the substrate. For example, primers are used to create a smooth

surface for a topcoat to be applied to porous substrates. The appropriate type of primer should be used for the type of surface being painted.

To enhance the value of the Company's decorative products and provide customers decorative paint and coating products with the ability to create paint colors they need, but not available from the catalog, the Company provides customized TOA Color World Solution Services; that is, Auto Tinting Machine that can create more than 10,000 different color shade variations with a high level of accuracy in 3 minutes, while maintaining its quality the same as the production quality standards of its plants. The Auto Tinting Machines helps respond quickly and efficiently to changes in design trends and consumer preferences.

(a) Premium Grade Products

The Company's premium paint and coating products are of a higher quality as compared to normal decorative paint and coating products and are formulated with certain main characteristics such as ease of application, good surface coverage, color choices, and long-term durability, enabling the Company to charge premium level prices. Such premium products are manufactured using technologies that provide value-added features by magnifying the desirable qualities of paints and coatings in response to customer needs, including increased durability, elasticity which is suitable for surface cracks, enhanced washability, heat reflection and protection, low odor, and VOCs, and moisture resistance. The innovative premium products have been developed under the concept "Greenovation" for high quality and eco-friendly products to end-users and the environment. This is regarded as a key strategy for decorative paint and coating products.

The Company positions the brand SuperShield as best-in-class decorative paint and coating products to cater to customers looking for the latest available technology and innovation. The premium products are marketed as high-performance decorative paint and coating products to cater to professional users.

(b) Medium to Economy Grade Products

The Company's medium to economy decorative paint and coating products are produced using standard raw materials. Therefore, these standard raw materials are more economically priced as compared to the raw materials used in the production of premium decorative paint and coating products. Such medium-to-economy decorative paint and coating products have a different formula from the premium grade products as they are designed to meet customer demand for products at lower prices. As a result, the Company is able to reach a wider market beyond the market for premium products.

Medium grade paints and coatings are positioned as entry-level products targeting first-time end users who prefer a more cost-efficient solution. The Company has invested in the creation of a brand to assist these customers in familiarizing themselves with its brand and making decisions to purchase. Such end-users include first-time homeowners;

for example, newlyweds, who tend to have tighter budgets and therefore select paints with a five to seven-year durability from a popular brand but at a more affordable price than premium grade paints.

In addition, medium-grade paints are also targeted at the state sector as the Company's medium-grade products meet the Thai Industrial Standards, used for state sector's projects. Such economy-grade paints and coatings are positioned as a customer retention tool for customers, including painters, who may be looking to purchase a quality product at a relatively reasonable price.

The medium to economy grade paint and coating products produced and distributed by the Company and its overseas subsidiaries include 4 Seasons, Supertech, Super Matex, KOBE, Mandarin Duck, and Homecoat.

(c) Other Decorative Paint Products

Sales revenue from other decorative paint products comprises sales revenue generated from the sale of colorants used for Auto Tinting Machines, as well as decorative thinners as solvents used to dilute paints or make paints easier to use, apply, or clean up paints and equipment.

1.1.2 Non-Decorative Paint and Coating Products

The Company categorizes the non-decorative paint and coating products into construction chemicals products, heavy-duty coating products, and other non-decorative paint products as follows:

(a) Construction Chemical Products

The Company produces and distributes construction chemicals that are either used directly on construction materials or added to construction materials for use at construction sites. The construction chemicals confer certain properties to construction materials, including improving workability and enhancing the performance of the construction materials, adding functionality, and protecting the construction materials, or the finished structure constructed from the construction materials.

The construction chemical products consist of various types: waterproofing, micro-kill, wall rendering, concrete bonding and repairing, filler and sealant, and tile adhesive mortar.

(b) Heavy-Duty Coating Products

The Company produces and markets heavy-duty coatings under the brand "HeavyGuard" for application on various surfaces, such as steel and concrete, factory buildings and floors, as well as coatings for small fishing boats, tanks, and pipes. The heavy-duty coating products are primarily topcoats or primers and are typically applied to surfaces that have to withstand heavy loads, high impact, and exposure to corrosion or extreme conditions. Such heavy-duty

coatings minimize cracks or deterioration of surfaces which may otherwise often necessitate costly repairs.

The heavy-duty coating products can be used for many surfaces such as steel structures and concrete walls, concrete floors, marines, buckets, pipes, roads, sidewalks, and bike parks.

(c) Other Non-Decorative Paint Products

Other non-decorative paint consists of wood paints and coatings, hardware, “Shell” brand products, “Chaindrite” brand products, special paints, auto tinting machines, gypsum boards, and tiles.

Special paints give surfaces different finishing patterns or special effects such as gold paints, stone decorating style, loft-style texture paints, sand surface, metal surface, shiny surface, wallpapers, etc. which are different from general decorative paints, suitable for both exterior and interior application. The Company produces and distributes special paints under the TOA Special Paint, and “SuperShield” brand. In addition to the special paints produced and distributed by the Company and its overseas subsidiaries, Captain Coating Co., Ltd. also distributes special paints under the “Fractalis” brand.

The Company distributed gypsum boards under its brand name “TOA Gypsum” and tiles under the “TOA Tile” brand name.

1.2 Innovation and Development

New Product Development Committee has been appointed to promote and accelerate the creativity and competency for innovative products in order to respond to both current and future trends in customer needs, strongly fortify the leadership of the paint industry, and drive better internal operations for time-saving management and efficiency. See more details in **Section 3. “Driving Business Value through Sustainability”, Heading “Innovation, Product and Service Development”**.

(2) Marketing and Competition

2.1 Marketing policy of the major products and services

(1) Marketing Activities

Over 57 years old, the Company believes that its quality products and strong brand recognition are an integral part of its success in the long term. In addition to investments in research and development to deliver high-quality products, the Company carries on marketing activities to ensure its brand image and trust towards products and services through the integrated marketing communication: IMC as follows:

- Mass-media advertising includes television, print media, radio, and out-of-home advertising which faced low popularity but still regarded as an important marketing channel for mass-market penetration and customers. Besides, online media is highly used because social media has transformed consumer behavior. This platform helped enhance effective communication with target customers in an appropriate and clear manner.

2021 marketing campaigns conducted by using advertising media are as follows:

- **Choose “Super Shield” for Your Homes**

This marketing campaign was launched in the first quarter of 2021 under the concept of a new generation, implying that they will not trust the word of mouth or advertising until they have proof. In doing so, the long film advertising was created to show the various qualities of the “Super Shield” product line – the highest premium-grade category, by addressing proven evidence of the top-4 functions. These are excellent-bonding adhesion, self-cleaning technology, heat reflective high-performance, and all weathers resistance even high humidity or tropical climate providing anti-salt resistance. Besides, the Company reiterated its slogan to tell the audience why to choose “Super Shield” products with “It is worth spending and choosing good-grade paints for your homes, you will not regret paying high maintenance later.”

- **4Seasons Paints “Hang in There, We Can Get Through This Together”**

This marketing campaign was launched to stimulate the market in the 2nd quarter by bringing up the Covid-19 situation which has highly transformed customers’ ways of life, struggling to come through any challenges and obstacles. Therefore, 4Seasons film advertising on the television and via online channels was created with funny and plot twists to show its durability functions. Moreover, this campaign delivered encouragement messages to consumers to survive this crisis together. The “4Seasons – Super Durable Paint” was also stated as the most unique and rememberable tagline for 10 years. More importantly, the Company teamed up with a famous social platform called “TikTok” to launch the “Super Durable Paints Challenge” by leveraging the tagline to target and deliver the key message to the new generation. Then, they could join the campaign and create funny video clips with their own styles to win the prize. As a result, young consumers gave very great feedback by posting almost 1,000 video clips with more than 100 million views.

- **Tile Adhesive Mortar – a standardized product that homeowners and contractors choose**

This campaign was designated to advertise the tile adhesive mortar–construction chemical of which the market was regarded as high potential growth. The film advertising showed the product standards under the Thai Industrial Standards and application of tile adhesive mortar, which reflected the quality adhesive mortar chosen and trusted by contractors and top-notch project developers. The advertising message directly focused on contractors to build trust towards such products divided into 3 categories.

- **Stop a Leaking Roof with “TOA Roofseal”**

The marketing campaign was launched in the rainy season that made consumers suffer water leakage problems of roof and ceiling. The combination of this advertising was made between a film advertising, through the television, online media, and consumer reviews shared by experts

and influencers to show the product characteristics able to solve leaking problems that were bothering consumers as well as providing helpful solutions.

- **A Series of Advertisements for “Home Renovation & Improvement”**

The storytelling was created to provide home renovation, improvement, and solutions in an appropriate way to level up the living and business operations of consumers by posting how-to videos that were launched one at a time for a whole year through online platforms. For example, the sub-marketing campaign was designed to turn old shops into beautiful new ones, which targeted SME customers to renovate and remodel their shops to look cleaner, more beautiful, and more attractive. Another one is home renovation after facing floods by providing proper methods to restore homes damaged by floods to be more livable. The next one is renovating a 40-year-old building to look great in 4 days – indicating proper ways to renovate and renew the old building with varied problems, which could be solved with TOA's wide range of products such as color fixing, water seepage prevention, ceilings, etc.

Thus, there were plenty of how-to videos publicized to inspire home improvements to appear more livable, especially for the Staying-at-Home lifestyle amid the pandemic in the previous year.

- **“Organic Care, Organic Living”**

The biggest year-end campaign of the year was arranged to announce TOA's latest cutting-edge product named “TOA Organic Care” – plant-based technology emulsion paints. It was the first and only safest plant-based paint in Thailand certified by the USDA BioPreferred®, USA in R&D collaboration with a global chemical business partner. Besides, the technology-led building paints are used in lieu of traditional petroleum-based raw materials to reduce the burden of the world and environment and super low VOC contents that are safe for all livings in a house. This product has been certified with various standards such as Europe LEED 4.0, and the Sensitive Choice Program from Australia.

In addition, the Company presented its new product presenter “**Doctor Oak**”, **Mr. Smith Arayaskul** who is an expert in health and a representative of the new-generation family interested in the living quality and environment. Therefore, his lifestyle was as same as the TOA brand and products. He also shared ideas about living safety in a house through a film advertising “Organic Living, Organic Care” to indicate that not only food or stuff we choose for our wellness and health but also interior paints we can select the best.

Mass Media Activities

- Public relations through mass media by using integrated public relations tools such as press conference, PR news, scoop, news release, media relations activities, TV scoop, public relations through news agencies' website, mass and social media.

Other Marketing Activities

- Engaged in corporate social responsibility (“CSR”) activities such as charity through the donation of paint and designation for the public interest, educational supports, activities for the society and nearby communities, educational programs to train about painting and installing ceiling gypsum boards for jobless people, and so on. (More details can be seen in **Section 3. “Driving Business Value through Sustainability”**)

Color Tone Designing Service (Ideacolor)

- Color tone designing service by specialists and decorators providing suggestions free of charge through various channels: telephone numbers 02-335-5577, and website at www.toagroup.com.
- Color tone designing service on weekends (Saturday – Sunday) through modern trade channel; 6 branches of HomePro, and 2 branches of Boonthavorn.
- 24-hour color tone designing service through Line Application.
- Color tone designing for marketing events such as Architectural Forum, and Baanlaesuan Fair.
- Developing tools to inspire color decoration such as color idea application program, and color designing program.
- Creating content to give knowledge and understanding in terms of color designing through social media platforms.
- Sharing color decorating knowledge and techniques to students in a faculty of architecture and those who are interested in color decoration.

2.2 Distribution Channels

The Company sells its various products through the extensive distribution network as follows:

(1) Retail Dealers

In the Company's retail distribution channel, retail dealers, including paint and hardware stores and home maintenance stores mostly located in Thailand, purchase its products and then sell its products to professionals (e.g. painters and decorators), or “Buy-It-Yourself” or BIY retail customers. The retail dealer distribution network covers 77 provinces in Thailand. Moreover, TOA Color World Solution Services are available through certain retail dealers that have Auto Tinting Machines in Thailand and the other AEC countries. The Company does not own or franchise any retail dealers, and retail dealers generally distribute its products on a non-exclusive basis.

The Company believes that its widespread distribution network in Thailand is one of the key strengths enabling it to engage in mass-market sales and provide the customers with accessibility to the products.

The Company's sales division oversees the retail distribution network at the regional and national levels and directly manages customer relationships. The Company also arranges for product consultants to provide advice to end-user customers directly at the stores.

(2) Modern Trade

The modern trade distribution channel includes integrated construction material and home building and home improvement chain stores such as HomePro, Thai Watsadu, Global House, Dohome, Mega Home, and Boonthavorn in Thailand, HomePro in Thailand and Malaysia, Global House in Thailand and Cambodia, Asia Center and Pro 1 in Myanmar, and Mitra 10 and Depo Bagunan in Indonesia.

The Company also has a specialized team tasked with managing sales and marketing for such key modern trade distributors, providing product consultants for the modern trade distributors to provide advice to consumers directly.

(3) Other Channels

In addition, the Company also distributes its products through other channels consisting of projects, exports, and related companies, including:

- The project distribution channel generally involves direct distribution to customers for on-site application or via contractors. The Company has supplied property developers and real estate companies such as Sansiri, Land & Houses, Q House, Property Perfect, Pruksa, Ananda Development, Origin, Property, L.P.N Development, and Golden Land Property Development in Thailand, Cowell Development, Tamara Land, SpringHill Group and AKR Land in Indonesia, Hoang Anh Gia Lai, Unicons Group, FLC Land, Nova Land, Hoa Binh in Vietnam, and Borey Lim Cheang Hak and Daun Penh Land in Cambodia, with decorative and non-decorative products that they require for their projects. The Company's products have also been used by contractors for public projects in Thailand, Laos, and Myanmar.
- The export distribution channel involves the wholesale export of the Company's products from Thailand to wholesalers and retail dealers in the other 7 countries within the AEC (except Thailand), namely, Malaysia, Singapore, Brunei, the Philippines, Cambodia, Laos, and Myanmar, as well as to other countries outside the AEC. The export distribution channels have to be developed and strengthened to respond to technology trends and changing customer behaviors.
- To remain in step with technological advances and changing consumer behavior, the Company is in the preliminary stages of an e-commerce distribution channel that is expected to offer on-demand services to end-user customers and painters who are able to choose products and search nearby shops. This helps increase the advantage of its retail network. The system can support large project customers and modern trade customers. Besides, the Company has developed a digital marketplace including social

media by means of providing useful content for its customers and painters. The communication channel is expanded to cover the engagement of both domestic and foreign customers such as giving suggestions, proper product selection, and techniques.

The Company utilizes the technology to help the sales team namely “Sales Force Automation” to enable them to use smartphones to manage and support the customers: retailers, modern trade distributors, and project owners. Such technology is easy to use and generates information to share with the responsible management in order for further improvement, expanding distribution channels, using existing information to develop new products or services to respond to its customer needs in a timely manner.

2.3 Company’s Customers

The Company has a diversified customer base. As of the date of this report, no single customer contributed, by percentage, over 5.0% of the Company’s sales for the year ended December 31, 2019, 2020, and 2021. The top three customers accounted for 14.4%, 13.2%, and 14.6% of the sales for the year ended December 31, 2019, 2020, and 2021, respectively.

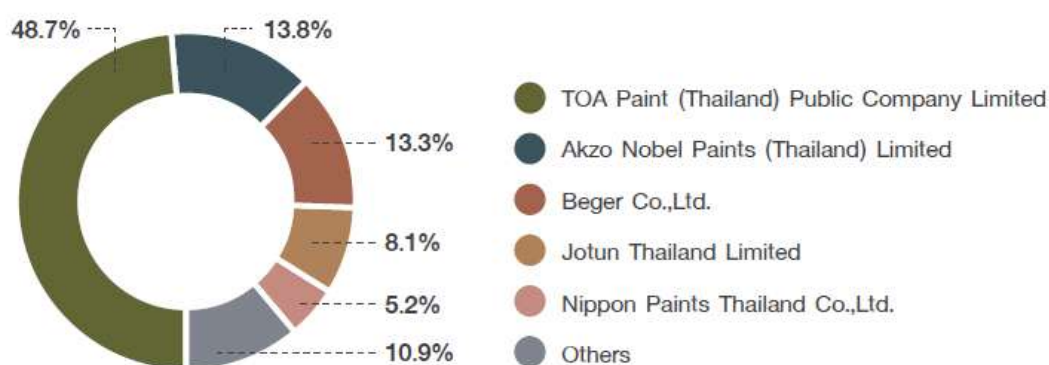
Depending on the products, the type of customer, and payment record, the Company typically provide credit terms of approximately 30 to 90 days to its customers. The Company does not offer credit terms for exports and does not sell any of its products on a consignment basis.

The Company’s customer relationship philosophy is to be an honest and respectful business partner in working with our distribution channel partners to develop sales growth and sustainability. Moreover, the Company also provides its customers with training to educate them about products and applications.

2.4 Marketing outlook and competition

According to Frost & Sullivan, as at December 31, 2016, the Company and its subsidiaries held the largest market share based on sales revenue for the year ended December 31, 2016, approximately 48.7% in the retail decorative paint and coating industry in Thailand. In the AEC, the Company and its subsidiaries had a market share based on the sales revenue of 13.0% in the paint and coating industry. The Company’s competitors in the AEC market include Akzo Nobel (Netherlands), Jotun (Norway) and Nippon Paint (Japan), and other local paint manufacturers.

Market share approximately for decorative paints and coatings in Thailand in 2016



Source : Frost & Sullivan, primary interview, desktop research and analysis

Source: Frost & Sullivan, primary interview, desktop research, and analysis

For the Company's business operations in Southeast Asia, its products compete with local competitors such as Beger Paint in Thailand, 4 Oranges in Vietnam, Urai Panich in Laos, and UPG in Myanmar, and with global paint and coating manufacturers such as Akzo Nobel, Nippon Paint, PPG Industries and Jotun. Due to continued mergers and acquisitions within the paint and coating industry, competition has increased as the competitors have grown on a large scale.

Although the Company's products may be in direct competition with certain products produced by global paint and coating manufacturers, the Company believes that it has a competitive advantage by focusing on distributing products through its widespread retail distribution network, which offers the end-user customers easy access to its products throughout the country. As a result, the major proportion of the Company's distribution is derived from its retail distribution channel which is the mass market in Thailand. In contrast, the Company believes global paint and coating manufacturers tend to focus on wholesale distribution channels in Thailand due to the limit of the ground network being unable to be as wide-reaching as compared to the Company's presently.

The pace of construction output, as well as paints and construction materials, is influenced by trends in the property market. From 2020 to 2021, the market was slow-moving due to the COVID-19 outbreak. As a result, most developers decelerated their investment in new projects. Instead, they focused on selling existing inventory, especially the vertical residential projects (condominiums) due to high levels of unsold existing projects, which surely led to intense price competition. However, the horizontal segment was slightly affected due to continued demand. General customers still had purchasing power together with Work-From-Home orders, as well as reasons of living-related necessity and beautification, which drove demand for home improvement and remodeling.

As the COVID-19 crisis emerged even more severely in the late 2nd – 3rd quarter of 2021 nationwide, the government-led preventive measures were intensively imposed to contain infection clusters; reducing high-risk activities, closing construction workers' camps, prohibiting the movement of workers, and avoiding or limiting travel and mobility. Furthermore, the prevention and control measures were increasingly raised in the middle of July in 2021. As a result, some modern trade outlets supplying construction materials closed while

the rest of the retail stores and modern trade outlets were forced to reduce their business hours. However, Thailand found a gradual decline in the COVID-19 infections, coupled with the eased restrictions on control measures and the country's reopening since November 1st. This helped stimulate the domestic economy and boost the demand for construction materials driven by the improvement of homes, resorts, hotels, and others to welcome domestic travelers and foreign tourists. In addition, home improvement and repair spending following widespread flooding in several provinces were a driver of the sales growth in the 4th quarter.

According to the retailers' expectation to grab this chance to boost their growth, they dealt with rising competition to sell their paint and coating products to gain higher market share, which could be seen in a kind of sales promotion, discounts, buy-one-get-one-free, redeemable vouchers, and giveaways. Thanks to the extensive retail distribution network across the nation that is one of our strengths, we definitely benefited from such intense retail competition with capability in response to the influx of demand. Despite retailers struggling to make a profit, we remained to stick with our common sales promotion equipped with service excellence from our point-of-sale product consultants. As being less affected in overall, we could prove our impressive growth and gain more new customers.

The advantage of the extensive distribution network encompassing more than 7,400 retail stores nationwide obviously highlighted our strong brand. Nevertheless, there are many unoccupied areas to expand our footprint in sub-districts where we can take the opportunity by capitalizing on our proven track record to ensure stronger market penetration and higher market share. In the previous year, we remained focused on exploring and increasing new retail stores, so we succeeded in expanding our "TOA Color World Solution Service Centers" enable to create desired colors correctly and accurately, covering water-based building paints, oil-based metal paints, wood and wooden-wall paints with over 7,500 TOA auto tinting machines nationwide. Moreover, we empowered our accessibility in the customer experience, which is not only the driver of our success but also a powerful source of our competitive advantage. Likewise, other players aim to steal market share with competitive marketing – expanding distribution channels and auto-tinting machines. However, their distribution expansion is presented as a small-sized scale because most retailers have partnered with major and dominant players. Then, it is difficult for other players to enter a new market and increase their market presence.

Not only growing our paint and coating segment, but we also boost our growth by delivering a wide range of construction chemical products. Harnessing our fortified customer base and retail distribution network, our eye-catching displays "Protect & Repair Center" are well placed in the retail stores. As a result, our retailers are able to gain more revenues and profits derived from other product segments beyond decorative paints and coatings. In 2021, we successfully increased the "Protect & Repair Center" with more than 48 displays, totaling 250 displays nationwide.

Regarding a go-to-market strategy for gypsum boards, we increased penetration into 3 key distribution channels. The first one is the construction chemical retailers, most of whom are our existing distributors. Secondly, the paint and coating retail stores selected in consideration of potential storage capacity and accessibility are given growth opportunities for the new product line. Lastly, retailers who supply ceiling frame

and grid products are regarded as the main gypsum board retail stores and our new market penetration, which we set up a specific sales team to cater to this target group.

Our project distribution network - real estate developers and contractors with large-scale construction projects presented the sales volume of decorative paints and coatings as 10% - 15% of the value. This distribution channel is a highly competitive market that many players are getting even more aggressive on their revenue-driven marketing tools – pricing strategies together with product grading. If they want to survive and thrive in this competitive market, they need to figure out new product launches and solutions apart from pricing and product grading. The well-collaborated B2B product launch is one of our key strategies to develop and innovate new products in collaboration with real estate developers. Product launches and solutions are specifically formulated and designed to become suitable for target customers' needs and expectations as well as providing reliable post-sales services and guarantees. This collaboration ensures our competitive advantage that is way greater than competitive pricing.

Looking back to the past, big companies or popular brands were able to produce attention-grabbing advertisements through advertising media. In today's society, social media and technology continue to advance at a rapid rate, and consumers feel more convenient to gain access to information through social networking sites. In this regard, most players need to transform the way they work to respond to online consumer behavior. Accordingly, social media platforms play a considerable role in advertising strategies. Due to social media advertising deemed as a cost-effective way for small businesses, they opt to promote themselves via social media to increase brand awareness and directly engage with their target customers. As we have recognized such power, we adapted to social media marketing. We created the online communication system, covering diverse online platforms combined with attractive content to appeal to the ideal audience to build relationships with, in an attempt to engage and reach most of the target customers effectively. Moreover, we brought about our new business model "WHO SERVICE" to create a convenient customer experience. It is an all-in-one online platform that matches customers or homeowners concerning home problems, improvement, or repair with our certified contractors who take care of home painting and repair. This platform is to solve customer pain points and ensure that customers have a great experience with TOA's standards. Furthermore, it helps our contractors find their jobs through this platform. Finally, we can promote our existing products and home solutions by leveraging the "WHO SERVICE" platform.

(3) Procurement of products or services

3.1 Production Plants

As at December 31, 2021, the Company had 10 production plants as follows:

No.	Owner/Lessee	Location	Year of Incorporation	Main Products
1	The Company	Bangna Plant 31/1 and/or 31/2 Moo 3, Bangna-Trad Road, Bangsaothong, Bangsaothong, Samutprakan 10570, Thailand	1982	Decorative paint and coating products and non-decorative paint and coating products.

No.	Owner/Lessee	Location	Year of Incorporation	Main Products
2	The Company	Samrong Plant 104 Moo 1, Soi Pookmitr, Rod Rang Kao Road, Samrong Tai, Phra Pradaeng, Samutparkan, 10130, Thailand	1972	Wood and heavy-duty coatings, thinner and aerosol paints.
3	Captain Coating Co., Ltd.	Samutparkan Plant ⁽¹⁾ 906 and 917 Moo 15, Bangsaotrong, Samutprakan 10570, Thailand	2010	Decorative paints and coatings, wood coatings, and construction chemicals.
			2015	Decorative paints and coatings.
4	TOA Paint Vietnam Co., Ltd.	Vietnam Plant Lot L2.3, Road No. 2, Tan Dong Hiep A Industrial Park, Tan Dong Hiep Ward, Di An Town, Binh Duong, Vietnam	2004	Emulsion paints, enamel paints, thinners, wood coatings, construction chemicals and aerosol sprays.
5	TOA Paint Products Sdn. Bhd.	Malaysia Plant PT Lot 63802, Jalan Telok Gong, Telok Gong, 42000 Port Klang, Selangor Darul Ehsan, Malaysia	2004	Emulsion paints, enamel paints, thinners and wood coatings.
6	TOA Paint (Laos) Sole Co., Ltd.	Vientiane Plant Unit 6, Ban Nahai, Hatxaifong District, Vientiane Laos	2008	Emulsion paints, enamel paints, thinners and wood coatings.
7	TOA Skim Coat (Cambodia) Co., Ltd.	Skim Coat Cambodia Plant No. B36, Street National Road No.3, Phorm Sre Chom Rov, Sangkat Chom Chao, Khan Por Sen Chey, Phnom Penh, Cambodia	2017	Skim coats and wall coating chemicals.
8	PT TOA Coating (Indonesia)	Indonesia Plant Kawasan Industri Millenium Blok F1, Desa Peusar, Kecamatan Panongan, Kabupaten Tangerang, Provinsi Banten, Indonesia	2019	Emulsion paints, enamel paints, thinners, wood coatings, construction chemicals and aerosol sprays.
9	TOA Coating (Myanmar) Co., Ltd.	Thilawa Plant No. C-21, Class A Area, Thilawa Special Economic Zone, Myanmar	2019	Emulsion paints, enamel paints, thinners, wood coatings, construction chemicals and aerosol sprays.
10	TOA Coating (Cambodia) Co., Ltd.	Cambodia Plant Lot No. P2-088, in Bueng Thom 3 Village, Sangkat Beung Thom, Khan Por Sen Chey, Phnom Penh, Cambodia	2019	Emulsion paints, enamel paints, thinners, wood coatings, construction chemicals and aerosol sprays.

Note : ⁽¹⁾ The production plant owned by Captain Coating Co., Ltd. produces products under the Captain Coating brand and is separate from the other two production plants in Thailand. However, for the purpose of sharing best

practices and cost management e.g. for the purchasing of raw materials, the production plant owned by Captain Coating Co., Ltd. is combined with the other two production plants in Thailand.

The Company's current unutilized capacity provides flexibility to meet future demand growth. The following table shows the production capacity as at December 31, 2021, and utilization rates of its production plants for the years ended December 31, 2019, 2020, and 2021:

Plant	Capacity as at Dec. 31, 2021 (Million gallons/year)	Utilization Rate For the year ended Dec. 31 (%)		
		2019	2020	2021
Thailand	74.1	54.8	51.7	51.7
Bangna	50.4	62.5	59.3	59.4
Others ⁽¹⁾	23.7	38.5	35.7	35.4
AEC (excluding Thailand) ⁽²⁾	28.4	26.8	22.8	24.8
Total	102.5	48.5	43.7	44.3

Remark : ⁽¹⁾ "Others" refers to the Samrong Plant and Samut Prakan Plant.

⁽²⁾ Excluding the production capacity of TOA Skim Coat (Cambodia) Co., Ltd.

3.2 Raw Materials

The cost of raw materials is the most important component of the total cost of sales of the Company's products. The main raw materials that the Company requires for its products are as follows:

- **Pigments:** pigments provide coverage and coating as well as protective properties such as anti-corrosion and weather-resistance properties. Titanium dioxide (TiO₂), a type of pigment used to impart whiteness, brightness, coverage, and protection from sun damage, is a key raw material for its products that the Company purchases from distributors in Thailand and imports from overseas, from countries such as Singapore, Taiwan, the United States, and Australia.
- **Binders:** binders are substances that hold the ingredients of the paint or coating product together and help the product adhere when applied to substrates. Latex (acrylic or styrene-acrylic) binders are typically used for water-based paints while resin binders are typically used for solvent-based products. There are many types of binders including 100% acrylic polymers, polyurethanes, epoxies, and alkyds. The Company purchases binders domestically as well as imports them from overseas. The Company also produces its own resin binders.
- **Extenders:** extenders are inert substances and inorganic compounds that are usually added to increase certain properties or characteristics of the paint such as to increase the solidity of paint film or to make it easier to polish the paint film. Extenders include calcium carbonate, silica, mica, talcum, gypsum, and clay. The Company purchases extenders domestically as well as imports them from overseas sources including the United States and China.
- **Solvents:** solvents are either water or organic solvents that are used to reduce the viscosity of paints to improve the ease of application of coatings. The solvents that are initially added

at the mixing and dispersion stages of production are the primary solvents and co-solvents that are added at the letdown stage. The Company purchases solvents domestically as well as imports them from overseas distributors.

- **Additives:** additives provide coating products with certain additional properties including resistance to mold and bacteria, ease of cleaning and ability to withstand cleaning, UV resistance, improved adhesion, and elasticity, among others. The Company purchases solvents domestically as well as imports them from overseas countries.
- **Packaging:** packaging primarily comprises plastic cans and lids for paints and coatings.

Prices of key raw materials are correlated with oil prices and the supply and demand for these materials. This is particularly the case for titanium dioxide, a key raw material used in the Company's products, the price of which moves in accordance with the global market price and depends on the price of commodities, in line with the supply and demand on a national, regional and global level. For the year ended December 31, 2021, the Company imported approximately 12.4% of the total raw materials purchased for its production. The prices of raw materials typically fluctuate with foreign exchange rates and petrochemical prices.

The Company has strong, long-standing relationships with its key raw material suppliers and maintains multiple supplier relationships for its primary raw materials in order to minimize production disruptions due to a shortage of raw materials and/or significant price increases. The Company is also an important customer for its top suppliers in the AEC. Moreover, the Company also has periodic management meetings with its key suppliers to discuss and exchange information relating to new technology, global trends in the paints and coatings industry, and market information and to discuss potential opportunities for collaboration.

The Company's sourcing of suppliers of high-quality raw materials is an ongoing process and the Company continually looks at alternative sources of supply as well as explores alternative materials and technological solutions to reduce costs. Other cost reduction measures include the reduction of the amounts of raw materials required in its product formulae. For example, the Company has explored a reduction in the amount of titanium dioxide (TiO₂) used to manufacture its products to decrease the consumption of titanium dioxide and costs.

3.3 Raw Material Suppliers

The Company had a number of active suppliers for its main raw materials. For the years ended December 31, 2019, 2020, and 2021, purchases made from its top five suppliers accounted for 32.1%, 33.8%, and 35.8% respectively, of the Company's total raw material purchases. No single supplier accounted for more than 10.0% of the Company's consolidated cost of sales for the years ended December 31, 2019, 2020, and 2021.

The Company makes payments for raw material costs, packaging costs, cost of trading goods and services to its suppliers and service providers in Thai Baht and foreign currency, mostly in U.S. Dollars:

Currency	2019	2020	2021
Thai Baht	90.7	91.8	90.7
U.S. Dollar	7.7	6.7	7.6

The Company may plan to purchase raw materials in advance to manage the exposure to increases in prices of its raw materials, the Company takes account of risk management in foreign currency by using financial products or derivatives as appropriate. The Company believes its major competitors also import from similar suppliers, and trade using the relevant foreign currency.

In selecting suppliers, the Company considers a number of different factors, such as the quality of the raw materials, efficiency, reliability, production capacity, price, service provided, etc. The Company is generally not dependent on any specific supplier for raw materials as it can contract with other suppliers, with the exception of nitrocellulose. The Company's nitrocellulose supplier in Thailand has a monopoly of the local nitrocellulose supply market as it is the only manufacturer in Thailand that has been granted a license by The Defense Ministry of Thailand to manufacture nitrocellulose. In addition, the Company has in-house capabilities to produce certain raw materials it requires, namely binders, and the ability to implement the use of alternative raw materials if a need arises. For example, in 2021, the Company produced 65.5% of its alkyd binders for the in-house production process and outsourced the remainder. The Company is also exploring the feasibility of changing the use of nitrocellulose in its product formulae to acrylic to mitigate a shortage of or inability to obtain nitrocellulose.

3.4 Awards and Certifications

The Company had received many awards over the past years. The awards received in 2021 are as follows:

Awards & Recognition in 2021

➤ Recognition & Trust

1. Thailand's Most Admired Company 2021 for 7 consecutive years for decorative paint and coating in construction materials category by the BrandAge Magazine.
2. Thailand's Most Admired Brand 2021 for 10 consecutive years for the construction materials in interior and exterior paint category by the BrandAge Magazine.
3. No.1 Brand Thailand 2021 for 9 consecutive years for decorative paint and coating category that received highest popular votes in Thailand by Marketeer Magazine.
4. Thailand's Top Corporate Brands – Hall of Fame Award according to the research results of the top corporate brand values, showing TOA's highest brand value worth THB 56,048 million in the construction material category in the event of "ASEAN and Thailand's Top Corporate Brands 2021". These research results were collected by Chulalongkorn Business School's Master in Branding and Marketing Program (MBM) under the Faculty of Commerce and Accountancy.
5. The Prime Minister's Industry Award 2021 in the category of logistics and supply chain by the Ministry of Industry.

➤ **Labor Relations & Welfare (HR)**

1. Outstanding Workplace Award for Labor Relations and Welfare 2021 for Bangna Plant and Samrong Plant (5 consecutive years) by Department of Labor Protection and Welfare, Ministry of Labor.

➤ **Safety, Occupational Health, Environment, and Corporate Social Responsibility (SHE)**

1. CSR-DIW Continuous Award 2021 for Bangna Plant (8 consecutive years) and Samrong Plant (7 consecutive years) by Department of Industrial Works, Ministry of Industry.
2. Diamond Award for Outstanding Safety, Occupational Health, Environment in the Workplace in the event of Thailand Labor Management Excellence Award 2021 for Bangna Plant (8 consecutive years), and for Samrong Plant (6 consecutive years), by the Ministry of Labor.
3. The Company was successfully registered as a training institute for a business program in terms of the safety, occupational health, and environment in the workplace, by the Department of Labor Protection and Welfare. This allowed the Company to train its employees, affiliates, customers, and third parties (2021 – 2024).
4. Award for the advanced-level health promotion for the enterprises to roll out a project to reduce and stop smoking and to promote employees' health, by the Association for the Development of Environmental Quality with the support from the Thai Health Promotion Foundation.
5. Platinum Awards for the occupational safety and health management system standard for both Bangna Plant and Samrong Plant, by the Institute for Occupational Safety, Health and Environment Promotion (Public Organization).
6. The Company received a low level of risk assessment for the proactive surveillance in terms of Covid-19 control and prevention at the workplace by the officers from the disease control department and officers from the Department of Skill Development.
7. The Company received Thai Stop Covid-19 Certificate for a large-scale factory with a hygienic workplace against Covid-19 from the Ministry of Public Health, Department of Health under the Good Factory Practice (GFP).

➤ **Corporate Governance and Sustainability**

1. SET Awards

2021 Thailand Sustainability Investment or THSI for 2 consecutive years, organized by the Stock Exchange of Thailand in association with Money & Banking Magazine.

2. SETTHSI index

TOA was named for inclusion in the list of SET this Index or 'SETTHSI' for 2 consecutive years, announced by the Stock Exchange of Thailand.

3. Quality Evaluation of the Annual General Meeting of Shareholders (AGM)

In placing the importance on holding the annual general meeting of shareholders, the Company received a full score of 100% for AGM quality by the Thai Investors Association (TIA), for 3 consecutive years.

4. Corporate Governance Report of Thai Listed Companies (CGR)

The Company received 5 stars – excellent level for CGR assessment results under the Corporate Governance Report of Thai Listed Companies 2021 for 3 consecutive years, which was organized by the Thai Institute of Directors (IOD) with the support of the Stock Exchange of Thailand.

As at the date of this report, the Company also obtained several certifications, including the following, in the countries as indicated:

➤ Thailand (the Company's plants)

- ISO 9001:2015 — certification for quality management systems (plants of the Company and Captain Coating Co., Ltd.).
- ISO 14001:2015 — certification for environmental management systems.
- ISO 450001:2018 — certification for occupational health and safety management systems.
- TIS 18001:2011 — certification for occupational health and safety management systems.
- ISO 50001:2018 — certification for energy management relating to emulsion paint production process (EM2) except logistic process.
- Accredited Laboratories According to ISO/IEC 17025: 2017 for both testing and calibration by Thai Industrial Standards Institute (TISI), the Ministry of Industry.
- Green Label — certification for mercury and lead-free products.
- Energy Saving Label No.5 for paint and coating products, Ministry of Energy.
- Other certificates from Thai Industrial Standards Institute (TISI).
- Green Label Singapore by Singapore Environment Council (for products distributed to Indonesia and Malaysia).

➤ Vietnam (TOA Paint Vietnam Co., Ltd.'s plant)

- ISO 9001:2015 — certification for quality management systems.
- ISO 14001:2015 — certification for environmental management systems.
- ISO 45001:2018 — certification for occupational health and safety management systems.
- ISO 50001:2011 — certification for energy management systems relating to the design, manufacture, distribution in the country, and exportation of paint and coating products.

- Indonesia (PT TOA Coating Indonesia's plant)
 - ISO 9001:2015 — certification for quality management systems.
 - ISO 14001:2015 — certification for environmental management systems.
- Malaysia (TOA Paint Products Sdn. Bhd.'s plant)
 - ISO 9001:2015 — certification for quality management systems.
 - ISO 14001:2015 — certification for environmental management systems.

(4) Assets used in business undertaking

4.1 Investments

The Company is engaged in the manufacture and distribution of paints and coatings for general customers in Thailand and also investment in subsidiaries manufacturing and distributing paints and coatings for general customers both domestically and abroad. Details of investments in subsidiaries as presented in the separate financial statements as at December 31, 2021 are as follows:

Company's Name	Nature of Business	Shareholding (%)	Investment at cost method as at Dec. 31, 2021 (THB million) on the separate financial statements
Captain Coating Co., Ltd.	Manufacture and distribution of decorative paint and coating products and chemicals.	100.0	300.0
British Paints Co., Ltd.	Distribution of decorative paint and coating products.	100.0	375.0
Maga Paint and Home Co., Ltd.	Investing in related companies.	100.0	103.8
TOA Paint (Vietnam) Co., Ltd.	Manufacture, import, and distribution of decorative paint and coating products and chemicals.	100.0	876.4
TOA Paint (Laos) Sole Co., Ltd.	Manufacture and distribution of decorative and non-decorative paint and coating products.	100.0	80.3
TOA Paint Products Sdn. Bhd.	Manufacture and distribution of decorative paint and coating products and chemicals.	100.0	218.6
TOA Coating Sdn. Bhd.	Import and distribution of decorative paint and coating products and chemicals.	100.0	57.6

Company's Name	Nature of Business	Shareholding (%)	Investment at cost method as at Dec. 31, 2021 (THB million) on the separate financial statements
PT TOA Paint Indonesia	Import and distribution of decorative and non-decorative paint and coating products.	99.95	533.8
PT TOA Coating Indonesia	Manufacture and distribution of decorative and non-decorative paint and coating products.	99.49	865.3
TOA Paint (Myanmar) Co., Ltd.	Manufacture and distribution of decorative and non-decorative paint and coating products.	65.0	26.5
TOA Coating (Myanmar) Co., Ltd.	Manufacture and distribution of decorative and non-decorative paint and coating products.	99.29	558.8
TOA Skim Coat (Cambodia) Co., Ltd.	Manufacture and distribution of skim coat products.	65.0	0.2
TOA Paint (Cambodia) Co., Ltd.	Manufacture and distribution of decorative and non-decorative paint and coating products.	100.0	0.3
TOA Coating (Cambodia) Co., Ltd.	Manufacture and distribution of decorative and non-decorative paint and coating products.	100.0	470.7
Incosource Co., Ltd.	To operate a business to procure, import, and export the paints and construction chemicals, construction materials, electricals, ceramics, sanitary ware, plumbing, tools, and hardware.	55.0	165.0
Phacha Enterprise Co., Ltd. ⁽¹⁾	Retail and wholesale distribution of granito tiles, ceramic tiles, sanitary wares, and related products.	52.0	-
Phawatri Intertrade Co., Ltd. ⁽¹⁾	Retail and wholesale distribution and import of tiles.	52.0	-
Total			4,632.3
Less: Allowance for impairment ⁽²⁾			(807.9)

Company's Name	Nature of Business	Shareholding (%)	Investment at cost method as at Dec. 31, 2021 (THB million) on the separate financial statements
Net			3,824.4

Note: ⁽¹⁾ The shares of the subsidiaries are held by Maga Paint and Home Co., Ltd.

⁽²⁾ Allowance for impairment included TOA Paint (Vietnam) Co., Ltd., TOA Coating Sdn. Bhd., PT TOA Paint Indonesia, TOA Paint Products Sdn. Bhd., TOA Paint (Myanmar) Co., Ltd., TOA Paint (Cambodia) Co., Ltd., TOA Skim Coat (Cambodia) Co., Ltd., and British Paints Co., Ltd.

More details of fixed assets, intangible assets used in the business undertaking of the Company and subsidiaries including trademarks, service marks, and policy on investment in subsidiary and associate companies are disclosed in “**Attachment 4. Assets Used in Operations and Information of Asset Valuation**”

(5) Under-construction projects

-None-

1.3 Group Structure

1.3.1 Group Structure of the Company

As at December 31, 2021



Notes: (1) The remaining 0.05% of registered capital is held by Mr. Jatuphat Tangkaravakoon, one of our directors and shareholders.

(2) The remaining 0.51% of registered capital is held by Mr. Jatuphat Tangkaravakoon, one of our directors and shareholders.

(3) The remaining 35.0% of registered capital is held by Mantanakanok Co., Ltd., MK Co., Ltd., and Ms. Thet Thet Nu Aung, our business partners. Mantanakanok Co., Ltd., MK Co., Ltd., and Ms. Thet Thet Nu Aung are not related persons under the Notification of the Capital Market Supervisory Board No. TorChor. 21/2551 Re: Rules on Connected Transactions.

- (4) The remaining 0.71% of registered capital is held by Mr. Jatuphat Tangkaravakoon, one of our directors and shareholders.
- (5) The remaining 35.0% of registered capital is held by Mr. Sok Hout, our business partner. Mr. Sok Hout is not a related person under the Notification of the Capital Market Supervisory Board No. TorChor. 21/2551 Re: Rules on Connected Transactions.
- (6) The remaining 48.0% of registered capital is held by our business partners; namely, Mr. Charti Mahalao, Miss Wipa Kaewboran, Mr. Krerksak Likitsupin, and Miss Warunee Likitsupin. All of them are not related persons under the Notification of the Capital Market Supervisory Board No. TorChor. 21/2551 Re: Rules on Connected Transactions.
- (7) The remaining 48.0% of registered capital is held by our business partners; namely, Mr. Charti Mahalao, Miss Wipa Kaewboran, Mr. Krerksak Likitsupin, Miss Warunee Likitsupin, and Mr. Dusit Likitsupin. All of them are not related persons under the Notification of the Capital Market Supervisory Board No. TorChor. 21/2551 Re: Rules on Connected Transactions.
- (8) The remaining 45.0% of registered capital is held by Hardware Expert Co., Ltd., our business partner. Hardware Expert Co., Ltd. is not a related party under the Notification of the Capital Market Supervisory Board No. TorChor. 21/2551 Re: Rules on Connected Transactions.

Details of Subsidiaries:

	Company	Year of Incorporation	Registered Capital	Paid-up Capital	Headquarters	Nature of Business	%Shareholding ⁽¹⁾
Subsidiaries directly owned by the Company							
1.	Captain Coating Co., Ltd.	2010	300 Million THB	300 Million THB	906 Moo 15, Debaratana Road, Bangsaothong, Bangsaothong, Samutprakan 10570 Tel. No. 02-706-1794-7	Manufacture and distribution of decorative paint and coating products and chemicals.	100
2.	British Paints Co., Ltd.	2005 ⁽²⁾	375 Million THB	375 Million THB	31/2 Moo 3, Debaratana Road, Bangsaothong, Bangsaothong, Samutprakan 10570 Tel. No. 02-335-5555	Distribution of decorative paint and coating products.	100
3.	Maga Paint and Home Co., Ltd. ⁽³⁾	2011	103.8 Million THB	103.8 Million THB	31/2 Moo 3, Debaratana Road, Bangsaothong, Bangsaothong, Samutprakan 10570 Tel. No. 02-335-5555	Investing in related companies.	100
4.	TOA Paint (Vietnam) Co., Ltd.	1995	459 Million VND	459 Million VND	Lot L2.3, Road No. 2, Tan Dong Hiep A Industrial Park, Tan Dong Hiep Ward, Di An Town, Binh Duong, Vietnam Tel. No. +848-38131999	Manufacture, import, and distribution of decorative paint and coating products and chemicals.	100
5.	TOA Paint (Laos) Sole Co., Ltd.	2007	20,532 Million LAK	20,532 Million LAK	Unit 6, Ban Nahai, Hatxaifong District, Vientiane, Laos Tel. No. (856-21) 812 082	Manufacture and distribution of decorative and non-decorative paint and coating products.	100
6.	TOA Paint Products Sdn. Bhd.	2004	25 Million MYR	25 Million MYR	Level 15-2 Bangunan Faber Imperial Court, Jalan Sultan Ismail, Kuala Lumpur, Malaysia	Manufacture and distribution of decorative paint and	100

	Company	Year of Incorporation	Registered Capital	Paid-up Capital	Headquarters	Nature of Business	%Shareholding ⁽¹⁾
					Tel. No. +603 3134 1629	coating products and chemicals.	
7.	TOA Coating Sdn. Bhd. ⁽⁴⁾	2004	5 Million MYR	5 Million MYR	Level 15-2 Bangunan Faber Imperial Court, Jalan Sultan Ismail, Kuala Lumpur, Malaysia Tel. No. +603 7725 2699	Import and distribution of decorative paint and coating products and chemicals.	100
8.	PT TOA Paint Indonesia	2011	226,933 Million IDR	226,933 Million IDR	APL Office Tower 17 th Floor, Unit T5 Jl. S. Parman Kav 28, Kecamatan Grogol Petamburan, Kulurahan Tanjung Duren Selatan 11470, Jakarta, Indonesia Tel. No. +62 21 29024458	Import and distribution of decorative and non-decorative paint and coating products.	99.95
9.	PT TOA Coating Indonesia	2016	365,681 Million IDR	365,681 Million IDR	Kawasan Industri Millenium Blok F1, Desa Peusar, Kecamatan Panongan, Kabupaten Tangerang, Provinsi Banten, Indonesia Tel. No. +62 21 29024458	Manufacture and distribution of decorative and non-decorative paint and coating products.	99.49
10.	TOA Paint (Myanmar) Co., Ltd.	2013	1 Million USD	1 Million USD	No. 120, Mahawgani Street, Between Industrial 9th Street and 10th Street Shwe Pyi Thar Industrial Zone (1), Shwe Pyi Thar Township, Yangon, Myanmar Tel. No. 01-554102	Manufacture and distribution of decorative and non-decorative paint and coating products.	65
11.	TOA Coating (Myanmar) Co., Ltd.	2016	17 Million USD	17 Million USD	No. C-21, Class A Area, Thilawa Special Economic Zone, Myanmar Tel. No. 01-614147	Manufacture and distribution of decorative and non-decorative paint and coating products.	99.29

	Company	Year of Incorporation	Registered Capital	Paid-up Capital	Headquarters	Nature of Business	%Shareholding ⁽¹⁾
12.	TOA Skim Coat (Cambodia) Co., Ltd.	2016	40 Million KHR	40 Million KHR	No. B36, Street National Road No.3, Phorm Sre Chom Rov, Sangkat Chom Chao, Khan Por Sen Chey, Phnom Penh, Cambodia Tel. No. (855) 23 636 57 58	Manufacture and distribution of skim coat products.	65
13.	TOA Paint (Cambodia) Co., Ltd. ⁽⁵⁾	2016	40 Million KHR	40 Million KHR	No. 12E, Street National No.3, Sangkat Chom Chao, Khan Por Sen Chey, Phnom Penh, Cambodia Tel. No. (855) 23 636 58 59	Manufacture and distribution of decorative and non-decorative paint and coating products.	100
14.	TOA Coating (Cambodia) Co., Ltd.	2018	15 Million USD	15 Million USD	PPSEZ (Lot No. P2-087, P2-088, in Bueng Thom 3 village, Sangkat Beung Thom, Khan Por Senchey, Phnom Penh, Cambodia	Manufacture and distribution of decorative and non-decorative paint and coating products.	100
15.	Incosource Co., Ltd.	2021	300 Million THB	300 Million THB	31/2 Moo 3, Debaratana Road, Bangsaothong, Bangsaothong, Samutprakan 10570 Tel. No. 02-335-5555	To operate a business to procure, import, and export the paints and construction chemicals, construction materials, electricals, ceramics, sanitary ware, plumbing, tools, and hardware.	55
Subsidiaries directly owned by Mega Paint and Home Co., Ltd.							
16.	Phacha Enterprise Co., Ltd.	2010	5 Million THB	5 Million THB	99/586 Moo 4, Bang Chalong, Bang Phli, Samut Prakan	Retail and wholesale distribution of granito tiles,	52

	Company	Year of Incorporation	Registered Capital	Paid-up Capital	Headquarters	Nature of Business	%Shareholding ⁽¹⁾
					Tel. No. 02-336-0393 Fax. No. 02-336-0394	ceramic tiles, sanitary wares, and related products.	
17.	Phawatri Intertrade Co., Ltd.	2014	1 Million THB	1 Million THB	99/578 Moo 4, Bang Chalong, Bang Phli, Samut Prakan Tel. No. 02-336-0393 Fax. No. 02-336-0394	Retail and wholesale distribution and import of tiles.	52

Note: ⁽¹⁾ Shareholding percentage as at December 31, 2021

⁽²⁾ Year of acquisition

⁽³⁾ On January 21, 2021, Professional PC Service Co., Ltd. registered its new name to Mega Paint and Home Co., Ltd.

⁽⁴⁾ At present, TOA Coating Sdn. Bhd. does not conduct any operation and has already transferred its business to TOA Paint Products Sdn. Bhd.

⁽⁵⁾ At present, TOA Paint (Cambodia) Co., Ltd. does not conduct any operation and has already transferred its business to TOA Coating (Cambodia) Co., Ltd.

1.3.2 Shareholders

(1) Major Shareholders

(A) Top 10 major shareholders as at March 14, 2022.

Shareholders	No. of Shares	% Shareholding
1. TOA Group Holding Co., Ltd.	608,400,000	30.0
2. Mr. Vonnarat Tangkaravakoon	182,600,000	9.0
3. Mr. Jatuphat Tangkaravakoon	182,600,000	9.0
4. Mr. Nattavuth Tangkaravakoon	182,600,000	9.0
5. Mrs. Busatree Wanglee	182,600,000	9.0
6. Mr. Prachak Tangkaravakoon	91,300,000	4.5
7. Mrs. Laor Tangkaravakoon	91,300,000	4.5
8. MORGAN STANLEY & CO. INTERNATIONAL PLC	75,300,000	3.7
9. Bualuang Long Term Equity Fund	53,115,500	2.6
10. Bualuang Top Ten Fund	32,865,500	1.6

Source: Thailand Securities Depository Company Limited

Shareholders of TOA Group Holding Co., Ltd.

Shareholders	No. of Shares	% Shareholding
1. Mr. Prachak Tangkaravakoon	100,000	20.0
2. Mrs. Laor Tangkaravakoon	100,000	20.0
3. Mr. Vonnarat Tangkaravakoon	75,000	15.0
4. Mr. Jatuphat Tangkaravakoon	75,000	15.0
5. Mr. Nattavuth Tangkaravakoon	75,000	15.0
6. Mrs. Busatree Wanglee	75,000	15.0
Total	500,000	100.0

(B) The major shareholders who have de facto control to influence the policy determination, management, or business operation of the Company as at March 14, 2022.

Shareholders	No. of Shares	% Shareholding
1. TOA Group Holding Co., Ltd.	608,400,000	30.0
2. Mr. Vonnarat Tangkaravakoon	182,600,000	9.0
3. Mr. Jatuphat Tangkaravakoon	182,600,000	9.0

Shareholders	No. of Shares	% Shareholding
4. Mr. Nattavuth Tangkaravakoon	182,600,000	9.0
5. Mrs. Busatree Wanglee	182,600,000	9.0
6. Mr. Prachak Tangkaravakoon	91,300,000	4.5
7. Mrs. Laor Tangkaravakoon	91,300,000	4.5

(C) Transfer Restrictions

The Company's ordinary shares can be transferred without restriction, except in the case that such transfer results in the proportion of foreign shareholders exceeding 49.0% of the total number of shares sold or 994,210,000 shares. Any transfer that makes a proportion of shares held by foreign shareholders exceed such limit, the Company has the right to repeal the registration for share transfer.

1.4 Registered capital and paid-up capital

1.4.1 Registered capital and paid-up capital

TOA is a listed company on the Stock Exchange of Thailand with the registered and paid-up capital of THB 2,029,000,000 divided into 2,029,000,000 ordinary shares with the par value of THB 1.0.

In addition, the Company has not issued any other shares apart from ordinary shares.

1.5 Issuance of other securities

The Company has not issued other securities.

1.6 Dividend Policy of the Company and Subsidiaries

1.6.1 Dividend Payment Policy of the Company

The Board of Directors may consider annual dividend payment subject to the approval of the Company's shareholders at an annual general meeting. From time to time, the Board of Directors may declare interim dividends when the Board of Directors determines that the Company has sufficient net profits to do so. Such payment of interim dividends must be reported in the next shareholders' meeting of the Company.

The Company has the policy to pay dividends at the rate of not less than 40.0% of the Company's net profit on the separate financial statements after deducting corporate income tax and other reserve funds as required by laws and as determined by the Company for each year. The Board of Directors may also, for the interest of the shareholders, take into consideration of other factors in paying dividends such as the operating performance and financial position of the Company, reserve funds for future investments, and repayment requirements of loans, or working capital requirements, and whether a dividend payment will have

a material impact on the normal business operations of the Company, as deemed suitable and appropriate by the Board of Directors.

1.6.2 Dividend Payment Policy of the Subsidiaries

The board of directors of subsidiaries may consider annual dividend payment subject to the approval of the subsidiaries' shareholders at an annual general meeting. From time to time, the board of directors of subsidiaries may declare interim dividends when the board of directors of subsidiaries determines that the subsidiaries have sufficient net profits to do so. Such payment of interim dividends must be reported in the next meeting of the subsidiaries' shareholders.

Thus, the board of directors of subsidiaries may also, for the interest of the shareholders, take into consideration of other factors in paying dividends, such as the operating performance and financial position of each subsidiary, the reserve funds for future investments, and repayment requirements of loans, or working capital requirements. Such dividend payment does not have a material impact on the normal business operations of each subsidiary, as deemed suitable and appropriate by the board of directors of subsidiaries.

The Board of Directors' Meeting No. 2/2021, held on February 25, 2021, considered and proposed at the annual general meeting of shareholders to approve the annual dividend payment derived from the net profit on the separate financial statements from the operating performance of the second half of 2020, at the rate of THB 0.26 per share, totaling THB 527.54 million. The dividends were distributed to the shareholders on May 21, 2021.

The Company paid the interim dividend derived from the net profit on the separate financial statements from the operating performance of the 6 months ended June 30, 2021, at the rate of THB 0.31 per share, totaling THB 628.99 million. The dividends were distributed to the shareholders on September 10, 2021, as per the following details:

Year	Interim dividend	Annual/Final dividend	Total dividend	Dividend payout ratio on the Company's separate financial statements after deducting legal reserves
2021	0.31	0.19 ¹	0.50	51.3%
2020	0.27	0.26	0.53	50.6%
2019	1 st half-year: 0.23 2 nd half-year: 0.27	-	0.50	50.0%
2018	0.21	0.18	0.39	41.5%

Remark: ¹Annual dividend in 2021 is supposed to receive approval at the Annual General Meeting of Shareholders in 2022.

2. Risk Management

2.1 Policy and Plan of Risk Management

Risk management is an essential and integral management process to lead an organization to its goals, especially under business circumstances with rapid changes as well as high competition. An effective risk management system is a core component of good corporate governance which brings about value-added of business eventually.

The Company has been aware of the significance of risk management towards the organizational operation. The Risk Management Committee has been appointed under good corporate governance in order to execute and control risk management. The committee determines the risk management policy each year and then passes it on to relevant business units for further compliance to ensure that the risk management is implemented systematically and led to the same direction. In addition, the committee also lays down rules, regulations, and procedures of risk management to cover the entire organizational activities. Besides, it also regulates audits, assesses performance and reports to the Board of Directors, and discloses significant information to related parties on a regular basis.

The Company emphasizes the continual practice of organizational management and the improvement of risk management for higher operational effectiveness, with the consideration of both internal and external factors that keep changing all the time.

Risk Management Framework

The Company has put the risk management in place all over the organization in compliance with international standards. The Board of Directors, management, and all employees have implemented it. The risk management process has been designed to be able to identify possible events that might affect the organization and to be able to manage risk appetite for reasonable assurance of achieving organizational objectives. The risk management framework consists of the following principles.

1. Strategy Formulation

The Company has determined clear objectives and levels of risk appetite for risk management so as to ensure the same goal-oriented direction.

2. Risk Management Structure and Responsibilities

As at December 31, 2021, the Company's risk management structure is shown as below:



Risk Management Responsibilities

Board of Directors

The Board of Directors is responsible for monitoring the enterprise-wide risk management.

Audit Committee

The Audit Committee is responsible for considering and verifying the effectiveness of the internal control, monitoring the risk management results, as well as evaluating the risk management outcomes implemented by the Risk Management Committee.

Executive Committee

The Executive Committee is responsible for supporting the Board of Directors in terms of executing risk management and overseeing the risk management system to ensure properness and effectiveness.

Risk Management Committee

The Risk Management Committee fulfills its duties to assure that significant risks must be identified and assessed on a regular basis, and specifies efficacious risk management measures with the following responsibilities:

- Determine the risk management policy, risk-related strategies, and criteria in order to further propose to the Board of Directors for consideration and approval.
- Review risks and procedures to manage risks according to risk owners' assessment including providing suggestions for improvement.
- Supervise the effectiveness through consistent monitoring and reviewing of risk management processes.
- Report issues that are identified as high and very high risks to the Chief Executive Officer, Executive Committee, Audit Committee, and Board of Directors respectively.
- Risk management results must be reported to the Audit Committee, and the risk management policy shall be reviewed on a regular basis.

Risk Management Working Group

The working group is responsible for executing risk management as planned and assigned by the Risk Management Committee, including risk identification, control measures, risk assessment based on the corporate criteria, risk mitigation planning, and monitoring to reduce risk to an acceptable level, which shall be reported to the Risk Management Committee.

3. Organizational Risk Management Process

The Company has set the risk management process to ensure the systematic steps and procedures and the entire operations leading to the same direction. The core process of organizational risk management consists of 8 steps as below.

- 1) Internal Environment
- 2) Objective Setting
- 3) Event Identification
- 4) Risk Assessment
- 5) Risk Response
- 6) Control Activities
- 7) Information and Communication
- 8) Monitoring

The risk management process implemented by the Board of Directors requires effective corporate communication tools concerning the continual risk assessment and control, risk management progress, monitoring the tendency of potential risks, and uncommon situations so as to make sure that:

- 1) Risk owners regularly and properly monitor, assess, analyze situations, and manage risks under the scope of their responsibilities.
- 2) Any risks that engender significant impact on achieving the corporate objectives are reported about the risk management progress. Risk tendency towards the management in charge and the Risk Management Committee grounded on the internal control system is adequate, appropriate, effective, and suitable for actions taken in order to prevent or mitigate potential risks. The internal control must be regularly developed as well to be consistent with changing circumstances and risks.
- 3) Risk Management Division coordinates with the risk owners and management in charge of risk management to report the risk status and risk management process in a meeting of the Risk Management Committee for further acknowledgment/ consideration.
- 4) Risk Management Committee must analyze/monitor any changes in both internal and external circumstances, including potential emerging risks, which leads to reviewing the risk management and prioritizing risks. Moreover, the analysis might be brought for overall risk management review as well.
- 5) Risk Management Committee must summarize the risk management progress in line with the work plan to the Chief Executive Officer, Executive Committee, and the Board of Directors.

Nevertheless, the Company provided its top executives and employees in each business unit including its overseas subsidiaries with risk-related training courses for a greater understanding of risk management.

2.2 Business Risk Factors

In 2021, the Company conducted the key risk assessment covering all of its subsidiaries in Thailand, Cambodia, Laos, Myanmar, Vietnam, Indonesia, and Malaysia. This is to ensure that the subsidiaries are aware of risks and able to identify key risks effectively. Thus, the business risk factors consist of the following aspects of risks:

1) Strategic risks

Currently, customer needs and expectations are changing. In this regard, the Company needs to find out new strategies responding to the customer preferences and create initiatives to outperform competitors, retain the leading position of paints and succeed in the long run. The Company considered and assessed the strategic risks as follows:

1.1) Competition

It is apparent to create innovations in time and meet the market expectations in order to boost greater competitive advantages. With its commitment, the Company always pays attention to new innovations and technologies as well as positioning itself to increase stronger brand awareness in overseas markets.

Key Risk Indicator

It is challenging to build brand awareness in a foreign market; however, the Company is able to monitor the foreign market, trends, and brand recognition abroad, derived from the international market share.

Risk management approach

- Execute the new product/ innovation development plan and explore initiatives to respond to all-time customer expectations, strengthen brand positioning of "TOA" in a foreign market by focusing on:
 - Creating brand visibility among retail and modern trade channels, and
 - Communicating with a target group through digital & social media platforms.
- Consider pricing strategy and define an action plan to respond to competitors' objectives in a timely manner, and develop internal operations and procedures to ensure the capability of effective responses to customer preferences.

1.2) Risk of developing new products of which inability to meet customer demands, technology for the construction, and other changing market-related factors

The Company and its subsidiaries have a proactive plan for launching new products that respond to changes: developing and innovating new products to cater to the market demand, technology for the construction, labor market, differences in customer preferences and behaviors. However, the risk of new products being unable to meet customer needs or market demand is highly recognized. The procedure to manage and reduce such risk is defined and standardized for the corporate group as follows:

Key Risk Indicator

The Company collects and stores its product information from various channels such as product return with reasons, inventory turnover, as well as market survey to meet customer preferences.

Risk management approach

- A new product/innovation development committee is appointed chaired by the Chief Executive Officer.
- Develop a new product and innovation plan for the 3-year strategic plan.
- Create an effective collaboration across the organization and look for potential business opportunities and partnerships.
- The Company runs the projects relating to the technological advancement to cater to customer preferences such as TOA Smart that render services of e-commerce websites for its retail shops, WHO Service – a digital communication platform interacting between contractors and customers, and AI Chatbots integrated to answer questions through social platforms; Line or Facebook and so on.
- Appointment of a team/working group to conduct a market survey; market demand, technology for the construction, labor market, manpower potential, and perspectives from sales team experiencing the market and industrial outlook for proper development of products and coloring system.
- Conduct a market survey, market demand, technology for the construction, labor market, manpower potential, as well as perspectives from the sales team who experience customer intimacy and competition.

2) Financial Risks

In running business activity, the Company recognizes the financial risks that may negatively impact its overall operational results such as fluctuations in factors of production, exchange rates, as well as trade receivables. Financial risk factors are as follows:

2.1) Soaring prices of raw materials

The Company and its subsidiaries must rely on procuring factors of production or key raw materials from critical suppliers. Nevertheless, the risk of such raw material prices may fluctuate impacting overall production costs. Therefore, the Company and its subsidiaries understand the risk and define the risk management approach to ensure effective administration and achieve the business objectives and goals.

Key Risk Indicator

Fluctuations affected the overall production costs of which value could be assessed from the raw material ordering data in each year.

Risk management approach

- Procure sources of raw materials proactively and regularly for the Company and its subsidiaries accessible to those raw materials with lower prices but quality certified and tested by the Company's experts as well as tools under efficacy testing.
- Overseas subsidiaries shall take account of promoting the domestic manufacture to mitigate opportunity and number of transactions relating to importing goods from the Company. This also helps the Company work out a pricing strategy in an effort to boost its competitive advantage.
- Consider and designate a production plan to ensure that large-scale volume can achieve the economies of scale – average cost per unit of output is expected to drop properly and offset fluctuations that may occur.
- Pricing is to be reviewed in response to higher raw material prices taking into account current competition in a market.

2.2) Risk of fluctuations in foreign exchange rates

The Company has conducted transactions among its corporate group to achieve effective cost management. However, the international financial transactions may cause the foreign currency risk that adversely affects the financial position of the Company and its subsidiaries. The mitigation and management plan for the fluctuation risk has been established as follows:

Key Risk Indicator

The Company closely and regularly monitors the foreign exchange rates as well as the economic circumstances of its foreign suppliers.

Risk management approach

- Financial and Accounting Division closely monitors the fluctuations in the foreign exchange rate and uses financial instruments to mitigate such risk and negative impact.
- Oversea subsidiaries find ways for sourcing domestic raw materials in an effort to lower importation and control costs at an appropriate level.

2.3) Risk of encountering overdue or default payments caused by trade receivables

When it comes to running a business, the Company and its subsidiaries pay great attention to continued growth. Credit terms are approved according to the appropriate credit risk level specifying each customer's ability to pay, especially for the COVID-induced economic downturn in Thailand and overseas. However, the Company may face overdue or default payments from customers or trade receivables, resulting in bad debts that the Company is unable to obtain revenues under the credit terms. In order to mitigate and manage such risk, the approach is as follows:

Key Risk Indicator

The Company analyzed the data from the report of its overdue or default receivables.

Risk management approach

- The Company duly considers each customer's ability to pay and endorse appropriate payment conditions prior to proceeding with credit terms.
- To carry out payment opportunities, the Company figures out ways to speed up the process of paperwork preparation for trade receivables able to plan and pay.
- In the event that customers are unable to abide by the payment terms, the Company has procedures to cushion such impact in accordance with legal proceedings.
- Consider and develop communication practices and payment steps to be more effective and ensure that such practices increase opportunities and reduce payment steps to carry out faster payments and achieve objectives.

3) Operational Risks

Operational risks may occur from individuals, procedures, systems, and other external factors, which negatively impact the Company. Therefore, the Company and its subsidiaries recognize and identify the operational risks for proper risk management with the following details:

3.1) Force majeure risks; natural disasters, pandemics, political unrest, wars, fires, etc. (emerging risks)

The Company has highly prioritized force majeure risks; that is, COVID-19 outbreak, fire incident, and civil unrest in Myanmar. Such risks had a negative impact on both the Company and employees' occupational health, safety, lives, and assets. Focusing on continued safety measures in Thailand and overseas, the Company and its subsidiaries implement the risk management to likely mitigate the least opportunities as much as possible. The risk management approach is as follows:

Key Risk Indicator

The Company stays updated with news, prepares reports, and stores data in terms of statistics of COVID-19 cases, accidents, and fires, including information or news on political unrest.

Risk management approach

- The Company and its subsidiaries provided employees with effective and sufficient vaccines to reduce the risk of fatal infections.
- Preventive measures have continuously been enforced, which all employees acknowledged and strictly complied with.
- The Company provided employees with antigen test kits and proactively tested for COVID-19 infections on a regular basis.
- Employees in Myanmar closely monitor the political situation and they were allowed to work from home to avoid such risk and for their safety.

- In addition to a delegated safety unit for the Company and its subsidiaries, there were also monthly site safety inspections, quarterly safety drills, and communications among all employees to ensure a thorough understanding of fire prevention measures, coupled with focusing on other significant measures for ongoing compliance. All employees must be aware of safety and how to be prepared in case of an emergency to reduce losses that may occur.
- Workplace safety committees for subsidiaries have been appointed with the purpose of reviewing and promoting workplace safety.

3.2) Risk of producing products failing to meet the required standards

Customers must receive products under the required standards of the Company and ultimate satisfaction. The Company defines procedures to generate products subject to quality. However, the risk of failure in meeting the required standards arising from products is prioritized and identified. This must reduce the opportunity of delivering non-standard products to customers. The Company manages such risk to reduce the opportunity from dysfunctional production processes that may be caused by individuals, paint formulation, and others. The details are as follows:

Key Risk Indicator

The Company collects and stores records/reports on inspecting unstandardized products together with a customer service channel to file a complaint when dissatisfied with the Company's products. In order to inspect the product quality, the inspected number of products by the manufacture division is stored as well as information of returned products from retail stores and/or consumers.

Risk management approach

- The Company and its subsidiaries have placed importance on human development to obtain extensive production skills; ranging from a greater understanding of raw materials to competency development for quality verification prior to delivering products to customers.
- The Company and its subsidiaries have procedures to monitor deficient products to gather information to improve the production process and deliver quality products regularly.

3.3) Risk of operational disruptions

The Company surely recognizes that continued production is an integral part of long-term growth. Moreover, the least negative impacts from uncertainties must be likely carried out as much as possible, especially from the shortage of key factors of production such as land, plant, manufacturing equipment, workforce, and so on. To ensure long-running production, the Company executes the risk management as follows:

Key Risk Indicator

The Company has planned and determined the number of raw materials and workforce to ensure resource availability for ongoing operations as well as recorded statistics and time that machines or manufacturing devices accidentally shut down.

Risk management approach

- Supervise domestic and abroad land lease agreements to ensure proper proceeding for land allocation.
- Improve production process to ensure efficiency and reduce opportunities of stoppage. Monitor and check machine availability including well-handled maintenance.
- In case of labor shortage, the Company shall take action to assure that there are individuals to perform duties of vacant positions immediately.

4) Compliance risks concerning rules, laws, and other regulations**4.1) Compliance risks concerning the Personal Data Protection Act B.E.2562 (emerging risks)**

The cabinet approved the deferral of enforcement of the Personal Data Protection Act B.E.2562 which was June 1, 2021, by another year on June 1, 2022, due to the complexity of high technology to secure the personal data and the country was facing a difficult time with the prolonged COVID-19 outbreak. The Personal Data Protection Act has been highly prioritized; therefore, the Company implemented plans and procedures to be fully ready for such enforcement and stayed updated with any progress as well.

Risk management approach

- The Company appointed a data protection officer (DPO) and communicated with heads of departments to designate data privacy champions (DPC).
- PDPA training courses were provided to key-related officers.
- Workshop for the record of processing activities (ROPA) or to disclose the personal data to data privacy champions of each department.
- Interview and review ROPA and data privacy of each department on a one-on-one basis to further prepare a personal data flow diagram, data inventory, and legal evidence, which is subject to the record of processing activities.
- Provide PDPA-related knowledge, roles and responsibilities of the data protection officer, etc.

5) IT security and cyber security risks

Risks related to IT security and cyber security are greatly important. It should take action for these threats including risk management to prevent a data breach, malware attack, hacking, data abuse, fraudulent attempt to obtain sensitive information or sending phishing emails, and so on.

Key Risk Indicator

The Company's IT department is responsible for regularly monitoring and collecting phishing emails, and informing everybody to be aware of them.

Risk management approach

IT security and cyber security must be taken seriously especially phishing by accessing the database system of the Company and designing a form of false e-mail such as account number or other data related to trading and finance with the purpose of misleading users, which happens to large companies, to transfer money to a fraudulent account. Therefore, the Company takes this threat as a priority by installing and always enabling software for anti-virus, anti-spam, firewall, as well as updating regularly. The employees must be regularly informed and equipped with up-to-date IT security and cyber security policies and handbooks for greater understanding and carefulness.

6) Environmental risks

The Company has recognized the importance of environmental issues taking account of pollution derived from the production processes that may negatively affect surrounding communities, overexploitation of natural resources and energy that may result in water and power shortages, as well as raw material selection that may harm society and environment or cause safety hazards.

Key Risk Indicator

The Company regularly monitors and measures the air quality and wastewater from its manufacturing processes, and reviews reports on the statistical power consumption.

Risk management approach

- The Company proactively monitors the environment, air quality measurement, wastewater from its manufacturing processes as well as effective waste management.
- The Company's environmental measures are well-executed to control natural resources and energy, seek ideas for alternative energy, create campaigns, and raise awareness of environmental issues among employees to maximize energy efficiency.
- The Company is well aware of sustainability, quality of life, and environment. In order for the greater good, its products and solutions have been consistently developed and made from bio-based materials in place of petroleum-based ones to be safe and allergy-friendly for end users.

3. Driving Business Value through Sustainability

This Sustainability Development Report is prepared annually covering the Company's performance from 1st January to 31st December 2021 in order to communicate its policies and management approach concerning sustainable development and to disclose the sustainability performance, namely economic, social, and environmental aspects to its stakeholders.

In 2021, this report was prepared with reference to the Global Reporting Initiative Standards (GRI-referenced) by using selected parts of its contents. Each material topic relating to the Company's sustainability includes the reporting requirements; reporting boundary, management approach, and performance. This reporting also combines with the standard of Corporate Social Responsibility, Department of Industrial Works: CSR-DIW on sustainability relating to the Company's business operations in the economy, society, and environment, as well as corporate social responsibility guidelines based on ISO 26000. In addition, the Company's sustainability responds to some principles of the UN Sustainable Development Goals: UN SDGs).

Overall Policy

The Company is committed to operating its business with the responsibility for the various impact caused by its business operations, to promoting transparency, auditability, and ethics. This also includes respect for human rights, considering stakeholders' benefit, assuring the good quality and safety for paint and coating products for consumers, caring for community and environment, conforming to law and other requirements or related international practices, developing and improving the foundation of ongoing and sustainable corporate social responsibility.

Approach to "Creating Thai Sustainability" to ensure the implementation of the Company's corporate social responsibility by conforming to the following 4 practical principles:

- 1. Human Development:** focusing on stakeholders, employees, youths in communities, people, and business partners by providing self-development skills, improving work performance, and strengthening careers in the future.
- 2. Production Process with Social Responsibility:** the production process is adjusted to ensure eco-friendly production and safe products for consumers and the environment. In addition, the Company should enhance green label certification for its products.
- 3. Care and Development of Business Alliances:** for sustainable development and promoting the engagement of business alliances, especially for business partners and representatives, the Company participates in social activities by organizing training on the corporate social responsibility principles and encouraging business partners and representatives to organize these activities for further organizational development and nearby communities.
- 4. Continuing Development of Value and Product Technology and Creation of New Inspiration from the Products to Ensure Efficiency, and Awareness of Corporate Social Responsibility:** the Company has continuously participated in the CSR-DIW projects organized by the Department of Industrial Works. The Company paves its way to become the market leader of the surface protection paint and coatings in the ASEAN Economic Community (AEC). With its expertise in products and services coupled with its intention and commitment, the Company strongly hopes that all stakeholders will be happy, have trust in its products and services, and be with the Thai people forever.

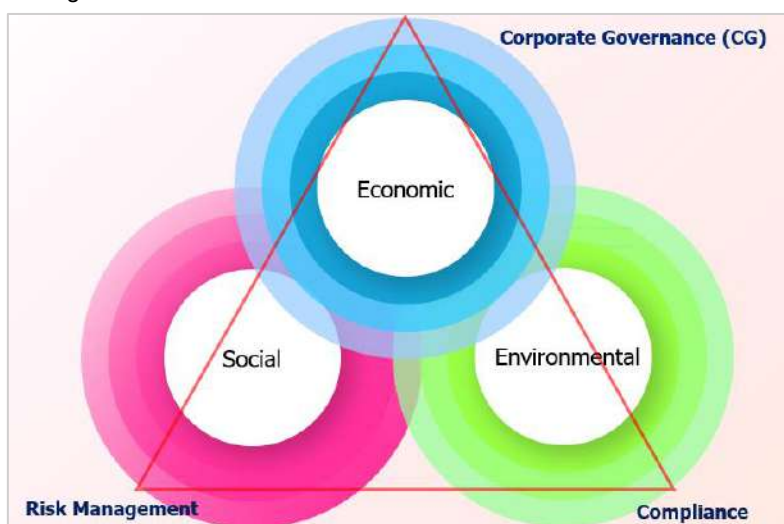
CSR Governing Structure

In order to ensure that corporate social responsibility is effectively implemented, the Company has appointed the CSR Committee. The committee, chaired by the Chief Executive Officer, consists of senior executives and heads of each business unit. Besides, working groups have been appointed to be responsible for various CSR-related issues as follows:



Corporate Sustainability

The Company runs its business with good faith and responsibility for any impact relating to its business operation throughout the supply chain by taking account of transparency, auditability, ethics, respect for human rights, and stakeholders' benefit. In this regard, the Company emphasizes the good quality of paint and coatings products, consumer safety, the potential impact on the communities and environment, and complies with legal requirements and relevant regulations, or global standards, as well as developing and improving its social enterprise to ensure the sustainability and excellence in corporate social responsibility foundation. The corporate social responsibility framework includes 3 dimensions; economic dimension, social dimension, and environmental dimension in order to achieve the Company's good corporate governance.



Sustainability Recognition



With reference to the announcement of the SET in 2021, TOA was named for inclusion in the list of Thailand Sustainability Investment or 'THSI' and also in the list of SET THSI Index or 'SETTHSI' for 2 consecutive years.

Stakeholder Engagement

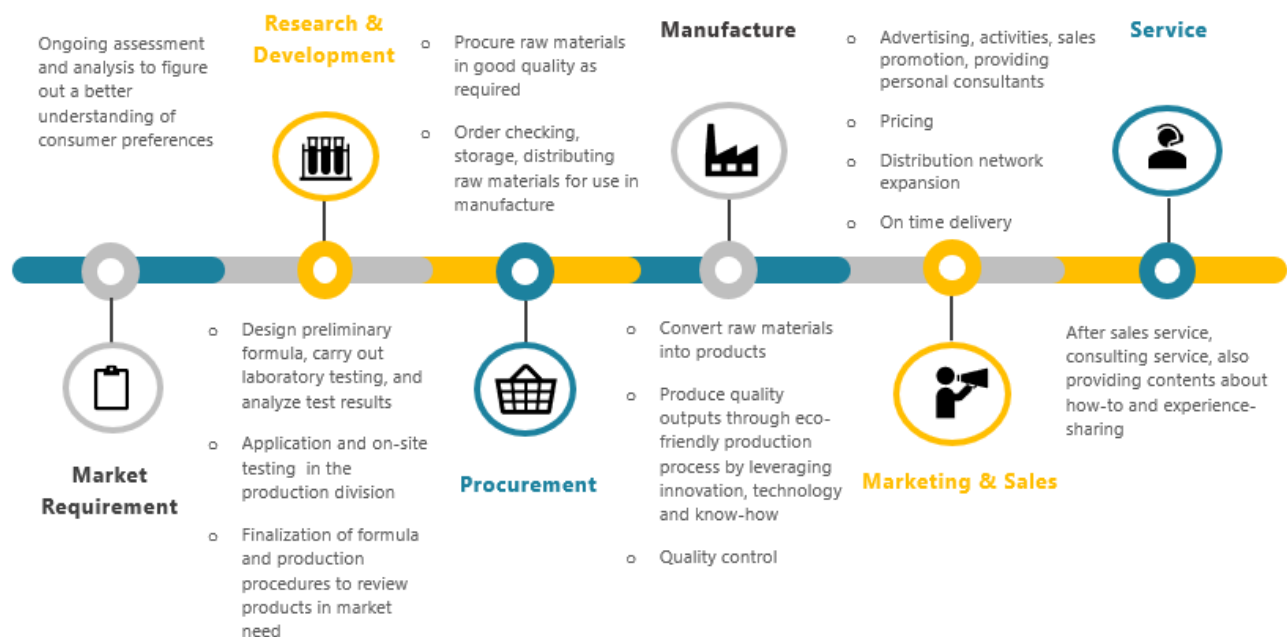
Corporate Governance

The Company strives to become a leader in the surface protection paint market in the AEC with its expertise in products and services, and become a leader of “Green Innovation” by creating eco-friendly products for the market. At the same time, the Company focuses on its reliability and good governance based on the transparency and auditability of organizational management, communication between the Company and its stakeholders to identify the top priorities and monitor the corporate governance implementation on a regular basis.

1. Management of Potential Impacts on Stakeholders in Value Chain

1.1 TOA's Value Chain

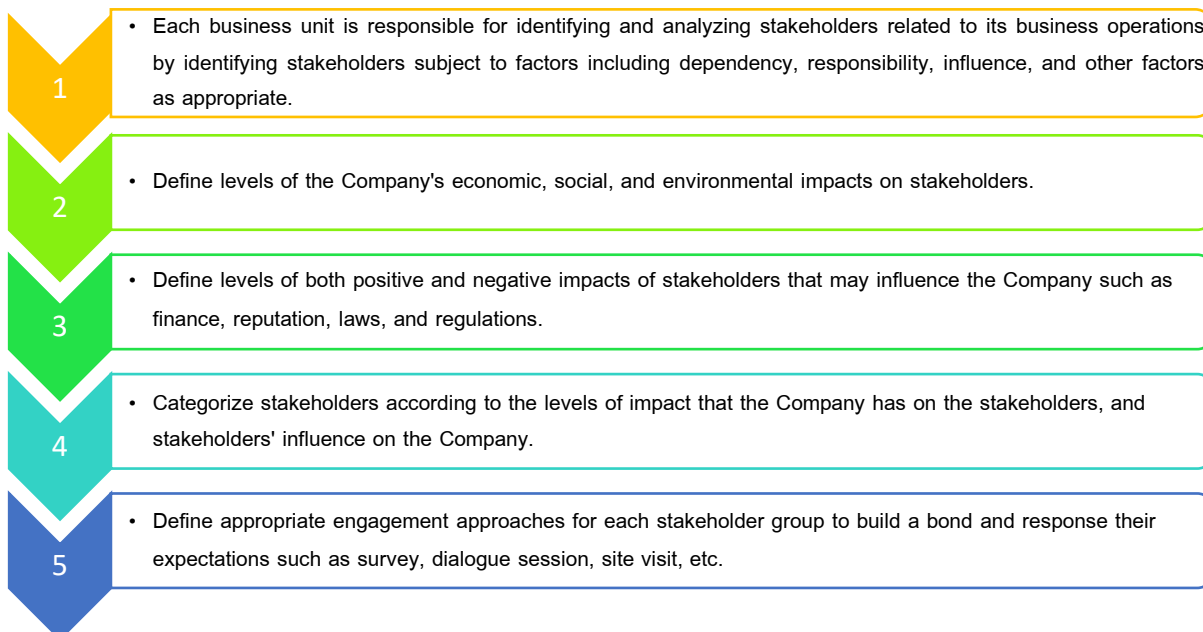
The Company pays great attention to managing its value chain pertaining to business operations and processes, which finally leads to achievement. The Company contributes to the value creation of products and services, managing stakeholder expectations, production with focused attention to the impact on communities and environment, marketing and service standards, and responding to diverse needs. In this regard, there must be a management approach to each oriented procedure to ensure well compliance and effectiveness as follows:



2. Analysis of Stakeholders in Value Chain

➤ Guidelines for Stakeholder Engagement and Material Concerns

The Company operates its business with the consideration to all groups of "**stakeholders**" involved in the Company's operations (value chain) and also takes into account the positive and negative impacts that may happen to each group of stakeholders as follows:



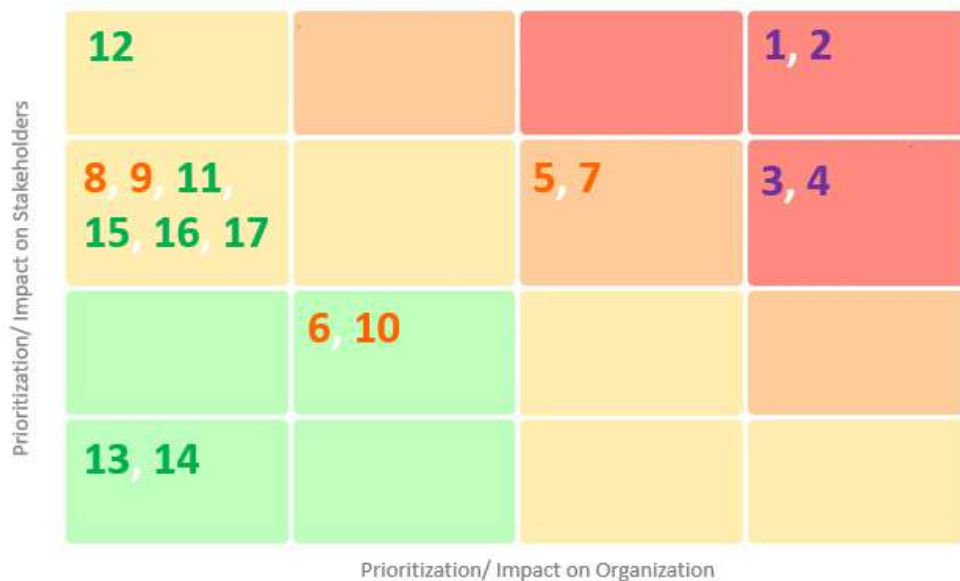
➤ Stakeholder Engagement Method & Issues

Stakeholders	Concern & Expectation	Method of Promoting Participation
Employees	• Business direction • Implement a safe workplace according to international standards, • Environmental management according to the international standards, • Training for potential development, • Proper remuneration, welfares, and career paths.	• Safety, Health and Environment Committee has been appointed, and holding a meeting on a regular basis, • Educate employees on safety in the workplace, and personal protective equipment usage through journals, e-mail, website, notice boards on a regular basis, • The opportunity is given to employees to appoint committees such as Welfare Committee, • KPIs evaluation system, • Employee engagement survey, • Seminars and training related to duties and responsibilities and also in line with the relevant standards, and develop employees' special skills, • Employee feedback survey through employee dialogue program in every year, • Communicate the "Corporate Strategy & Objectives" by Chief Executive Officer, • Communicate the "Townhall & Employee Engagement Survey" by each division head, • Survey employees' behavior in line with the corporate culture (TOA DNA).
Community	• Environmental management is carried out in line with the international standards, • Living safety, • Promote communities' activities together with the contribution of paints for renovating places such as schools, sub-district administration	• Set up a community engagement and development working group, • Community dialogue session is conducted every year, • The working team organizes activities providing knowledge at schools and communities,

Stakeholders	Concern & Expectation	Method of Promoting Participation
Customers	organization, police stations, and health-promoting hospitals, etc., - Educate and enhance knowledge, skills, and provide site visits for students, - Respect human rights, - Well-being and economic distribution towards communities. - Trust in brands, - Product value delivered to customers such as quality standards, use-value, etc., - Service value delivered to customers such as call center, whistleblowing channels, warranty, technician unit, free color designing, - Innovative product development that is eco-friendly and energy-saving, - Create solutions to meet customer needs and comprehend their pain points.	- Meet and talk with people living surrounding the Company once a month, - Annual environmental assessment results are attached on a notice board, - Open House, - Whistleblowing channels. - Communicate through catalog and labels of products, - Communicate through public relations, advertising, website, and experts to provide advice, - Promoting activities, - Training customers about how to use products, - Call center, customer relations center, - Satisfaction survey, - Customer experience management, - Market research, - Securely store data and manage personal data protection.
Dealers	- Mutual growth in business such as support, knowledge sharing, sales promotion, - Value in products and services such as warranty, technician unit, free color designing, - Build recognition and trust in brands, - Full range of various products for decision-making.	- Build customer satisfaction, - Whistleblowing channels, - Training organized between dealers and the Company's management, - Call center, customer relations center, - Activities to build and maintain relationships and communication.
Raw material suppliers	- Mutual growth in business, - Select, assess sellers/suppliers with transparency and auditability under the same business terms, - Exchange information, suggest and recommend the development of quality, safety, environment, and CSR, - Raw material requirement planning in advance for suppliers to prepare raw materials in a timely manner.	- Activities to build and maintain relationships and communication on a regular basis, - Whistleblowing channels, - Define regulation and system for procurement, selection, and assessment of raw material suppliers, - Verify the procurement with transparency and auditability.
Shareholders	- Board of Directors' qualifications, - Generate sustainable and proper profit and growth, - Generate a balanced return for all stakeholders, - Conduct business with transparency, code of conduct, corporate social responsibility such as annual financial statements and financial audit, - Risk management, and anti-corruption, - Research & development for operational excellence.	- Annual General Meeting of Shareholders and Opday, - Inform operational plans and performance, - Meeting between the management and investors/analysts, - Communicate through journals, e-mail, website, - Report the progress of the business plan, define protective measures, solution planning for problems caused by operations, - Annual report, and sustainability development report.

Stakeholders	Concern & Expectation	Method of Promoting Participation
State sector	- Comply with applicable laws, and other relevant regulations, - Collaborate with state sector to organize various activities, - Promote education such as training educational institutes to apply paint, open an opportunity for public university students for internship, etc.	- Communicate and coordinate with state sector to acquire important information and exchange information, - Promote activities and participate in a meeting as invited by the state sector on a regular basis, - Submit report, relevant document under the required submitting date, - Collaborate with state sector for a site visit, - Communicate through journals, e-mail, website, and telephone consistently, - Whistleblowing channels.
Subcontractors	- Select and assess subcontractors with transparency, auditability under the same contractual terms, together with suggesting and recommending the development of quality, and safety, - Comply with the agreement or contractual terms.	- Communicate through journals, e-mail, website, and telephone consistently, - Whistleblowing channels, - Assess subcontractors in consideration of transparency and auditability, - Set up a training session before working.
Financial institutions	- Comply with the agreement or contractual terms, - Collaborate with financial institutions' activities, - Use full range of banking services, - Business growth and financial performance.	Communicate and exchange information between the Company and financial institutions.
NGOs	Collaborate with and respond to any issues relating to the environment and customers.	- Inform the annual environment assessment results on notice boards, - Whistleblowing channels, - Communicate through journals, e-mail, website, and telephone consistently.

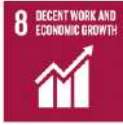
➤ Materiality Assessment



Economy	Society	Environment
1. Economic distribution towards stakeholders	5. Employee and labor caring	11. Creating a green culture
2. Supplier management	6. Core values and corporate culture	12. Environmental compliance
3. Customer relationship management	7. Human capital development	13. Energy management
4. Innovation, product and service development	8. Occupational health and safety	14. Water management
	9. Community engagement	15. Waste management
	10. Sustainable outreach programs for society	16. Air Quality
		17. Reduction in greenhouse gas emissions

1.3 Sustainable Development Goals: SDGs

The Company has material issues responding to certain principles of the SDGs as follows:

SDGs	Topic	Approach
Corporate governance & economy 	- Corporate governance structure - Corporate governance report	- Board structure (Board Diversity) - Strengthen effective board of directors
	- Economic distribution towards stakeholders - Innovation, product and service development - Occupational health and safety	- Economic value distribution - Business ethics - Partnership with suppliers
	- Customer relationship management - Innovation, product and service development	- Customer service development through technology - Build customer trust - Ongoing development and initiative for quality products and services as well as anticipating customer needs

SDGs	Topic	Approach
Society     	- Employee and labor caring - Human capital development - Occupational health and safety	- Proper remuneration and welfares - Human rights, equality, and workforce diversity - Job opportunity for disabled people - Promote good health and workplace safety - Human resource development and career path
   	- Community engagement - Sustainable outreach programs for society	- Educational promotion and equipment for schools located nearby the Company - Painting skill enhancement for more new painters - Co-educational projects - Scholarships - Health promotion for a better quality of life - COVID-related relief programs to reach the vulnerable in both community and society
Environment 	Water management	- Production process to help reduce water consumption - Reuse of treated wastewater
	- Idea generation for product and service development - Creating green culture - Water management - Waste management - Air Quality - Reduction in greenhouse gas emissions	- Greenovation - Green industry - Waste reduction with 3Rs - Single-use plastic reduction - Reduce paper usage - Reduce water consumption
 	- Creating green culture - Energy management - Reduction in greenhouse gas emissions	- Energy conservation projects, - Ongoing development for energy-saving and eco-friendly products under the concept "Greenovation"

SDGs	Topic	Approach
	Idea generation for product and service development	- Carbon Footprint for Organization (CFO) - Low Emission Support Scheme

2. Business Conduct with Fairness

Guidelines to treat all stakeholders with responsibility are defined in the Company's corporate governance and code of conduct handbook. Stakeholders include shareholders, employees, customers, business partners, and contractual parties, as well as communities, society, and the environment. The handbook also embraces the principles of free and fair competition, the prevention of a conflict of interest, intellectual property infringement, and anti-corruption in all forms. The key policies are determined as follows:

(1) Corporate governance

The Company aims to operate its business with fairness, honesty, transparency, as well as disclose material information based on accountability and auditability. The Company considers both the benefits and impacts that may be experienced by shareholders, customers, business partners, employees, and all stakeholders. In addition, fair benefit sharing must be considered as appropriate. In this regard, the Board of Directors has determined corporate governance guidelines for directors, management, and employees to comply with.

(2) Corporate social responsibility

The Company has determined the corporate social responsibility policy under the ethics to ensure fairness toward all stakeholders. The principles of good corporate governance also serve as guidelines for the Company to maintain a balance between its performance for economics, community, society, and environment, which will lead its business to success and sustainability.

(3) Ensure compliance with applicable laws, rules, and regulations

The Company has recognized the significance of compliance with applicable laws, regulations pertaining to the environment, occupational health, and safety at local, regional, and national levels, including the code of conduct applied in accordance with international standards. Directors, management, and employees must comply with applicable laws, rules, and regulations, and all of them should avoid being involved in, supporting, or otherwise violating laws and related regulations.

(4) Supervision of compliance with intellectual property laws

The Company must not commit misconduct that violates intellectual property rights and ensure that the directors, management, and employees comply with laws and regulations. They must not be involved in a part of such misconduct, helping, or any act in such a way that violates the laws and regulations pertaining to intellectual property.

(5) Promote the efficiency of resource utilization

All of the Company's directors, management, and employees are encouraged to appropriately, efficiently, and sustainably use resources for the utmost benefit. The Company communicates with all employees and stakeholders

to promote and educate the responsible use of resources for the best benefit of the Company, to ensure the awareness of resource management among related parties.

Anti-Corruption

The Board of Directors determines the anti-corruption policy, whistleblowing measures, investigation procedures of fraud, corruption, and wrongdoing, the penalty for false whistleblowing and complaint, confidentiality, and whistleblower protection from retaliation.

The anti-corruption policy is contained in the Company's corporate governance and code of conduct handbook for all directors, management, and employees to comply with through e-mail and intranet channels.

In 2021, anti-corruption programs were carried out as follows:

- At the Board of Directors' Meeting No. 2/2021 on February 25, 2021, there was a resolution to approve the "No Gift Policy" to promote the business ethics, responsibility, and equitable treatment of stakeholders based on good corporate governance. With the commitment to creating transparency in the corporate culture, the Company aimed to become an anti-corruption organization. Moreover, the policy helped guide the employees at all levels; for the Company, domestic and overseas subsidiaries, to comply with and not to request, receive or offer gifts, entertainment, and any other benefits which are undue from business parties.
- The Company was in the process of studying and assessing the readiness for a declaration stage in the Self-Evaluation Tool for Thai Private Sector Collective Action Against Corruption (CAC).
- New employees at all levels were informed about anti-corruption through the TOA Orientation Program; a course named **"Risk Management and Compliance, CSR and Anti-Corruption, and Code of Conduct"**, to enhance their well understanding of and proper compliance.

Timeline	1 st Day = 2/8/2021 @410-1 Gold, 410-2 Silver, 410-3 Bronze	2 nd Day = 3/8/2021 @410-1 Gold, 410-2 Silver, 410-3 Bronze	3 rd Day = 4/8/2021 424 Cyan, 431 Crimson, 430 Lime	4 th Day = 5/8/2021 424 Cyan, 431 Crimson, 430 Lime	5 th Day = 6/8/2021 @410-1 Gold, 410-2 Silver, 410-3 Bronze
08.00-08.30	Register				
08.30-10.00	Welcome to TOA & Activity (Learning & OD Team : 1.30 hrs)	Safety System (ISO 14001 & Risk) (Safety Team : 1.30 hrs)	Basic First Aid (Safety Team : 1.30 hrs)	Risk Management and Compliance, CSR and Anti-Corruption, and Code of Conduct (Internal Audit Team : 1.30 hrs)	Product Knowledge (Technical Team : 1.30 hrs)
10.00-10.30	Safety Overview (SHE Team : 30 min)				

Whistleblowing Measures

The Company has defined the whistleblowing measures, and the information provided remains confidential for employees and other parties who want to address their concerns about illegal, unethical practices, or human rights violations occurring in the corporate group, or to express opinions useful to the corporate group for more convenient proceeding.

Scope of Complaint and Whistleblowing

There are many kinds of wrongdoings including but not limited to the following actions:

- Crimes or inciting a person to commit an offense;
- Unlawful acts including corrupt practices, bribery, and intimidation;
- Ignorance of one's duty or laws or corporate governance principles;

- Any acts, behaviors, or ignorance of any compliance in relation to finances, reports, records, and guidelines and/or financial report or internal control implying unethical practices or non-compliance with the generally accepted standards;
- Any incidents that harm the health or safety of an individual;
- Any damages that occur to the environment;
- Serious misconduct;
- Willful or deliberate behavior to harm or disadvantage the corporate group or the corporate group's reputation;
- In the event that an inevitable charge or severe damage to the corporate group is not able to be solved or carried out in line with the rational procedures;
- Intentional concealment of any wrongdoings.

Whistleblowing or Complaint Channels

If one comes across a violation of the laws, regulations, corporate governance principles, code of conduct, policies or regulations of the corporate group, as well as suspected corrupt practices by directors, executives, or employees of the corporate group, one can file a complaint through designated channels. An employee coming across such acts should ask or consult with his or her superior first. If unsure or uneasy to do so, he or she can use the following designated channels:

- **Channel 1:** via e-mail to one of the following committees:

Board/Committee	E-Mail
Board of Directors	directors@toagroup.com
Audit Committee	auditcommittee@toagroup.com

- **Channel 2:** by post addressing one of the above-mentioned committees at:

TOA Paint (Thailand) Public Company Limited

31/2 Moo 3, Bangna-Trad Road, Bang Sao Thong, Samut Prakarn 10570

- **Channel 3:** via the Company's website at www.toagroup.com or <https://investor.toagroup.com/en/whistle-blowing>

Complaint and Whistle Blowing Process

Designated persons mentioned above who receive a complaint or whistle-blowing concern must forward it to Internal Audit Division. After being approached about such matter, Internal Audit Division, playing a vital role, is responsible for coordinating, gathering related information and evidence, together with taking fundamental steps to evaluate and verify the adequacy of primary information and evidence. After that, Internal Audit Division will take into consideration as appropriate or forward the matter to the related heads of divisions/ departments within 3 working days to take action to duly investigate to ensure solid proof. The internal Audit Division will further take the responsibility for tracking the progress periodically to ensure that actions have been properly taken. The guidelines are as follows:

- 1) Violations of laws, state regulations, policies, and disciplines relating to human resources should be forwarded to the Head of Human Resources Division.

- 2) Violations of corporate group's policies, corporate governance principles, code of conduct, and regulations should be forwarded to the Company Secretary.
- 3) Any acts, behaviors, or ignorance of any compliance in relation to finances, reports, records, and guidelines and/or financial report or internal control implying unethical practices or non-compliance with the generally accepted standards should be forwarded to the Head of Finance and Accounting Division.
- 4) Dubious acts for unlawful gains for oneself or other parties, including embezzlement, corrupt practices, and fraud, etc. should be forwarded to the heads of the related divisions/departments.
- 5) If the matter is complicated or involves several units or relating to independence matter, it should be forwarded to the Chief Executive Officer who will consider appointing an Investigation Committee to examine such matter.

Internal Audit Division is to record the whistle-blowing matter or complaint on the logbook, follow up on the progress periodically, and report to the Audit Committee and the Board of Directors for acknowledgment and further receiving recommendations and setting up guidance.

Investigation Period

The investigation will be undertaken carefully but quickly as possible in line with the nature and severity of the allegation/complaint without affecting the quality and efficiency of the investigation. Initial stages of the investigation will seek for a conclusion of the inquiry within 14 working days from the date that the matter is forwarded to the management or related head of division/department with a signature for acknowledgment or from the date of appointment of the Investigation Committee.

Investigation Procedures

The investigation of misconduct or fraud should be conducted with fairness and without prejudice. The investigation should get to know the facts, prove the complaint about the alleged misconduct or fraud, and maintain the interests and reputation of the accused.

The managers/heads of the related divisions/departments or Investigation Committee as mentioned above have the responsibility to evaluate and verify primary information received with the relevant units. In order to verify the information, the responsible parties are able to examine and review the information, e-mail, document data, and ask for other relevant information from the person who raised such concern. The summary report is to be prepared within 30 working days.

When examining the concern and finding the information that does indicate misconduct or fraud, the related management or head of division/department or Investigation Committee proposes such information to a top executive or an authorized person in order to consider disciplinary action or punishment according to the corporate group's regulations. The investigation result must be reported to Internal Audit Division within 7 working days for recording and further reporting to the Audit Committee and the Board of Directors.

False Reporting and Punishment

A person who, either intentionally or negligently, fails to comply with this policy, or commits an act of harassment, threatens, or imposes disciplinary punishment, or inflicts unfair treatment upon a complainant or any person involved in the reporting, including the case of false reporting or accusation, is considered to have committed a disciplinary offense and shall be liable for damage suffered by the corporate group or any other person, including any other liability otherwise provided by law.

Confidentiality and Protection of Whistleblowers

This policy is designed to build confidence for whistleblowers that their complaints will be treated seriously and there will not be any intimidation as a result of raising genuine concerns in good faith. However, the employees or whistleblowers should exercise due care to ensure the accuracy of the information disclosed before filing a complaint.

Complainants or whistleblowers can provide information without exposing their identity, and the corporate group also keeps their identity confidential during the investigation process. An identity of a whistleblower, report-related information, and the conduct of an investigation shall be kept confidential by all participants involved. However, under some circumstances, the participants may disclose the information if the disclosure is required by law or by the proceedings in accordance with the corporate group's rules. Disciplinary action and/or legal action may be taken against any person found to have intentionally disclosed confidential information.

Moreover, the corporate group shall not allow any unfair actions, for instance, threatens, position transfer, responsibility or work location change, suspension, termination, negative effect on performance appraisal, or any other actions that can cause damage to the employees who file a complaint, whistleblowers or cooperative witnesses, and will take disciplinary actions with the persons who attempt any retaliation to the whistleblowers under a proper process to prevent any impact on the work and/or work relationship of the whistleblowers by taking the corporate interests into account.

Thus, the corporate governance and code of conduct handbook is deemed as one of the disciplines that all directors, management, and employees must strictly comply with, and encourage others to follow. Any employees who violate or do not comply with shall be subject to disciplinary action.

Economic Dimension

Economic Distribution towards Stakeholders

- The Company believes that driving business towards sustainability should not only focus on profitability. The Company should be responsible for stakeholders through social participation and economic value creation based on the good corporate governance.

Management Approach

In regard to creating economic value for stakeholders, beside the dividends paid to shareholders, the Company places emphasis on responding to basic needs and showing its responsibility to the stakeholders related to its business operations such as paying taxes or fees to the government or local authorities, supporting and developing surrounding communities. The main objective is to create economic strength to the communities and countries where the Company operates its businesses.

The economic distributions that the Company has taken into account are as follows:

Stakeholders	Economic Value Created
Supplier engagement	Operating Costs
Human capital investment	- Salary, wage, and welfare - Provident fund contribution - Employee development expense
Value created to shareholders	Dividends
Financial institution	Interest and financial cost
Government sector	Corporate income tax
Investment for community and society	Community development and CSR activities

Economic value creation for appropriate return and growth

Unit: Million Baht

Details	Consolidated Financial Statements		
Direct economic value generated	2021	2020	2019
Decorative paint and coating products	11,078.0	10,774.3	11,635.0
Non-decorative paint and coating products	5,938.3	5,185.2	4,866.1
Other business product ⁽¹⁾	554.2	336.5	477.2
Total revenue from sales	17,570.5	16,296.0	16,978.3
Profit before income tax	2,454.3	2,595.2	2,711.2
Profit for the year	1,926.3	2,024.7	2,141.3
Profit per share (Baht)	0.96	1.00	1.07
Economic value distributed			
Operating costs ⁽²⁾	12,121.1	10,790.5	11,505.1
Employee wages and benefit	2,602.2	2,448.9	2,514.0
Dividends paid to shareholders	1,161.2	1,095.7	831.9
Interest and financial cost made to providers of loans	34.8	38.8	18.6

Details	Consolidated Financial Statements		
Payments to government ⁽³⁾	528.0	570.5	569.9
Community expense for projects developing and supporting the society and communities	100.6	129.7	106.0

Remark: ⁽¹⁾ "Other business products" comprise sales of certain products to the divested companies and related companies, such as raw materials and semi-finished materials.

⁽²⁾ "Operating costs" comprise cost of sales, expenses for sales and distribution, and administration deducted from employee wages and benefit, and depreciation and amortization.

⁽³⁾ "Payments to government" includes only the corporate income tax.

Tax Procedure

The Company believes that good corporate tax responsibility is a part of the nationwide socio-economic development in the future; therefore, tax practices are determined as follows:

- Strictly comply with the revenue code and tax laws that are related to the Company's business operations, submit related document adequately and completely within the period required by laws, and abide by regulations on the disclosure of financial and tax information to the state sector and all stakeholders.
- Regularly set up a seminar to notify and educate responsible persons about tax measures and tax privileges for full compliance.
- In order to monitor tax implementation, the responsible person for each country has been assigned to closely oversee changes in regulations and tax policies of each country at both the federal and local levels. In case of a tax dispute, the Company will hire an experienced tax advisor to express opinions and proceed to a dispute resolution as appropriate.
- The Company does not have a policy to shift its profits to overseas subsidiaries where there is a low tax regime. Transfer pricing for any intercompany transactions is based on the arm's length basis and normal business practices.
- The Company will use tax privileges correctly and completely for the maximum efficiency under legal requirements.

In 2021, profit before tax on the separated financial statements was 2,463.8 Million Baht. Tax expenses were 485.9 Million Baht, representing 19.7%, slightly lower than the effective tax rate at 20.0% which is equivalent to Thailand corporate income tax rate. For the year 2021, tax privileges were public charity, education and sports, training and education for employees, hiring persons with disabilities, and investment in capital assets, etc. The Company did not obtain any subsidies from the government.

According to the Company's consolidated financial statements, profit before tax was 2,454.3 Million Baht. Tax expenses were 528.0 Million Baht, accounting for the effective tax rate at 21.5% due to the corporate income tax rate of foreign subsidiaries ranging from 15% to 25%.

Risk Management

The Company recognizes the importance of risk management as the fundamental tools in its operation because risks could possibly occur and will significantly affect business operations, especially in the fast-changing and highly competitive business environment. If the Company is aware of such matter and has a concrete plan, apart from reducing the impact, the Company's competitiveness will be also enhanced, leading to its achievement, and maximizing the value of its business.

The Board of Directors has defined the risk management policy covering the organization. The Risk Management Committee, and the Risk Management Working Group were appointed. The committee is responsible for monitoring the compliance, overseeing the risk management results on a regular basis, and reporting the progress or results to the Audit Committee for consideration and review at least once a quarter.

More details of risk management are disclosed in **Section 2. "Risk Management"**.

Supplier Management

- The value chain management is vital to the Company's business both in the short and long term. The management of raw material suppliers under the good corporate governance together with social and environmental responsibilities is the priority. In this regard, it does not only reduce the risk of business interruption, but it also enhances the efficiency of business operations of the Company and its raw material suppliers for mutual sustainable growth.

Management Approach

Raw material suppliers ("suppliers") are regarded as one of the Company's stakeholders in the value chain based on various products and services. Such suppliers provide adequate products and services as required to the Company. Therefore, the suppliers are considered as an important mechanism to achieve the Company's objectives and to operate its business in a stable and satisfactory manner providing the excellent satisfaction to customers.

1) Procurement

The Company emphasizes the quality of products, services, prices and good relationship with the suppliers. The supplier management measures are in line with the standards. In addition, this includes fair and transparent standards for the supplier selection, evaluation and verification according to applicable laws, business stability and trust of the suppliers. The Company shall only accept products and services that have legal copyright, patent, and trademark. The Company shall not support and accept any products or act violating the intellectual property rights. Furthermore, the suppliers can well respond the Company's needs for products and services. The Company also defines the vender list to select potential suppliers to do business with the Company, and monitors, evaluates the availability of products and services, transportation, industrial standard including occupational health, society and environment. The code of conduct for procurement and treatment to business partners/ raw material suppliers has been established, which must be followed strictly. Such code of conduct contains the following practices:

Human Rights & Labor

- Respect human rights and treat employees with fairness and comply with global standards and laws;
- Operate business by avoiding and preventing forced labor and not to force workers who are not willing to work;
- Operate business by avoiding and preventing child labor, and must comply with child labor laws; and
- Operate business by avoiding and preventing discrimination such as nationality, skin color, gender, religion, age, disabilities, etc.

Safety, Occupational Health, and Environment

- Be responsible for and intent on resource efficiency;
- Strictly comply with laws on safety, occupational health, and environment;
- Ensure that the waste management system, emission control system, and wastewater treatment are carried out with safety and quality, monitor them on a regular basis; and
- Manufacturers/ raw material, product, and service suppliers must provide workers with safe workplace including proper and adequate personal protective equipment.

Ethics & Legal Compliance

- Operate business with morality, integrity, and legal compliance;
- Operate business without any form of bribery;
- Operate business with fair competition;
- Prepare and record corporate and financial information properly and completely in order for audit requirements;
- Protect corporate confidential information; and
- Provide employees with safe and healthy workplace including personal protective equipment adequately and properly.

Company's employees must be responsible for following ethics or profession;

- Consider the need, worthiness, price, and quality. Proceed with transparency including information given to customers must be done with equality, accuracy, and unbiased practices. Treat suppliers equally and provide them with fair competition;
- A responsible person who contacts a supplier must keep and record negotiation, a contract draft, contractual proceeding, and terms and conditions as his/her evidence according to contractual period;
- Strictly comply with procurement regulations and procedures monitored by the responsible unit in accordance with the delegation of authority;
- Do not involve oneself in procurement with other party related with oneself such as family, close relatives, or in which one is the owner or partner;
- Do not take advantage of information for personal gain or others who are not involved with such matter; and
- Juristic person should be firstly selected, avoiding the procurement with an individual except for special skills needed or for the benefit of the Company.

2) Supplier Selection

To select raw material suppliers, the R&D division coordinates with the procurement division for the supply sourcing according to various procedures and mandates: supplier selection, supplier evaluation, quality, occupational safety and environment, reliability, standard requirements, service availability, and delivery. The selected suppliers will be registered in the vendor list.

3) Critical Supplier Management

The Company identifies its supplier group by taking into account supplier criticality analysis. The critical suppliers refer to those with high expenditure or large-quantity ordering for production, critical or non-substitutable components/ raw materials, raw materials that are provided by limited number of suppliers or by a sole supplier. In the event of failures to source materials of the right quality in the right quantity as ordered; resulting in lower volumes and/or quality of products, it would potentially have a serious impact on the Company's business, financial position, operating performance, business opportunity. Therefore, the raw material procurement must be carried out properly and adequately.

4) Audit and Evaluation

The Company has standards for supplier audit put under surveillance by the procurement division, quality control division, and operations division or engineering and manufacturing division. The Company can also assign related divisions for more specific tasks such as SHE, maintenance, accounting, etc. The evaluation results and reports will be submitted to relevant parties for acknowledgment with indicating strengths and deficiencies to seek key point of failure, corrective action plan, and preventive measures.

5) Vendor List Review

The vendor list should be reviewed at least once a year to see if there are any suppliers with inactive transactions for more than 5 years, or disqualified suppliers, which the procurement division considers inactivating the vendor code in the system.

6) Relationship Management and Development with Suppliers

Over 57 years old as being a paint and coating leader, the suppliers are very important to the Company's business in sharing and exchanging knowledge, technology, and innovation, which leads to mutual achievement and growth. In order to operate its business towards sustainable development, the Company emphasizes such relationship management by means of developing its suppliers for further growth and business expansion along with the Company's growth and operating performance.

The Company has set measures to prevent the risk from the suppliers who may affect the continuity of the Company's operations in terms of economy, society and environment as follows:

Risk Factors	Impact	Management Approach
Delayed delivery of products and services	Economy	- Enter into contract or agreement clearly covering all significant issues, - Determine suppliers to take responsibility for expenses incurred from breach of contract, including expenses or damages caused by delayed delivery, products or services delivered that mismatch the purchase order.
Reliability of suppliers	Economy, Society and Environment	- Trade registration certificate, company affidavit, tax documents, product certificate, and environment certificate and standards, - Documents showing works of suppliers, - Verify the working background with former customers of suppliers, - Visit or observe their production process or plants.
Transparent bidding	Economy and Good Governance	- Supplier qualification evaluation form which they must disclose true information, - Verify the name list of management and directors of suppliers who participate in the bidding, - Bid comparison in consideration of same specification, in case of construction project, there must include the technical assessment.
Safety and Occupational Health	Society and Economy	Select suppliers who emphasize the safety and occupational health of employees, such as being certified of standards by various government agencies.
Compliance with laws and regulations	Economy, Society and Environment	Agreement determines suppliers to comply with applicable laws, including other legal requirements pertaining to labor rights, human rights, intellectual property rights, and anti-corruption.

Performance

In 2021, the Company assessed and audited 228 suppliers out of 362 suppliers for their performance, which presented as 62.98%. Those suppliers were informed about their results for greater improvement and enhancement by the Procurement Division. There were 18 new suppliers increasing from the previous year, and all of them passed pre-qualification of environment, or presented as 100%.

Customer Relationship Management

- The customer relationship management is a key duty of the Company to respond the customer satisfaction as an integral part of the Company's long term success. To this end, the Company takes action on the customer relationship management from the upstream activities to delivering its quality products that are safe and eco-friendly together with service differentiation.

Management Approach

Customer relationship management consists of following 2 aspects:

1. Engage with Business-to-Consumer Group (B2C)

- 1.1 Commit to producing high quality products and initiating new innovations to fulfil customers' satisfaction and needs;
- 1.2 Record the customer information as a database in order to deliver customer service;
- 1.3 Provide consulting services for both pre-sales and after sales services in using products properly through TOA Call Center Service System at 02-335-5777;
- 1.4 Provide color-tone designing service by interior decorators through Ide@color Service; and
- 1.5 Home Painting Service by professional painters.

2. Engage with Business-to-Business Group (B2B)

- 2.1 Provide advice and on-site services by TOA specialist team;
- 2.2 Marketing promotion is set to engage the B2B group through marketing activities, point of sales, and online activities, together with sharing knowledge about proper use of products through public relations media; and
- 2.3 Develop the service system to enhance the quality and standard of services (SLA: Service Level Agreement) to ensure the efficiency and ultimate satisfaction of B2B group.

Responsibility to Customers and Consumers

The Company recognizes the importance of the satisfaction of customers and consumers who buy the Company's products and services. They should receive the fair prices, quality and responsibility with the following guidelines:

- 1) The Company aims to develop its products and services to meet the customer and consumer needs. The Company's personnel strive to respond the customer and consumer needs with their best ability. The products should be set with fair and reasonable prices, marketing trends, good quality, and fair condition for customers, without any restriction against the consumer rights.
- 2) The Company shall not do any act to deceive or mislead customers and consumers about its quality of products and services.

- 3) The Company intends to develop its products and services with safety for its customers as the high priority. The Company's products must be attached with product information. This also includes the evaluation of workplace safety, campaigns and training on customer safety for employees.

Customer and Consumer Issues

Regarding the responsibility to customers and consumers above, the Company considers and manages whistleblowing issues, including disclosing information of products and services to the public through product label, catalog, point of sale consultants, etc. for customers and consumers to make decision and comparison. Furthermore, the Company aims to develop the safe products taking account of creating green products, attaching labels, compliance with legal requirements, disclosure of information, management of impact on customers and environment.



Customer Complaint Procedures

Customers can submit their complaints about sales, product quality, delivery, and after-sales services via telephone, email or websites. The Company has a complaint recording system and tracking system while generating a deadline for handling them. A follow-up system is also in place to report root cause analysis of the complaints and how complaints are managed. Basic response time is set in a timely manner while the responsible business unit will be notified to ensure that the problem is solved within the given time limit.

Customer Relations Call Center

The call center is provided for customers to contact directly with the Company for requiring more information of products including technique to use products. Customers can call the telephone number at 02-335-5777, which the Company provides appropriate and skilled team to suggest helpful and accurate advice to customers.

Application of Information System as a Tool to Develop the Customer Service

This is to ensure the efficient system leading to the international standards, as well as development of online distribution channels and social media (IT Development / E-Commerce / Website & Social Media).

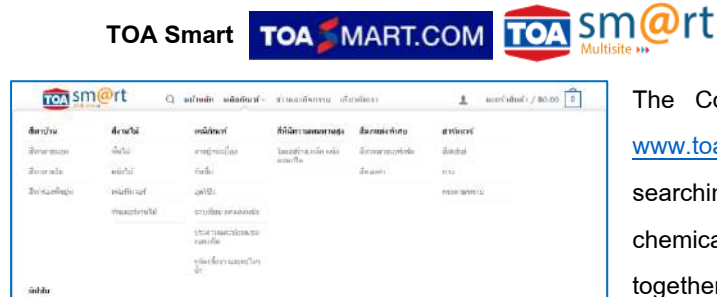
The Company develops and invests the systematic information technology foundation consistently, which is regarded as an important tool to strengthen working procedures efficiently, standardize the system to empower the global competitiveness paving readiness for digital transformation as follows:

- Management program, integrated resource management and planning (SAP ERP).
- Reporting program connected to historical data with live data to achieve analysis and decision-making for selling transactions (SAP BI).
- E-Ordering for retail customers.
- Development of Direct-to-Consumer Ecommerce.

- Accessibility of information about the Company's products and news through www.toagroup.com.
- Social media applied for sales promotion, for consumers to easily access to the Company's information.

Performance

1. Business to Customers (B2C)



The Company has developed its website channel; www.toasmart.com, from ordering chemical products or searching the nearby shops that supply construction chemical products to a wider range of its products together with offering total solutions such as paints, special decorative paints, gypsum boards, etc. at <https://shop.toasmart.com>. This channel is to increase competitive ability on its e-commerce and to expand customer base with 24 hours available on the online platform.

Mega Paint Warehouse

The Company created its new business model “MEGA PAINT Warehouse”, a one-stop-service center offering lightweight construction materials and services from TOA. This new business model supports the Company's core strategy and exemplifies its commitment to driving growth with total solution capability. This aims to synergize its other product lines even more efficiently. According to the end-user customer engagement strategy, it was created as another platform to inspire customers to see its products and solutions. Besides, this model can help the retailers sell out more products. As at 2021, there were 2 stores: (1) at City Homemart, Bang Bon, BKK, (2) at Amornchai Homemart, Huai Talang, Nakhon Ratchasima.



TOA Brand Trust

Thailand's Most Admired Company by BrandAge Magazine

This award reflected the Company's strong brand measured by the 400-quota sampling survey in the category of construction materials. According to the result in 2021, the Company came out on top with the average score of 7.47% in construction material sector, decorative paint and coating category (No. 1 for 7 consecutive years since 2015), under the main 6 indicators as follows:

- | | |
|--------------------|-------------------------|
| 1. Innovation | 2. Business Performance |
| 3. Corporate Image | 4. Management |
| 5. Corporate CSR | 6. Excellence Service |



Thailand's Most Admired Brand by BrandAge Magazine

Regarding the results of trusted brand survey, TOA brand was recognized as Thailand's Most Admired Brand 2021 as well as received the Innovation Brand Award 2021 by BrandAge Magazine in association with

professors from top-ranked universities in Thailand. Such survey nominated the trusted brands in each category by searching 1,584 persons of sample group nationwide. In 2021, the Company, a decorative paint and coating manufacturer under the brand “TOA” which customers trust and select the most in Thailand, received the average score of 33.27% for the construction materials, interior and exterior paint industry (No. 1 for 10 consecutive years since 2012) under the following 6 indicators or factors influencing consumer purchasing decisions.

- | | |
|---------------------------------|------------------------------------|
| 1. Corporate image/ brand image | 2. Distribution channel |
| 3. Staff and dealers | 4. Price and promotion |
| 5. Package | 6. Advertisement and communication |

No.1 Brand Thailand by Marketeer Magazine

This award was conducted by surveying the brand perception that people loved the most in Thailand. The No.1 Brand Thailand 2020 – 2021 was run by Maketeer Magazine in association with Kadence International (Thailand) Co., Ltd., originally from England.

In 2021, the consumer survey to seek the popular brands in each product category was conducted by sampling group across the nation, the Company, a decorative paint and coating manufacturer under the brand “TOA”, was recognized as No. 1 in decorative paint and coating category (No. 1 for 9 consecutive years since 2012).

Customers’ Complaints

In 2021, all complaints were handled in due time which met the annual target and there was no complaint reported regarding neither customer privacy nor safety and environmental issues from the use of the Company’s products.

2. Dealers

CRM Online Meeting

The Company’s online monthly meeting was set up for the key accounts in each region to monitor plans, review follow-up performance, receive feedbacks, discuss problems and obstacles to figure out solutions and action plans, understand the market and how to stimulate sales.



TOA SME Online by Wood Expert

On September 25, 2021, an e-seminar via Zoom was launched to ignite ideas to succeed in a new era of business for retailers in Greater Bangkok and to inform the Company’s business direction, Total Solution business model. Besides, a key speaker namely Mr. Weera Chearanaipanit - Head of SME Network Marketing Development of Kasikornbank shared ideas to succeed in a new era of business by leveraging LINE OA.



Retail Customer Satisfaction

The Company surveyed the retail customer satisfaction to find out deficiencies and gather valuable feedback for better service improvement and product development to achieve customer satisfaction. In 2021, the customer satisfaction results are summarized as follows:

- (1) Overall services: average score was 82%.
- (2) Overall perspective towards marketing: average score was 85%.
- (3) PC rendering services: average score was 88%.

3. Project Customers

Co-Promoting the “Quality Living Innovation” for the Future Trends of Condo Living in the Next Normal by Major Development PCL.

The Company fostered the collaboration for the environment with its saving-energy and eco-friendly paints and coatings. The products' quality and features reflect the UV and infrared radiation, help reduce temperature in a building more than 12 °C and save energy more than 38%. With the commitment to Greenovation to complete building solutions, the products are qualified with Ultra-Low VOCs and free from cancer-causing chemicals under the Thai Green Building Institute (TREES), and LEED from the United States of America.



Innovation, Product and Service Development

- Development for innovation, products and services is an essential element that allows the Company to create more added value to the products and fulfill the market demands. Moreover, the attention to product sustainability that new generation of consumers are giving to their products in their lives. In this regard, the Company focuses on developing eco-friendly products and up-to-date services, conveniences and meeting customer needs.

Management Approach

The Company has focused on developing innovation to generate a full range of integrated paints and coatings which cover decorative coatings, special paints, construction chemicals, wood coatings, industrial coatings, and auto tinting machines. These are outstanding in functions, durability, and functional benefits that build trust in consumers to choose TOA products. The Company has put the development and innovation in place for generating high value-added products and services as follows:

- **Greenovation Products:** The Company focuses on production and distribution of “Greenovation” products that are eco-friendly, and new creative products to meet the customer needs, respond to changes, and to be in compliance with changes according to the enforcement of regulations pertaining to safety and environment, with the following features:

- **No Lead and Heavy Metal Products**

Innovative decorative paints without lead and heavy metal are produced for both emulsion and gloss formula, covering all group of products; premium, medium, and economy. These products are also certified by Thai Industrial Standards and green label standards.

- **Low VOCs and Extra Low Odor Products**

Paint products with advance technology of low VOCs and extra low odor, (hazardous substances causing cancer), are certified by global standards of Sensitive Choice, and French Emission.

- **Energy Saving Products**

Exterior paints and coatings are created to deliver energy savings and help reflect sunrays by 96.7%, which can reduce electricity expenses. These products are certified by the world-class testing; ASTM E424, and energy efficiency of label no. 5 by the Ministry of Energy.

- **Laboratory Accreditation According to ISO/IEC 17025: 2017:** the Company was named in the list of Accredited Laboratories According to ISO/IEC 17025: 2017 for both testing and calibration by Thai Industrial Standards Institute (TISI). This is recognized as a major step for surely building and maintaining the trust of customers, dealers, contractors, and top-notch real estate developers, as well as highlighting its well-positioned leader in the innovative decorative and coating products and wide range of construction materials as well.

- **Do It Yourself “D.I.Y.” Trend:** Consumer behavior tends to paint their homes by themselves increasingly; therefore, manufacturers have to adjust and design their production plan to customized products by creating an auto tinting machine providing selection of various shades of color and convenience and

responding quickly. This helps the Company deliver customized products to its customers, and retail dealers have no need to store many products, which helps reduce costs while saving the environment.

- **Buy It Yourself “B.I.Y.” & E-Commerce:** Consumers currently buy products themselves through online channels; therefore, the Company has developed both e-commerce channels and created a unique selling proposition for products that have outstanding features, modern designs, and complete information for making decisions.
- **More Renovation:** The Company is committed to driving the consumer engagement especially for those, who have no experience in painting, thinking that painting is difficult, and not considering the worthiness of long-term investment. Therefore, the Company emphasizes the communication for consumers to motivate the paint consumption, to be aware of the importance of home painting through the consumer insight, including to create new concept to persuade consumers to decorate and renovate their homes by “Home Color Inspiration” with more benefits suitable for consumers.
- **Development and innovation for high-quality & heavy-duty coatings for industries:** these products are regarded as one of popular products receiving good feedback. Therefore, the Company has emphasized on developing its products consistently such as TOA Heavy Guard Enamel; high-quality topcoat with excellent durability for heavy duty better than oil paints, quick dry, vivid colors, no lead and mercury, anti-fungal, suitable for metal surfaces, metal alloys, machines, ship steel structures. The Company also produces the innovative anti-shipworm paints with high quality for double protection of shipworm for 24 – 30 months, and eco-friendly, without tin content, etc.

Furthermore, the Company adheres to ongoing development for excellent services to meet the customer needs as follows:

- **Development for higher innovation in special TOA Auto Tinting Machine**

The Company prioritizes the innovation to come up with the Auto Tinting Machine programmed by computer to create more than 10,000 different color shade variations with a high level of accuracy in 3 minutes. This helps reduce cost on inventories that are ready-to-mix paints generated from the plant. The Auto Tinting Machine can create exterior water-based decorative coatings, special paints, gloss coatings, wood coatings, industrial color spray, as well as TOA Industrial Auto Tinting Machine to fulfill the customer needs in heavy industries.



- **Service development**

The Company has developed service system to deliver its professional total solution in terms of decorative paints and coatings to meet customer needs in all channels:

- Call Center at 02-335-5777 for providing advice on products, techniques, and problems.

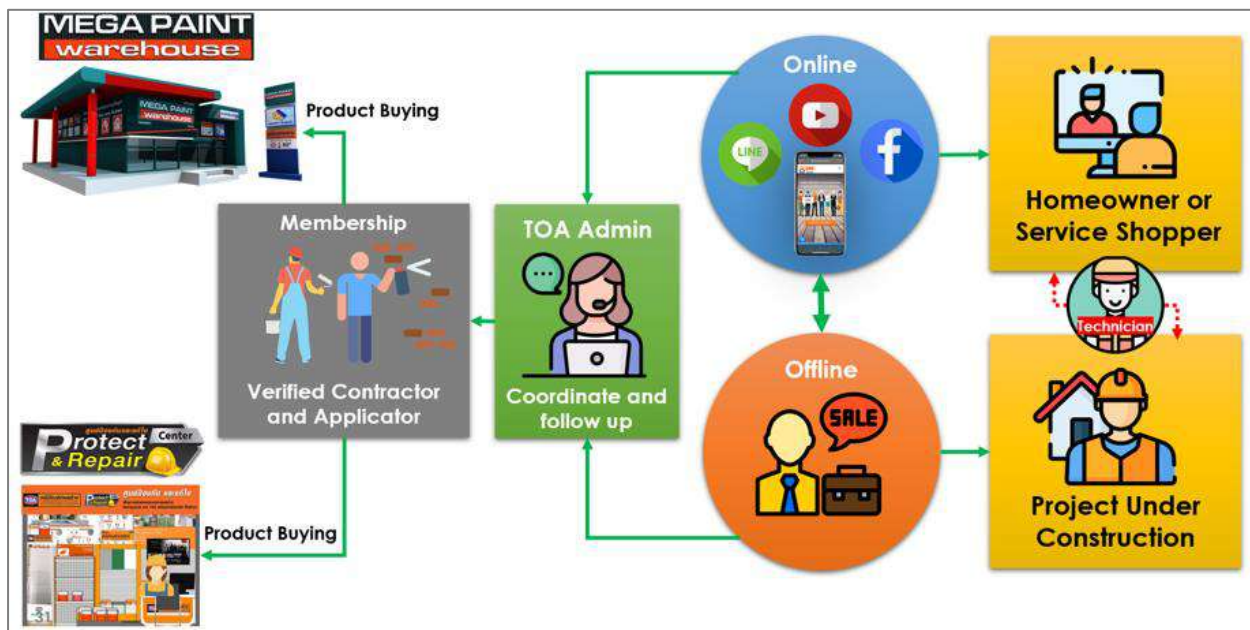
- Professional services by experts for evaluating and assessing the requested area and then providing proper products for general customers and real estate customers.
- TOA Home Painting Service by professional painters under TOA standards for general customers.
- Color tone designing services by TOA specialists (TOA ide@color) by registering through <https://www.toagroup.com> or for more information at telephone numbers: 02-335-5777, press 2.
- TOA Protect & Repair Center at 02-335-5777, press 1 for receiving solutions to fix leaks, seepage, cracks with the Company's high-quality construction chemical products.

The New Business Model to Grow into the Total Solution



The Company has emphasized its ongoing development and initiative for distribution network, service capabilities, and products to assure that its customers will receive satisfaction and good experience. Accordingly, the Company forged ahead with the “Total Solution” to create convenience for customers. In addition, the pull marketing strategy is also focused to greatly build up customer demand for products and services: ranging from expanding the product line of construction chemicals and construction materials for floors, ceilings, walls, general building paints and coatings, special paints for decoration to solutions for home improvement. This model enables the Company to favorably meet the preferences of both professional customers and Buy-It-Yourself or “BIY” customers.

Besides, the Company created diversified service platforms such as “One Stop Service”, “WHO Service” – a new construction service integrated with the new business model “Mega Paint & Home” which is a shop-in-shop center offering the one stop service with wider range of product portfolio and solutions, “Protect & Repair Center” – displaying construction chemical products for solving and preventing leakage, seepage, and cracks. “TOA Ide@Color” – color designing services, and customer service to provide information about product usage.



Performance

During the previous year, the Company consistently developed products to deliver innovative products to fulfill customer needs for their emotional benefits through its innovation beyond the consumers' expectation. So far, the Company has various products in response to the customer preferences covering the decorative paint and coating products as well as non-decorative paint and coating products consisting of construction chemicals, heavy duty products, wood coatings, special paints, hardware, and auto tinting machines as follows:

Development of Paints

- **TOA Organic Care, the first and only safest plant-based paint in Thailand**

The plant-based emulsion paint is designed for the protection of everyone in your house, especially children and the elderly, as well as people with allergies or asthma. Technology-led natural ingredients with plant-based components from USA are used in lieu of traditional petroleum-based raw materials. This paint is certified by the USDA BioPreferred®, USA. Importantly, it was the first and only paint in Thailand, with the following characteristics:

- Air detoxify technology absorbs lifetime harmful formaldehyde 24 hours.
- Highest safety certification from USA, 0% VOCs contents and VOCs emission meets LEED V4.1 for Green Building Safety Standards.
- Approved by the National Asthma Council Australia under the Sensitive Choice program. A better choice for people with asthma and allergies.
- Superior washability more than 200,000 times.
- Anti-bacterial 99.99% for lifetime by Microban.
- Anti-virus 99% for Corona Virus, Influenza A, B and Enterovirus 71.



- **TOA Expert Series**

2in1 emulsion interior and exterior paints for projects.



Development of Construction Chemicals

- **TOA Premium Grout Plus for small area**

Grout for small area of 0.2 – 3 millimeters on both internal and external existing granite tiles with good flowability and mold prevention.



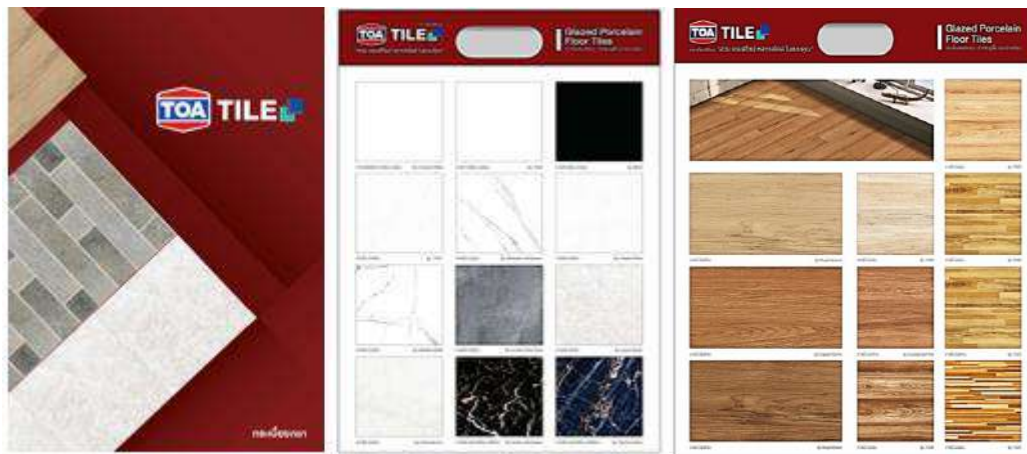
- **TOA Non-Shrink Grout ≥ 500 KSC**

Ready-to-mix grout features flowability to fill gaps for reinforcement with non-shrink characteristic. TOA Non-Shrink Grout is used for repairing general concrete structures, concrete foundation, column base, gap-filling works such as concrete foundation base or casting concrete. The compressive strengths can reach more than 500 KSC (Kilogram-force per square centimeter).



Development of Tiles (TOA TILE)

Regarding the Company expanding its product portfolio of ceramic and porcelain tiles in line with the business strategy to grow the lightweight construction material segment, **TOA TILE** was launched with different styles of tiles to choose for favorable decoration and atmosphere creation in response to the decor trends for homes and buildings as well as “Work From Home” lifestyle.



Society

The Company adheres to conducting its business with ethics and responsibility to the society, developing a better quality of life for employees, customers, business partners, and stakeholders with nurturing the following corporate social responsibility projects.

Employee and Labor Caring

- The Company believes that human capital is at the heart of enhancing the Company's competitive edge. Therefore, the human capital management system is prioritized with human rights, recruitment, satisfaction and attraction, performance evaluation, and employee engagement - those are significant fundamentals driving toward ongoing success. As such, employee and labor caring is a material issue that the Company pays attention to.

Management Approach

1) Respect for Human Rights and Fair Treatment for Labor

The Company prioritizes the basic human rights included in the code of conduct as follows:

- **Fair treatment based on rights and liberty:** personal rights and freedom must be protected from misuse of their personal data for disclosing or transferring such as profile, health record, work experience, or other personal data to a person who is not concerned.
- **Respect for humanity, equality, and workforce diversity:** the Company has formulated practices of fair treatment towards related parties. Employees should deserve equality without preferential treatment relating to similarity or difference such as physique or mentality, race, nationality, religion, gender, age, education, or others. Such practices cover all groups of stakeholders related to the organization. Notice shall be announced to employees in advance in case of organizational changes that affect them such as management structure, job rotation, change in the workplace, etc.

Moreover, the Company emphasizes, fosters, and opens the opportunity for women to hold leadership or senior management positions without gender discrimination to undertake career success. This is regarded as an advantage for the organization to have a wide range of selection for candidates or successors, resulting in hiring the right persons.

The human rights of LGBTQ employees are also prioritized and respected. The Company warmly welcomes and opens for diversity to uphold the value of equality in the workplace, believing that they have their working potential to perform full capabilities with confidence and pride.

Employee Information (data for TOA Paint (Thailand) PLC. only)	2019	2020	2021
By Employment Contract			
• Permanent employees	2,613	3,069	3,249
• Temporary employees	20	23	8

Employee Information (data for TOA Paint (Thailand) PLC. only)	2019	2020	2021
By Gender			
• Male	1,739	2,078	2,138
• Female	894	1,014	1,119
By Level			
• Operational level	1,794	2,189	2,386
• Supervisor and Professional level	595	632	600
• Management level	244	271	271
Employees with Disabilities			
• Male	4	4	4
• Female	2	2	2

- **Opportunity for disabled persons to work and organize markets for caregivers of disabled persons:** the Company complies with the applicable laws pertaining to hiring persons with disabilities under the Persons with Disabilities Empowerment Act, B.E. 2550 (2007). The Company submitted the application for approval of hiring persons with disabilities under Section 35 by granting concessions to arrange places for persons with disabilities to sell products or services.
- **Election of Employee Welfare Committee:** the Company supports and gives the opportunity to employees to elect candidates to be members of the Employee Welfare Committee in order to be responsible for welfares, working conditions, whistleblowing, and preventing illegal labor treatment. Moreover, the committee defines preventive measures and monitors the implementation and performance to ensure that the Company treats its employees in terms of health, welfares, compensation, and benefits based on fairness and equality.

2) Recruitment

Regarding the employment policy and recruitment policy, the Company emphasizes taking care of its employees in every process, starting from recruiting candidates with suitable knowledge and expertise under appropriate recruitment and employment policy. The Company is committed to improving the competency of its employees for their career advancement along with sustainable business growth. Recruiting tools and technology that must be up-to-date and reliable are optimized to increase efficiency in managing applicant data to respond to the recruitment, both internal and external, to serve business needs in a timely manner. Furthermore, the recruiting procedures can be auditable/measurable. In this regard, the selected candidates shall be able to perform duties better than the others who are not selected, resulting in equipping the proper candidates with qualifications and expertise suitable for the job descriptions, responding, and supporting the Company's business expansion.

The Company has prepared the manpower plan for the current business situation, and further changes in the future by determining and setting the proactive recruiting strategy. The database is established to gather and increase the applicant data with high qualifications in order to accurately match the significant positions and vacant positions. The Company sets out strategic plans and announces open vacancies by using public channels both domestically and overseas for proactively recruiting potential candidates.

Moreover, the Company has monitored and assessed the performance of recruitment and selection to consider the efficiency of recruiting and selecting a system to find out whether it achieves the objectives or not.

3) Employee Satisfaction and Attraction

In achieving its objectives and goals with the support of high potential employees, the Company determines various policies to foster its employees' satisfaction and attraction by way of offering the opportunity to show their capability, give reward comparable to the competitive job market, as well as the career paths under the following guidelines:

- Participate in benchmarking research of peer companies' remuneration and welfares to find out the results that are used for internal adjustment in relation to salary structure policy, and compensation reflecting the individual performance to stay competitive in the job market;
- Determine the career path management that creates employee readiness for promotion and moving up in the organization to serve as a standard to seek its employees with high performance and development;
- Set KPIs to be aligned with the Company's goals and strategies in order to drive the outstanding individual performance that is linked to the reward management system;
- Career path management is well-prepared for its employees to hold higher positions by means of defining the individual development plan for employees who have high potential with outperformance and development to ensure effective promotion; and
- Welfare and other benefits offered by the Company are higher than legal requirements and appropriately tailored to ensure competitiveness.

More details about the employees' remuneration and provident fund in 2021 are disclosed in **Section 6 "Corporate Governance Structure, and Significant Information about Board of Directors, Sub-Committees, Management Team, Employees, and Others"**, Heading **"6.5.2 Personnel Remuneration"**, and **"6.5.3 Provident Fund"** respectively.

4) Performance Assessment

The Company adheres to driving the approach of the Performance-based Management through the key performance indicator to be aligned with the Company's strategies. The performance assessment system is conducted with fairness to analyze the results for further granting rewards and considering career paths for the employees' motivation along with potential development.

After setting corporate strategic plans and goals, the Company defines the key performance indicators, and then the business unit performance prior to the individual performance. Such performance indicators are aligned with the goals at every level, and the assessment period is clearly set. Thus, the employees can preliminarily conduct their self-assessment prior to their supervisors' assessment through the performance discussion process with the purpose of delivering clear understanding and embracing collaborative performance. The supervisors also provide helpful suggestions and guidance for further self-development based on the coaching process on a regular basis. This ensures that the performance assessment equipped with an employee

development plan strengthens the efficiency at work generated by the employees, business units, and organization.

5) Employee Engagement

The Company has consistently conducted its employee engagement in accordance with its vision and goals relating to employee development and retention. To this end, the Company can sustain the business leadership in Thailand and drive consistent growth in AEC. The Company also envisions its outlook that the employee engagement results shall increase more than 75% by 2022. In addition, such engagement is cultivated among the employees through the process called “Say-Stay-Strive” together with designating development plans and activities to enhance the relationship between the organization and its employees, resulting that they create greater support and initiatives for the organization.

Performance

Opportunity for disabled persons

According to Section 33 indicating the empowerment of persons with disabilities, employers shall employ them to work in suitable positions and enable access and utilization of the facilities. The Company hired 6 persons in order to offer opportunities and support their careers for better well-being. Moreover, the market stalls in a canteen are usually provided for caregivers of disabled people.

In 2021, a national swimmer with disabilities named Mr. Akekaphan Songwichian, under the employment of the Company, received a gold medal in the 100m butterfly: S5 for the Para Swimming World series 2021, IDM Berlin. Besides, Mr. Phuchit Ingchaiyaphum passed the qualifications to join the Tokyo 2020 Paralympic Games for 3-freestyle stroke: 200, 100, and 50m.



Election of the Employee Welfare Committee

The Company supports and gives the opportunity to employees to elect candidates to be members of the Employee Welfare Committee in order to be responsible for welfares, working conditions, whistleblowing, and preventing illegal labor treatment. Moreover, the committee defines preventive measures and monitors the implementation and performance to ensure that the Company treats its employees in terms of health, welfares, compensation, and benefits based on fairness and equality. In 2021, the election of the employee welfare committee was arranged, and the employees could elect their candidates to be members of the committee.



Performance Assessment

In 2021, the performance assessment system – **Key Performance Indicators or KPIs** was designed as a social innovation that encouraged employees to create and develop their working systems to step out of their comfort zones to generate new ideas and solutions. This was expected to be one of the organizational cultures to achieve operational excellence and organizational efficiency. It consists of 3 main indicators; (1) Corporate Performance, (2) BU Performance, and (3) Individual Performance, subject to the appropriate

proportion for each position level. The employees are given an opportunity to set their plans, smart objectives, personal development, and performance indicators by closely discussing with their team as well as aligning their objectives with those of the Company. In 2021, the Chief Executive Officer communicated its corporate objectives and strategies including the performance assessment system to all employees to ensure greater understanding, focused goal orientation, and effective and efficient achievement.

Employee Engagement Survey 2021

The Company surveys its employee engagement to perceive their feedback and analyze what works well and what needs great care. Besides, the Company is committed to driving a better place to work together with a higher employee engagement rate. In 2021, the Company conducted a survey covering 2 companies; TOA and TOA Vietnam. The survey was conducted through communicating all over the plans; that is, kickoff, data collection, and results reporting for the purpose of accelerating engagement, awareness, and culture of collaboration in the workplace. In 2021, TOA's employee engagement survey score was 75%, whereas TOA Vietnam's score was 78%.

EES-Execution to Achieve the Targets

After receiving the results of the employee engagement survey, all collective data had been analyzed to launch the follow-on project named "EES-Execution to Achieve the Targets" to make the action plan for further improvement, correction, and development with the aim of increasing employee engagement score as well as successfully executing the intended plan of each business unit.



Communicating the business directions through "Corporate Town Hall"

"Corporate Town Hall" was rolled out for the entire organization and all business units to acknowledge the corporate strategies, business directions, corporate updates directly addressed by the Chief Executive Officer and top executives of each business unit. It aimed to make all employees understand the business directions, factors, and changes that might affect the business operation, trends, organizational drivers, to share their knowledge and experience, get inspiration, and build a long-lasting relationship between the executives and employees.

Leveraging technology to maximize the efficiency of human capital management

The Company's project to capitalize on the software program for people management (HR Cloud) was designated to maximize the efficiency of human capital management, consisting of 7 modules: 1) Employee Central, 2) Recruiting Management, 3) Recruiting Marketing, 4) Goal & Performance Management, 5) Compensation Management, 6) Succession & Career Development Planning, and 7) Learning Management. This program would help reduce redundancy, integrate the manpower information of the entire corporate group, and monitor key positions. Besides, the Company would be able to look into reports and execute the human capital analysis and action plan with more accurate and exact data. Upon keeping pace with technology, the Company would like to stay agile and resilient to overcome challenges, embrace organizational change and business expansion. More importantly, all management-level employees would become people managers. In

order to ensure the efficiency of human capital management, Human Capital Management Program Steering Committee has been appointed.

Recognition of long service

In 2021, the Company granted long-service award certificates with rewards to 346 employees in order to express gratitude and encourage them who dedicate themselves to creating values for the Company. This made the employees proud of themselves and motivated to contribute to the Company in the future.

Caring for employees during Covid-19 pandemic

● **Workplace vaccination program to achieve herd immunity**

Employee wellbeing and safety are highly prioritized. Therefore, the Company encouraged them to get vaccinated on their vaccination leave, created encouragement programs and activities, and also provided them with Sinopharm and Moderna vaccines in the fastest way possible to build confidence among all parties and make Thailand come through this crisis shortly. All in all, the Company's employees were fully vaccinated at 93%.



● **Helping and supporting employees with basic needs**

The corporate group delivered life-saving bags to employees affected by the Covid-19 to help reduce the risk of daily shopping outside. A life-saving bag consisted of necessary supplies for their living such as rice, vegetable oil, eggs, instant noodles, canned fish, chili paste, drinking water, surgical mask, etc.



In-house activities for the sustainability

● **Wellness Program**

The Wellness Program is formulated to modify the healthcare strategy of the employees for a more proactive or preventive standpoint, helping employees have a greater awareness of their health status and available methods for care and prevention. In this regard, the employees are motivated to place greater focus on caring for their own health. The breakdown of the Wellness Program is as follows:

“Improve Your Health”: In addition to Covid-19 vaccination for employees and annual health check-ups, the Company also launched a health advisory program by inviting a medical professional from Rat Pracha Samasai Institute to provide proper and helpful advice about self-care and health concerns at a medical room. Moreover, necessary vaccines with special prices were offered to employees such as influenza vaccines.



“Value Your Health”: Health care communications were conducted through email with interesting content selected by a doctor.



“Prevention”: In order to prevent the spread of Covid-19, the Company puts such safety in place such as cleaning and disinfecting facilities in the workplace every 2 hours, putting hand sanitizer dispensers in prominent places around the workplace and temperature screening points, also marking out social distancing in canteens, queueing areas for recording work hours, and inside elevators. Moreover, the Company also closely monitors all drivers to clean shuttle buses along with alcohol-based sanitizer provided in all the buses.



Awards for Labor Relations

On September 28, 2021, the Company received the Outstanding Workplace Award for Labor Relations and Welfares 2021 for 5 consecutive years for both Bangna Plant and Samrong Plant from the Department of Labour Protection and Welfare, Ministry of Labour. Bangna Plant was also awarded the Prevention and Solution to Drugs Problems in the Workplace Award 2021 (“Mor Yor Sor”) for 5 consecutive years.



Social Activities

The Company adheres to promoting social activities in every dimension with the purpose of delivering happiness and smiles to the society through various activities in which its employees can participate such as donating blood, helping the vulnerable suffering from natural disasters or difficulties, giving to charity, etc. These activities make them proud to be a part of the organization and society at the same time in building a good relationship between the employees and management team for mutually doing good deeds for the society. These show the consequences of the implementation to meet goal-oriented direction.

2021 Blood Donation: 2 times

Your blood can save many lives.

On 3 February 2021, the Company donated old desk calendars given by its and the corporate group's employees totaling 900 calendars to the Foundation for The Blind in Thailand under the Royal patronage of H.M. the Queen.

Core Values and Corporate Culture

- "TOA DNA" is designated for employees to understand, acknowledge, and engage in the core values, and achieve the shared corporate culture. The Company also consistently motivates employee participation in order to drive the proper behaviors in line with the core values, which is regarded as a standard to reach its vision and goals.

Management Approach

1. Policy and message from the top executive relating to core values and corporate culture

"TOA DNA"

The Company aims to build TOA people by means of cultivating the awareness of shared behaviors under its core values and corporate culture called "TOA DNA" in the workplace to achieve the vision and goals. Mr. Jatuphat Tangkaravakoon, Chief Executive Officer, states that "TOA DNA is the way that the Company admires every employee to take it on board, and a core model to team up all people from every business unit to have the identical work behavior", which consists of following 5 principles:



1) Customer First

Willing and motivated to understand expectations and respond to internal and external customer needs, willingly get feedback from customers for better product and service development, as well as build and maintain a good relationship with customers who earn trust and loyalty.



- Show service mind properly, quickly, and timely
- Develop products and services according to customer feedback
- Handle with customers who need a wide range of products and services smoothly
- Listen and respond to customer feedback
- Improve and develop for greater customer service

2) Change for tomorrow

Express creative ideas or initiatives and be able to show a linking process or brainstorm with a team to generate concrete solutions to further taking action, adding more values, and evaluating outcomes.



- Communicate thoughts or ideas through words, pictures, or stories
- Define clearly what to do and deal with obstacles or uncertainties
- Dare to make an idea come true
- Utilize various information or sources to generate an idea
- Have a try and check a result

3) Work with Passion

Have a passion for ongoing self-improvement and self-development through understanding changing situations and conditions, be ready to enhance a wide range of extensive knowledge and skill together with using strengths at work and also improving weaknesses.



- Have intention and motivation for work to improve oneself and breakthrough limitations
- Realize strengths and weaknesses or limitations
- Let feedback or recommendation improve oneself
- Self-motivation for more development and enhancement
- Embrace a career path with various growth opportunities

4) Deliver our Expertise

Possess knowledge, skills, and expertise for one's responsibilities and achieving assignments.



- Balance between specific knowledge and others
- Pay attention and try to learn how to work like a professional
- Be motivated to learn more skills
- Manage time to learn new knowledge for work
- Share or exchange knowledge with others

5) Execution to Excellence

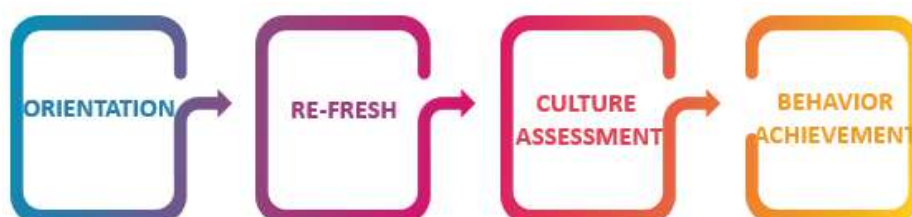
Achieve goals or perform beyond expectations at work, push oneself to peak performance, including good collaboration with others to reach the desired outcomes.



- Use various strategies and approaches for achievement
- Present outcomes with high standard and limited resources in a timely manner
- Focus on achievement
- Intend to successfully overcome obstacles
- Work well with others for team-oriented goals

2. Promote the awareness of core values and corporate culture “TOA DNA”

In order to implement the corporate culture “TOA DNA” in a concrete approach, the Company designs systematic plans: from the process of orientation, refreshing, to the assessment of alignment level between employee behavior and the corporate culture including the behavior achievement. In this regard, the management team and Human Resource Development Department drive “TOA DNA” through different activities. The core values and corporate culture are also translated into local languages for its overseas subsidiaries to ensure that all employees truly recognize “TOA DNA”.



Performance

Only for employees in Thailand

Program & Activity	2021	
	Target	Performance
1. "TOA DNA" orientation and workshop for new employees.	100%	100%
2. Activities for learning promotion and behavioral expression: TOA's DNA Role Model via online channels such as DNA perception, DNA core values.	>80%	82%
3. Assessment of alignment level between employee behavior and the corporate culture.	>90%	88%



Human Capital Development

- The Company emphasizes and values the human capital development to enhance knowledge and competencies in which the Company believes that its employees are the vital factor in driving its achievement. Therefore, the Company focuses on building knowledge-based society, leadership, and developing employees at all levels into talented professional, readiness for ongoing learning, and at the same time to drive the organization towards sustainability, with the following guidelines.

Management Approach

Human Resource Development Policy

The Company has made efforts to enhance employees' skills and competencies by providing training on a regular basis. To this end, the Company engages its employees in conferences and training for them to acquire, develop and enhance relevant skills and competencies in line with the Company's objectives. Training sessions cover occupational health, safety, technical skills, and others.

The Company also determines career and talent development programs to groom employees who have displayed a high level of performance and potential. Such framework is put in place to identify such employees and provide them with opportunities for more responsibility and leadership development.

1) Human Capacity Development

The Company well recognizes that its employees are the vital resource to drive sustainable business achievement and growth. In this regard, the Company puts a strong intention to steer the potential development in a systematic manner in line with the Company's business direction. Furthermore, it is to enhance and foster the employees' competencies to support the business expansion with the focus on providing them with the necessary knowledge and skills for the business direction to increase the competitiveness for the present and future. Career management is utilized as a mechanism for career advancement in each position and covers the areas of employee competency, knowledge, experience, and personal attributes, to ensure that employees have a clearly defined career path and are motivated to continue pursuing individual development.

Annually, the Company conducts the training needs survey with the purpose of executing the annual employee training plan to seek essential training and individual development, analyze a gap between knowledge, skills, and working attitudes of the employees to be aligned with the Company's expectations to achieve the goal at work. There are 3 categories for employee training as follows:

- (1) Core Competency Courses: the essential training series for everybody required to perceive as per fundamental knowledge to ensure the vision-oriented achievement.
- (2) Leadership Competency Courses: the training series in terms of leadership management for employees at the managerial level.
- (3) Functional Competency Courses: the training series tailored for each specific role and responsibility for each position.

Hence, all results were analyzed to designate training courses suitable for each position and to further execute the individual development plan.

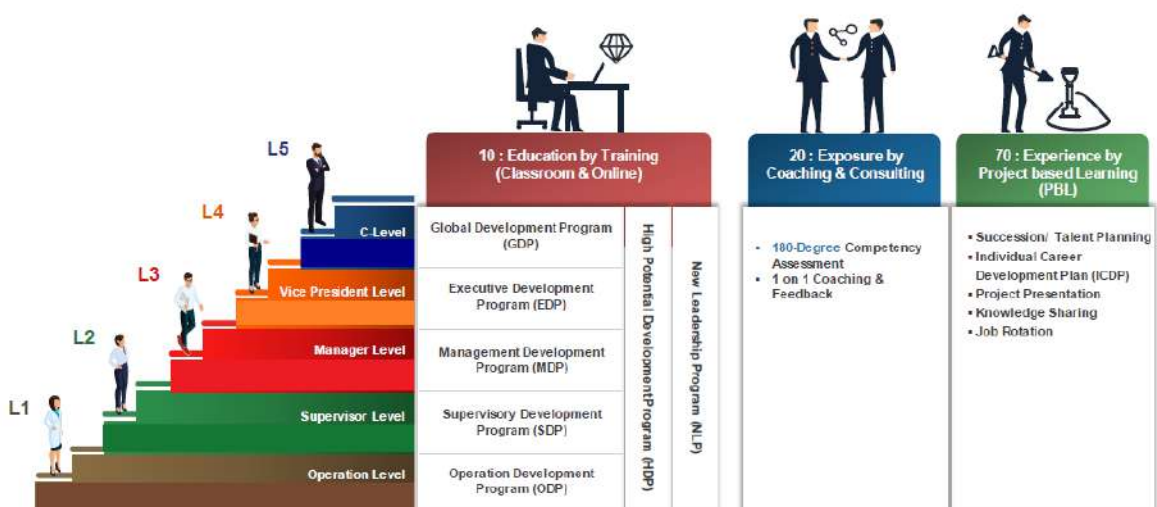
In addition, the Company has the individual career development plan or “ICDP” based on the 70:20:10 model for learning and development, which is closely linked to the career management system. Through this model, an employee will gain learning and development 70% from project assignment and on-the-job experience, 20% through exposure to sharing of knowledge and skills with others derived from coaching and feedback from supervisors or related mentors, and the remaining 10% of knowledge and skills from training and education.

The Career Management System is a system used for planning employee development in terms of building capabilities, technical skills, and career growth. At the employee level, this is managed by the Human Resource Development, while the management level is managed by the Executive Committee, advisors, and Human Resource Development that are jointly responsible for preparing the individual development plan to ensure employee growth and career advancement.

The Company analyzes the organizational demand within the period of 5 years, following which highly competent individuals will be selected. Those selected will be prepared through the individual development plan and their future position will be identified in order to strengthen their readiness prior to assuming a critical leadership role. Moreover, scholarships are granted to employees who are interested in pursuing higher studies in their fields that correlate with organizational strategy.

The Company prioritizes the potential development of employees at all levels by supporting leadership and employee development by providing core training courses that include the leadership competency development program for building leadership at all levels and developing the individual to gain a broad knowledge of the business. The employees also develop and enhance their professional skills and competencies through both training courses; functional programs and soft skill programs, to support the organization for the present and future. Besides, the ICDP is integrated with the competency model with the purpose of ongoing self-upskilling and self-development.

Leadership Competency Development Program on 70:20:10 Learning Model



The Company has put importance on the succession for the Chief Executive Officer and management levels in which the Company identifies the organization's talents in all talent pools. The assessment of individual potential and performance is defined through the nomination process, together with planning the successor development and career growth to move up to the higher position. In this regard, the successors must possess the qualifications, capability, potential, and experience of their fields, including to receive the transferred knowledge and experience with the support of job rotation in both domestic and overseas companies. In addition, the successors need training courses relating to executive development for the readiness to serve a higher position in the future. Works and assignments are also delivered smoothly, resulting in continuity of business management. The Company has determined the criteria of the succession plan as follows:



1. The Board of Directors, Nomination and Remuneration Committee, and Human Resource Department collaboratively formulate the guidelines of the succession plan to be aligned with business direction and strategic management;
2. Define the model of leadership competencies for all management positions; that is, necessary knowledge, skills, and capabilities. The individual development plan is also defined for the career advancement of successors;
3. Test and assess individuals to analyze the competencies of successors (Development Center); and
4. Develop the selected group of managers who are expected to be successors together with monitoring and assessment.

 E-Learning X SkillLane

The Company continued developing the e-learning platform for its employees under the concept “**Learn Anywhere**” in collaboration with SkillLane – an online learning provider for self-paced learning and development for higher productivity and greater quality of work output. This platform gave employees the freedom to have access to e-learning courses anytime anywhere. SkillLane provided plentiful courses with experts and professionals from each career field through its e-learning platform with feature-rich videos. Besides, e-learning content was always updated once a month as per the following 3 categories.

- 1 Leadership Competency (LC) is the mandatory courses for each position in each level.
- 2 Functional Competency is a specific knowledge or skill area relating to successful performance in the job.
- 3 Others are generally interesting courses that may not be relevant to LC or responsible assignment.



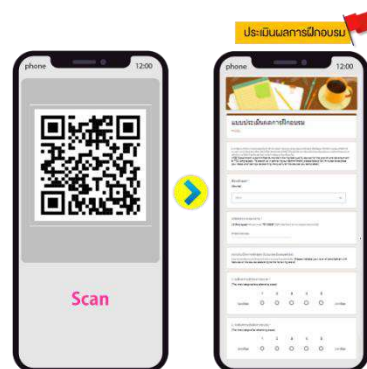
Summary of Employee Training in 2021

In 2021, the Company had provided a total of 77 in-house training courses for 117 batches and sent its employees to participate in public training courses totaling 14 courses for 14 batches, with a grand total of 131 batches covering the operation level, supervisor level, and management level. The average training hours per person was 6.16 hours.



Post-Training Satisfaction Evaluation with the target of 90%

The Company assessed the satisfaction and gathered suggestions of its employees after the training courses for further improvement and selecting training courses and contents. **In 2021, the post-training satisfaction evaluation was presented as 91.35%.**



Summary of Employee Training

Comparison of training hours for employees at each level: operation, supervisor, and management from 2019 to 2021

Details	2019	2020	2021
Total hours of employee training	19,570	24,331	19,968
Training hours for management level (M1-M9) / person / year	18.55	25.31	12.00
Training hours for supervisor level (S1-S2) / person / year	15.63	18.12	12.07
Training hours for operation level (O1-O4) / person / year	2.03	2.38	4.00

Occupational Health and Safety

- The Company recognizes the risks and potential impacts of business operations on occupational health and safety of employees, contractors, sub-contractors, other related parties, as well as assets. As such, the Company is committed to ensuring that the stakeholders work in a safe and healthy environment.

Procedures on the occupational health and safety

The Company has determined the workplace safety that is divided into the 4 following principles.

Site Safety

- Fences installed surrounding the plant area to prevent unauthorized persons from entering the area;
- Attach the symbolic signs, warning signs, and compliance signs that are well-proportioned, clearly visible, and universal that everyone can easily understand;
- Floor markings are clearly defined on the routes for vehicles around the plant, and installed the convex safety mirrors at the intersections or road curves that barely see the road in the front;
- Floor markings are designated for forklift traffic and pedestrian walking zones;
- Workplace environment is measured relating to the level of noise, lighting, degree of hazardous substances in the atmosphere in the workplace;
- Firefighting and fire protection system is installed, and to ensure that such system is available, efficient, and safe;
- Emergency evacuation map, plan, and assembly points are clearly defined to ensure the safety in case of fire incident;
- Annual building inspection is implemented according to the Building Control Act;
- Annual electrical safety inspection is implemented in line with applicable laws.

Machine Safety

- Ensure the availability of machines, equipment, and tools before use;
- Machine safeguarding covers the point of dangerous operations;
- Robots are used to transfer products after the containing process;
- Vacuum lifters are used to lift products;
- Install the preventive maintenance system of machinery;
- Manual to use machines and equipment is determined to ensure the safety workplace;
- Install the ground wires of machines;
- Define the annual machine inspection as required by laws.

Chemical Safety

- Ensure that the employees comply with proper working procedures, and occupational health and safety manual;
- Educate and train the employees on the chemical safety;
- Determine the safety data sheets (SDS) that provide critical information about hazardous chemicals, and attach the information around chemical-related area;

- Determine the practical measures for the chemical emergency to relieve the incident, and provide emergency response training in case of chemical spills;
- Provide personal protective equipment in the hazardous chemical areas such as filter respirator masks, chemical resistant gloves, safety boots, safety glasses, etc;
- Provide emergency equipment in case of chemical incidents such as emergency eyewash and safety shower stations;
- Provide the spill control kit such as sand, absorbent pads, etc;
- Provide the chemical spill containment barriers to protect against the chemical spillage out of the chemical areas, and chemical spill trays to further safely collect and dispose.

Personal Safety

- Provide the standard personal protective equipment suitable for the workplace conditions and duties, and ensure that the employees wear such equipment during working;
- Equip the employees with knowledge and training on regulations, disciplines, and rules to ensure the safety;
- Provide training and knowledge to main contractors or sub-contractors about safety rules in the workplace;
- Determine regulations and manual of workplace safety that include procedures and practices;
- Provide health checkup for employees who work with risk factors; 1) for annual health checkup for employment, and 2) for job rotation that differs from the former risk factors;
- Create activities to promote and instill awareness of safety, occupational health, and environment in the workplace among the employees such as Safety Talk, SHE Day.

Promoting the occupational health, safety, and environment

Measures to prevent and avoid workplace accidents

The Company upholds occupational safety in way of safety campaigns reaching employees and related parties, appropriate indicators taking account of occupational characteristics and the propensity of risks related to each work activity. Collective data shall be further analyzed for designating an effective safety improvement plan to prevent and mitigate workplace accidents, hazards, or workplace injuries.



Safety Training

The Company promotes **safety training** and understanding by providing appropriate training to the employees at all levels as required by the nature of each job and in accordance with laws. Such training is also provided to suppliers, contractors, and stakeholders in a systematic manner. Evaluations are also

conducted to measure the effectiveness of the training and to ensure that attendees have received adequate SHE knowledge. Moreover, training sessions aim to reduce risk behaviors that may cause an accident with the concept of reducing, avoiding, stopping the risks, self-caring, and caring for their colleagues.

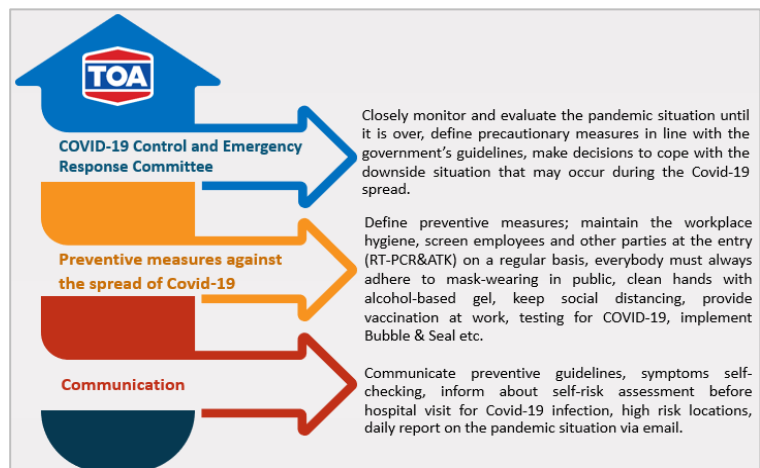
In 2021, there were 20 safety training courses divided into 2 core courses; **1) mandatory training courses** for all employees such as basic fire drills, training courses for safety managers and supervisors, and job-specific safety training courses such as electrical safety and first aid for victims of electrical hazards, safe use of pulleys and cranes, confined space safety, etc., and **2) non-mandatory training courses** to educate them about promoting awareness of the importance of safety and environment such as zero accident program under the safety activities “CCCF” and KYT, Safety Standard Operating Procedure (SSOP), etc.

Controlling the safe and healthy work environment

The Company regularly checks and assesses the work environment at least once a year according to legal requirements such as light quality and intensity, air quality control in the workplace, measurement of the noise level. The latest assessment results aligned with the standards and regulations. Moreover, personal protective equipment, emergency equipment, and first aid kits are provided as required according to the nature of the work, in an adequate quantity, and with easy access.

Prevention and mitigation of Covid-19 risk

As the surge in Covid-19 cases, both businesses and industries have been suffering from struggling to survive amid the pandemic. In order to quickly respond to the crisis for the safety of all stakeholders, the Company has taken robust action by setting precautionary measures to prevent and reduce the risk of the Covid-19 spread.



Bubble & Seal Measures (From August 8 to September 6, 2021)

In order to ensure uninterrupted operations for only paint and resin manufacture, Bubble & Seal measures were arranged at Bangna Plant in strict compliance with the guidelines for the disease control and prevention for the target employees to stay safe from Covid-19 and also for the safety of their families. Besides, the employees were tested for the disease through ATK and RT-PCR tests. The Company also provided them with accommodation and factory accommodation isolation (“FAI”) in case of infections found. Operational areas were separated into bubble zone and bubble-free zone with decisive management to avoid cross-group gatherings. Bubble zone was provided with different color uniforms, separated shuttle bus services, and lunch break zone.



Communication

The Safety, Occupational Health, and Environment Committee is appointed to be responsible for inspecting workplace safety and accident statistics at least once a month. The members are also assigned to consider SHE plans together with communicating to the employees and workers in an effort to reduce workplace accidents and injuries through a variety of communication channels, including:

- Email, as well as Line Official, containing safety, occupational health, and environment, new laws and regulations concerning management systems in each issue: environment, energy, and SHE;
- Activities related to SHE such as SHE Activity;
- Communication boards, LCD screens in canteens and Morning/Weekly Talk; and
- Giving safety handbooks.



Promotion of Occupational Health

The Company provides health check-ups for new employees, annual medical check-ups for all employees according to their risk factors, including monitoring occupational health effects such as pulmonary function tests and visual acuity tests, etc. In addition, the Company cares for the health of its employees by providing an up-to-date fitness with a wide range of exercise equipment together with a professional trainer, communicating health-related information through emails and notice boards in canteens, examining the microbiological safety for food and food containers, and other various activities for good health.

Performance

Projects related to the safety, occupational health, and environment



Diamond Award for Outstanding Safety, Occupational Health, and Environment in the Workplace 2021 for Bangna Plant (8 consecutive years), and for Samrong Plant (6 consecutive years), by the Ministry of Labor.



The Company was successfully registered as a training institute for a business program in terms of the safety, occupational health, and environment in the workplace, by the Department of Labor Protection and Welfare. This allowed the Company to train its employees, affiliates, customers, and third parties (2021 – 2024).



Award for the advanced-level health promotion for the enterprises to roll out a project to reduce and stop smoking and to promote employees' health, by the Association for the Development of Environmental Quality with the support from the Thai Health Promotion Foundation.



Platinum Awards for the occupational safety and health management system standard for both Bangna Plant and Samrong Plant, by the Institute for Occupational Safety, Health and Environment Promotion (Public Organization).



The Health Risk Assessment (HRA) in accordance with the announcement of the Ministry of Industry.



The Bubble and Seal Project by Bangsaothong District Health Office and Occupational Medicine Center of Samutprakarn Hospital.

- The Company received a low level of risk assessment for the proactive surveillance in terms of Covid-19 control and prevention at the workplace by the officers from the disease control department and officers from the Department of Skill Development.
- The Company received Thai Stop Covid-19 Certificate for a large-scale factory with a hygienic workplace against Covid-19 from the Ministry of Public Health, Department of Health under the Good Factory Practice (GFP).

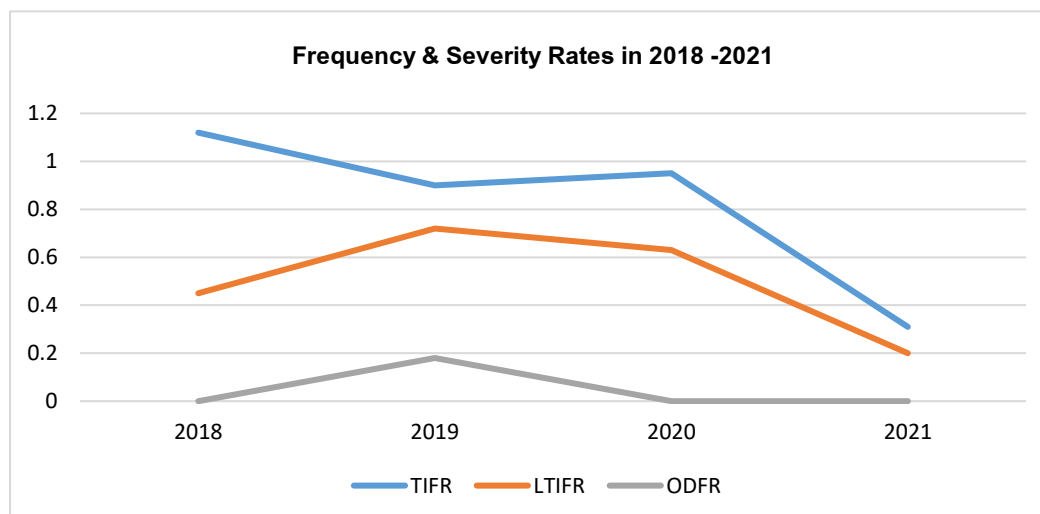
Accident Statistics

Performance Data	2018	2019	2020	2021
1. Total number of employees injured by accidents: person(s) (no lost time + lost time)	5	5	6	11
2. Total number of lost time injuries for employees: person(s)	2	4	4	7
3. Total number of fire incident: case(s)	0	2	0	1
4. Total number of accidents that damaged assets: case(s)	3	4	6	3
5. Sickness absence for employees: person(s)	0	1	0	0
6. Fatal occupational injuries for employees: person(s)	0	0	0	0
7. Sickness absence for contractors: person(s)	0	0	0	0
8. Total number of lost time injuries for contractors: person(s)	0	0	0	0

Frequency and Severity Rates

Performance Data	2018	2019	2020	2021
1. Total Injury Frequency Rate per million hours worked (TIFR)	1.12	0.9	0.95	0.31
2. Lost Time Injury Frequency Rate per million hours worked (LTIFR)	0.45	0.72	0.63	0.20
3. Occupational Disease Frequency Rate per million hours worked (ODFR)	0	0.18	0	0

The overall frequency and severity rates decreased.



Satisfaction Survey for the Safety, Security, Health and Environment Department (“SSHE”)

The satisfaction survey was carried out to assess the SSHE’s services at Bangna Plant and Samrong Plant. The satisfaction results with suggestions were analyzed as a whole and utilized to develop the working procedures and services for a greater and more effective outcome. In 2021, the satisfaction score was presented as 61.15%, which achieved the target of 59.40%.

Community Engagement

- In order to create and maintain the sustainable values and to build stakeholders' trust, the Company gives priority to promoting the engagement of its stakeholders, especially the nearby communities that are considered as a key stakeholder in the business entities. Therefore, the Company recognizes the importance of community engagement and intends to improve and develop the quality of life, education, health promotion, and environmental conservation for the business growth in alignment with enhancement of community wellbeing.

Management Approach

The Company upholds social responsibility by helping and supporting activities beneficial to the public with utmost capability and expertise. The Company's social care is divided into 2 categories: (1) CSR in the process is to operate its business by taking into account the potential impact on the stakeholders, and (2) CSR after the process which the Company has continuously implemented.

As having been prioritizing the community and social development, the Company focuses on engaging communities within a 5-kilometer radius of the Company to provide them with helpful training which can be applied for additional jobs and routines. When it comes to social and environmental development, the Company has to figure out the consensus of needs and expectations, participate in local activities for the common benefit and public good, supporting important religious days. These aim to build and maintain a long-lasting relationship between the Company and communities alongside upholding outreach programs for students, women, people with disabilities to highly enhance as much knowledge and experience as possible.

Company-Community Dialogue

The Company has appointed the CSR working group relating to community engagement as a representative to discuss with communities in order to understand their true needs by starting with dialogue, well-organized materiality analysis, and properly gathering information prior to implementing community engagement activities. Amid the Covid-19 crisis, the working group helped the affected communities in collaboration with the local government officers. The Company has also established a systematic complaint-receiving process. The



system administrator will forward complaints to responsible business units for investigation and reporting to the top management to monitor and consider solutions. The whistleblowing issues will be securely stored in the data system to ensure that each issue is appropriately handled and taken into account.

Promoting action plans/projects

The Company shall consider promoting action plans or projects for community engagement in consideration of the nearby communities that may be the first potentially affected by the Company in line with its business nature or capability, a collaboration between its employees and the communities to drive the sustainability. Moreover, the community-supporting scheme is extended to reach out further 5-kilometer radius of the Company for beyond benefit sharing.

Performance

Covid-19 relief program was a follow-on program to relieve and mitigate the dire straits caused by the resurgence of Covid-19 that people in the communities had encountered. In 2021, the relief program focused on the community hospitals deemed as the helping centers to reach out accessibly to the communities such as supporting the hospitals with medical supplies to help more directly Covid-19 patients in the communities.



Assisting Community Hospitals

Due to the severity of Covid-19, many hospitals experienced a shortage of medical workers and medical supplies. Therefore, the Company delivered essential supplies to support the provincial health office in Samut Prakarn as follows:



TOA Caring for Community Health

- 5 high flow oxygen machines totaling THB 1,000,000 to the Chakri Naruebodindra Medical Institute, Bangplee District.
- 3 high flow oxygen machines with contributions for procuring medical supplies totaling THB 1,000,000 to Samutprakarn Hospital.
- Contributions for procuring medical supplies totaling THB 300,000 Bang Bo Hospital.
- Contributions for procuring medical supplies totaling THB 300,000 Bangplee Hospital.

Bang Sao Thong Hospital, Bang Bo Hospital, and Bangplee Hospital were given the essential medical supplies to take care of covid-19 patients such as PPE clothing, Nitrile gloves, N95 Masks (8210).



Communication with Communities for COVID-19 Prevention

The Company leveraged its capabilities and potential including employees' to help communities and affected people by creating knowledgeable media through posters; self-protection against the disease, proper hand-washing steps, how to observe common symptoms of Covid-19, and sent to community representatives or via online platform to further inform students and people.



	Target	Performance			
	2021	2021	2020	2019	2018
Number of significant complaints	0	0	0	0	0
Certified by the Corporate Social Responsibility Project of the Department of Industrial Works (CSR-DIW) (%)	100%	100%	100%	100%	100%
Community Satisfaction towards CSR activities (%)	> 95%	98.9%	98.5%	98.0%	98.01%

Sustainable Outreach Programs for Society

- The Company focuses on driving business growth sustainably together with developing society in every dimension of the sustainability, both related and not related to business operations. The priority is to respond the true needs of the stakeholders, and drive to better wellbeing of the society and community.

Management Approach

The Company realizes that the way to strengthen society based on sustainability cannot proceed alone. In addition to the projects initiated by the Company, it also collaborates with and supports other organizations and foundations that focus on creating value for society. This will expand the opportunity for activities to achieve the goals and give back to society. Moreover, the employees are instilled with a greater awareness of voluntary, and social responsibility. The employees have the opportunity to social engagement according to their expertise because the Company believes that they are the key factor to drive social sustainability in the long run. There are 3 main categories to promote the sustainable outreach programs as follows:

Education	Public Health	Society and Public Interest
• Continue to support and promote education and activities based learning for all-level schools such as scholarships to students in poverty who perform medium-to-good grades, and scholarships granted to Thai Medical Women's Association.	• Support and assist hospitals and health-related organizations for health promotion, and deliver assistance to patients suffering from poverty.	• Support organizations and activities that aim at helping and supporting the social welfare as well as public interest. • Covid-19 relief program. • Donate paints to support public interest activities. • Provide assistance when a natural disaster occurs. • Support a sport.

As the Covid-19 pandemic hit the world in 2020, the Company consistently helped society through its Covid-19 relief program to help medical workers and vulnerable people as a driver for Thai people and the nation to come through this crisis as soon as possible.

Performance



Education

- Project in collaboration with the Phra Dabos Foundation to provide occupational knowledge "Decorative and Coating Painters" for Phra Dabos students to generate their income.



This precious project is to promote academic knowledge and support instructional materials for the charitable foundation under royal patronage namely Phra Dabos Foundation. Phra Dabos School, initiated by

His Majesty the late King Bhumibol Adulyadej, King Rama IX, provides occupational studies and various training courses to the underprivileged who cannot attend higher occupational training schools due to poverty and lack of standard knowledge, but strive to learn more, especially to acquire occupational knowledge which will help them earn their own living.

The Company in collaboration with the Phra Dabos Foundation has established the educational project to contribute a curriculum of vocational training courses and instructional media under the Phra Dabos Foundation. At the beginning of January 2018, in collaboration with the teachers of Phra Dabos School, the Company offered the educational contribution and instructional media by giving its decorative paint and coating products coupled with a curriculum of practical training courses in order to enhance self-learning, which achieved satisfactory results. In this regard, the Company sees the possibility of establishing a professional painting and coating course to be added to those existing courses. As a result, the course has been set up in association with the teachers of Phra Dabos School to ensure that the course can be started in the school year 2019 together with signing the educational contribution agreement. This intention is to value the educational engagement with kind-hearted sectors that have an aim to develop educational innovation and offer occupational knowledge and skills on up-to-date technology to be applied to enlighten the students of Phra Dabos School for better efficiency. This project has been carried out for 5 years since signing the agreement. The Company has set up the budget for the year 2019 to 2023 to ensure the continuity and achievement of the school. The collaborative project can be shown as follows:

- Occupational course “Decorative and Coating Painters” under the mutual creation,
- Mutual creation in developing and initiating various instructional media,
- Training and enhancing the skills of Phra Dabos School’s teachers to educate students in line with the occupational course,
- Counseling services in relation to educational techniques,
- Exchanging individual to work in the academic career path, research, and public relations in various forms of work between the Company and the school.

Expected Benefits

- Phra Dabos School shall consist of teachers and professors equipped with expertise and skills in effective teaching, designating teaching methods, and instructional media,
- Phra Dabos School can affirm that the graduate students of such curriculum are able to enhance their painting skills for their own living and serve as good citizens,
- Monitoring and developing the activities that have been already implemented to ensure that the educational management generates sustainable benefits.

In 2021, the students were given opportunities to learn through real work and internship with the Company's contractors for various projects; developing 7-storey Kulpipat Building's 50 dormitory rooms in Chulalongkorn Hospital, the Thai Red Cross Society, practicing woodworking skills with the Saiyart Collection, and so on, in



order to pave the way for their career path and to generate quality and professional skills for the repainting market.

➤ **Entry into MOU with Eastern College of Technology (E. Tech)
for Collaborative Learning Project (Get Hired, Get Paid, Get Qualified)**



The Company signed the memorandum of understanding with Eastern College of Technology (E.Tech) to promote the professional upskilling for the students in vocational schools for their readiness to perform a particular task or job. The collaborative learning project was hosted by the Office of Vocational Education Commission, educational institutions, and private education institutions under the scheme "Excellent Model School". This provided the students with experience of the real and on-site working together with theoretical knowledge in the college.

This was an opportunity for the students to learn and practice in the Company which provided its personnel and experts to educate, advise and mentor them throughout the course session. Besides, there were devices, equipment, and modern technology to enhance their skills and knowledge, which helped them be well-prepared for entering the workforce to further drive the nationwide economic growth in the future. In this regard, the Company highlighted this educational promotion in collaboration with all sectors to create graduate students with skills and potential that would be in demand in the current labor market.

In 2021, 10 students joined the program and learned onsite.



➤ Scholarships

The Company believes that education is the essential fundamental in solving poverty in a sustainable manner as education helps Thai youth grow up to become good citizens empowered with knowledge because they are the nation's future. In 2021, the Company in association with the Mother Li Gim Giew Tangkaravakoon Foundation provided plenty of scholarships as follows:

Over the past 6 years, the Company continued support of scholarships for 6 consecutive academic terms to medical students with financial disadvantage, the 1st batch of 8 graduate medical students from the Thai Medical Women's Association became medical workers in their hometown to bring the right care at the right time amid Covid-19 surge.



The Company greatly recognized the education and shortage of medical workers especially in remote and rural areas where ongoing decrease in the number of medical workers insufficient for population, coupled with expensive tuition. As a result, many students with good grades but financial hardship could not continue their education to be medical workers.

In 2021, the Company granted 23 scholarships for 6 consecutive academic terms to medical students, totaling 1,845,869 Baht. This aimed to help students graduate and become doctors in their hometown, resulting in lowering such concern above.



Furthermore, people's wellbeing, economic system, and society were negatively affected by Covid-19 infections and devastating flood in many areas, resulting in layoffs, shutdown operations, and household debt. Financially disadvantaged children's ongoing education was accordingly interrupted and discontinued. Therefore, the Company granted 609 scholarships to them totaling 2,134,000 Baht.

✚ Public Health Promotion for Better Quality of Life

➤ Monetary Donation for Medical Treatment to a Child with Severe Hemophilia

The Company, in association with the Mother Li Gim Giew Tangkaravakoon Foundation, donated 200,000 Baht to a child named Suebpong Thammasook suffering from a bleeding disorder or severe hemophilia. As a result, the child could access to and carry on his medical treatment to further live like other general kids.



➤ Monetary Donation for Building KMC Hospital Internal

The Company donated 10 million Baht for supporting the construction of KMC Hospital Internal to further become the first hospital of the future in Thailand with innovative R&D for medical equipment.



Support for Society and Public Interest Activities

In 2021, the Company helped and supported the society and public interest with the following activities:

Contributing paints



Contributing 205 paint buckets for improving buildings and scenery to The 1st Division, The King's Guard.



Contributing 30 paint buckets to Pak Khlong Song School, Pathum Thani.



Contributing building paints to Ban Tha Na School, Kamphaeng Phet valuing 26,799.50 Baht.



Contributing 21 building paint buckets to Ban Mai Pattana School, Kamphaeng Phet valuing 26,831.99 Baht.



The Company donated paints to support the arts on wall at Samyan with the concept " Tua Lao Yah – Chinese God. The painting was created by Mr. Chawas Jampasaen under the research project to utilize the arts and design for sustainable economic development and quality of life in Samyan and Suanluang communities by Fine and Applied Arts, Chulalongkorn University and the Council of Fine and Applied Arts Deans of Thailand.

TOA Paint Vietnam Co., Ltd. supporting CSR activities founded by the National Fund for Vietnamese Children



Supporting the CSR program founded by the National Fund for Vietnamese Children since 2015 to repaint schools, hospitals, charity houses, etc. to provide them with happiness, safer and better living environment. In 2021, Contributions valued at one billion VND donated to the National Fund for Vietnamese Children.



Natural Disaster Assistance

Delivering life-saving bags to the vulnerable affected by the devastating flood from prolonged heavy rains in many provinces in Thailand.





The vulnerable people; the elderly, students and educational workers, suffering from cold weather were given 1,000 blankets in Phimai District, Nakhon Ratchasima.

➤ Supporting Digital Temple Thailand

The Company was one of the key supporters for the digital temple project in collaboration with the Office of National Buddhism and Iswhere from Singapore. This project aimed to gather data from over 40,000 temples across Thailand to



integrate into the digitalization for both Thai and foreign Buddhists to easily access this online platform such as temple profile and information, religious activities, listening to the sermon and sending prayers, or Covid-19 preventive measures before entering a temple to make merit. Iswhere provides free-of-charge online platform services in cloud-based storage with new digital services to connect the public to Thai temples such as e-prayer and e-donation. By going online, consumers experience the convenience to make merit without traveling from home and send prayers anytime safely and securely, deemed as a new digital temple platform to keep pace with digital transformation.

🌈 COVID-19 Relief Program

Delivering medical supplies/ equipment and other assistance

The Company consistently supported and helped medical workers to fight against Covid-19 by delivering contributions for procuring essential medical supplies, equipment, and others for the treatment of hospitalized Covid-19 patients as follows:

- Contributions to the Chaipattana Covid-19 Aid Fund (and Other Pandemics) to procure 10 high-flow oxygen machines, worth 2,000,000 Baht.
- Contributions to Ramathibodi Hospital to procure medical equipment, worth 5,000,000 Baht.
- Contributions to Police General Hospital for 2 portable negative pressure isolation chambers, worth 500,000 Baht.
- Contributions to Rajavithi Hospital for a field ICU and expanded-capacity negative pressure isolation chamber, worth 1,000,000 Baht.
- Teepol alcohol gel amounting to 3,000 units delivered to Bussarakham Hospital, Muang Thong Thani, worth 300,000 Baht.
- Contributions to Chulabhorn Hospital, Chulabhorn Royal Academy, amounting to 1,000,000 Baht and Teepol products; sanitizer dispensers, gel-based and water-based alcohol, multi-purpose cleaners, etc., with a total of 1,450,000 Baht.
- Donating a ventilator to Somdet Phra Sangharaja 19 Hospital in Kanchanaburi, worth 200,000 Baht.

- Donating a van worth 1,415,000 Baht to the Relief and Community Health Bureau, The Thai Red Cross Society to help and alleviate the vulnerable, promote stable and equal quality of life, etc.



Delivering gypsum boards used for partitions to field hospitals to care for Covid-19 patients

The Company delivered its gypsum boards under the brand “TOA Gypsum” for partitions between Covid-19 patients’ beds to more than 50 field hospitals across Thailand; Army Training Command, Quartermaster Department Royal Thai Army, Field Hospital of Royal Thai Army (1st Antiaircraft Artillery Battalion), Queen Sirikit National Institute of Child Health, Somdej Prapinklao Hospital, and so on.



Supporting drinking water through “TOA Take Care”

The Company’s employees volunteered for delivering bottled water under the relief program “TOA Take Care” with more than 100,000 bottles as follows:

- To people getting vaccinated in many vaccination centers such as Bangkok Metropolitan Administration through the “Thai Ruam Jai, Safe Bangkok”, Bang Phli Yai, Samut Prakan City Observatory, etc.
- To Covid-19 patients in field hospitals like sending caring and encouraging messages.
- To the vulnerable in foster homes; Ban Bang Khae Social Welfare Development Center for Older Persons, Foundation for Slum Child Care (the Blind with Multiple Disabilities), etc.
- To the Company’s business partners and suppliers for support and encouragement.



Delivering Life-Saving Bags

More than 40 areas where the Company delivered over 65,000 life-saving bags, via state agencies and temples which deemed as a community center, especially in the dark-red zones – the most adversely affected zones to help and alleviate the hardship of the vulnerable people due to the Covid-19 pandemic and to reduce their risks outside their homes.



Purchasing fruits from farmers affected by Covid-19

Longans from Plang Yai Community Enterprise in Lamphun, Longkong in Sukhothai, Nam Dok Mai mangos from Wang Thap Sai Community in Phichit, mangosteens from a farmer group in Nakhon Si Thammarat, etc. to further deliver to Covid-19 patients in many hospitals such as Thammasat University Field Hospital, Bussarakham Field Hospital (Muang Thong Thani), and so on.



Delivering over 2,000 meal boxes

In order to encourage many medical workers and state officers for their hard work against Covid-19, the Company helped order meal boxes from small restaurants in nearby communities to alleviate their financial burden and indirectly stimulate the communal economy.





More social contribution activities can be found at www.toagroup.com >> News & Activities >> CSR Activities or <https://www.toagroup.com/en/updates/csr-activities>

Environment

The Company operates its business based on corporate social responsibility and is committed to mitigating the environmental impacts occurring from its operations as well as designing systematic environmental management to ensure effectiveness.

Creating A Green Culture

- The Company aims to drive its organization with environmental awareness and take actions to ensure the best outcomes. As such, the Company complies with the corporate social responsibility standards namely Green Industry and enhances the consciousness of its employees to reduce the environmental impacts and take mutual responsibility to create a green culture.

Management Approach



Policy on Corporate Culture in relation to the Environment

The Company runs the decorative and non-decorative paint and coating business with an emphasis on economic development along with environmental conservation for sustainable development. As such, the Company is committed to promoting and creating the environment-related corporate culture for employees at all levels and stakeholders, such as business partners, customers, and communities, by operating in accordance with the following guidelines:

- (1) Assess the potential impact on the environment that covers all employees and stakeholders of the Company, and ensure the protective measures of significant impacts, including disclosing the environmental impact to the public;
- (2) Promote and build a corporate culture in relation to the environment for the Company's employees and stakeholders covering the supply chain, and implement strategies for continuous and sustainable development;
- (3) Promote environmental activities in order to educate employees and drive the employee and stakeholder engagement, and raise awareness of environmental values and ethics to be the environment-related corporate cultures;
- (4) Strictly comply with the applicable laws and related regulations pertaining to the environment, including the adoption and application of global standards to reduce the environmental impact;
- (5) Emphasize and respect the human rights of the Company's employees and stakeholders by providing whistleblowing channels relating to the environmental injustice; and
- (6) Monitor and assess the existence of the environment-related corporate culture on a regular basis for further development and improvement.

The engagement-oriented procedure is set up for all employees to perceive and take the environmental conservation on board as follows:

- Provide employees with environmental knowledge both required by laws and in accordance with the nature of work.
- Committees/ working groups appointed to enhance the work efficiency in many environmental aspects such as environment, 3Rs, energy, CSR, Carbon Footprint for Organization, etc.
- Launch a meeting for reviewing implementation, raising issues, sharing ideas and action plans.
- Set a key performance indicator for the environment-related units.
- Communication through Morning Talk, notice board, SHE Day activities.



Diffusion and Adoption of Innovation from CSR process

The Company has adopted the corporate social responsibility guidelines and initiated the innovative business to contribute competitive advantage for the Company and society. The Company ensures that it has identified and verified potential risks that may cause damage or negative impact on the society and environment, and also find active solutions to minimize such risks by means of considering and analyzing each working procedure thoroughly. In this regard, this shall pave the way to further development and innovation to create new products reflecting the consumer needs, and business agility and resilience in facing social and environmental challenges to achieve long-term sustainability.



Automated production process integrated by ABB software and closed slurry system to help reduce a negative impact on the environment by 50%

Production process run by the closed slurry system and automatic control system (ABB software): main powdered and liquid raw materials are stored in SILO and storage tanks by uploading such raw materials into the closed production process system in order to save time, reduce wastewater, and negative impact on the environment by 50%. The Company also optimizes robotic automation to transfer products during the packaging process for the safety of its employees and energy efficiency.



Develop innovative products and services

The Company has the policy to develop its products and services that respond to the consumer issues with responsibility based on initiation for innovative paint and coating products that are safe and eco-friendly (Greenovation Products Development) and comply with domestic and global product standards.

TOA Greenovation			
	Clean	Green	Save
	No Lead & Heavy Metal	Good for Health & Environment	Worth Spending & Energy Saving
Raw Material	-Zero Heavy Metal	-APEO Free, Ammonia-Free	-Energy Saving (Heat Insulator, IR Reflective)
	-Non-Isocyanate	-Formaldehyde Free	-Super Durable
	-Transform Solvent base to Water base	-Near "0" VOCs	-Single Component
		-Bio base material	-Reuse/Reduce/Recycle
		-Low Oder, Low Emission	-Easy to use
		-Less Solvent	-Reduce Application Time
		-Anti Bacteria/Virus	

TOA Greenovation			
Process	Clean	Green	Save
	No Lead & Heavy Metal	Good for Health & Environment	Worth Spending & Energy Saving
	-Zero Heavy Metal	-Reduce Emission -Reduce Dust -Waste Management	-Automation -Reuse/Reduce/Recycle -Increase efficiency



Green Culture Project

The Company places importance on the environment; therefore, it develops itself to the Green Industry according to the project of the Ministry of Industry encouraging industries to be more environmentally friendly, and more reliable to the value chains for sustainable development. To this end, the Company's Bangna Plant has been recognized with an award for **the Green Industry Level 4 (Green Culture)** defining that everybody in the organization pays attention to environmental concerns in every business unit as an integral part of the corporate culture. The certification period is 3 years (until the year 2022).

Performance

Green Culture Project



In 2021, the Company received 2 certificates for the Green Industry Level 4: (1) for plastic paint factory, and (2) for water-based paint factory at Bangna.

Using E-Forms instead of Paper Forms

The Company primarily focused on using e-forms in lieu of paper forms by capitalizing on technological systems for data storing, filing, reference, and approval such as Microsoft SharePoint, HR Cloud, E-Slip, E-Catalog, E-Registration, E-Bill Payment, etc.

Reuse of used double-sided papers

For promoting resource efficiency, employees were asked for their cooperation to collect their used double-sided papers for Technical Support Division's color testing.

'Say No to Plastic Bags' Campaign

Campaign for avoiding using plastic bags and foam food containers has been carried out alongside the Line Official Account for receiving environmental information. The Company aims to have its employees participate in reducing the environmental impacts together with raising awareness of plastic pollution. Besides, cookshops in the Company's canteen joined the campaign by not giving plastic bags, and its employees should use fabric bags and deny plastic bags for reducing plastic pollution.

Environmental Compliance

- The Company recognizes the importance of regularly improving and developing its operations concerning the environment with efficiency development in compliance with the environmental laws, regulations, and standards, in avoidance of the violations. Moreover, the Company perceives that new regulations and laws may negatively affect its businesses unless it prioritizes the environmental conservation.

Management Approach

Environmental compliance is a major responsibility and top business priority for the Company. It has announced the environmental policy emphasizing environmental compliance and regulations, as well as adapting the global guidelines to fit for the organization to ensure environmental mitigation. The management also monitors and evaluates the implementation on a regular basis for further development and improvement.

The Company has focused on a continued target of no significant cases concerning non-compliance with environment-related regulations, which it aims to achieve through effective environmental compliance management.

Performance

The Company has received the quality and environment certificates as follows:

Thailand

- Environmental management system: ISO 14001: 2015
- Quality management system: ISO 9001: 2015
- Green Label Singapore by Singapore Environment Council (for products distributed to Indonesia and Malaysia)
- Green Industry Level 4 (Green Culture), Department of Industrial Works
- Green Label Certification, and Lead and Mercury Free Certification
- Energy Saving Label No.5 for paint and coating products, Ministry of Energy
- Other certificates from Thai Industrial Standards Institute (TISI)
- Low Emission Support Scheme or "LESS" by submitting 3 projects: 1) waste management and waste classification in a plant, 2) reducing energy consumption, and 3) changing to energy-efficient lighting devices. Three projects helped reduce GHG emissions 451.927 tCO₂e.

Overseas

- Environmental management system: ISO 14001: 2015 for TOA Paint (Vietnam) Co., Ltd., PT TOA Coating Indonesia, and TOA Paint Products Sdn. Bhd.
- Quality management system: ISO 9001: 2015 for TOA Paint (Vietnam) Co., Ltd., PT TOA Coating Indonesia, and TOA Paint Products Sdn. Bhd.
- Green Label Singapore by Singapore Environment Council for TOA Paint (Vietnam) Co., Ltd., and TOA Paint Products Sdn. Bhd.
- Product Certification Licence by SIRIM QAS International Sdn. Bhd. for TOA Paint Products Sdn. Bhd.

Only for data in Thailand

	Target 2021	Performance			
		2021	2020	2019	2018
Number of significant environmental incidents	0	0	0	0	0
Number of significant fines	0	0	0	0	0



Energy Management

- Energy is vital to the industry sector that is facing the challenge in balancing supply and demand due to high energy consumption, resulting in the price fluctuation of production costs. In this regard, the Company realizes such importance and is aware of efficient energy use for the utmost benefit. Energy conservation is integrated in its operations and is the responsibility of its executives and employees of all levels. Development of energy consumption has been carried out to ensure ongoing efficiency and to fit the nature of business.

Management Approach

Energy Policy

The Company operates a decorative and non-decorative paint and coating business with a strong commitment towards sustainability to develop products and strengthen business growth along with efficient energy management. Therefore, the Company recognizes the importance of energy management as an essential duty for all levels of management positions to promote and take responsibility for such matter, and for all employees to collaborate and contribute to the sustainable energy management approach. The Energy Management Working Group and the Energy Management System Review Committee have been appointed to ensure energy efficiency and maximum benefit. The energy policy is as follows:

- (1) Operate and develop the proper energy management system by determining the energy management as a part of the Company's business operations, and ensure the compliance with applicable laws and other related regulations;
- (2) Improve the energy efficiency suitable for the Company's business model, available technology, and good practices;
- (3) Designate the Company's annual action plan and goal for energy management and communication with all employees to ensure their understanding and accurate compliance,
- (4) Energy conservation is the duty and responsibility of the management, and employees at all levels to comply with the energy conservation measures, to monitor and report the relevant issues to the Energy Management Committee;
- (5) Provide necessary support for the development of energy efficiency, including resources, staffing, information, budget, working time, training courses, and participation in expressing opinions;
- (6) Assess and control the energy consumption to continuously improve energy efficiency and suit with the Company's energy consumption;
- (7) Design and procure machinery, tools, production equipment, and other necessary services by taking account of the energy efficiency of each product and service;
- (8) Management and Energy Management Committee shall review and amend (if necessary) the energy policy, goal, and plan on a yearly basis.

Goals

- ☑ Reduce energy consumption according to the technology-led energy conservation by 1.5%/year or 190,000 kWh/year from the 2021 base year.
- ☑ Execute the solar power project with the aim of using renewable energy not less than 3,500,000 kWh/year or 17% of the total energy consumption by 2025 from the 2021 base year.
- ☑ Manage and reduce the greenhouse gas emissions for 2,700 tCO₂e by 2025 from the 2021 base year.

Strategies

- ☑ Leverage technology to store data and manage energy consumption to ensure energy efficiency.
- ☑ Promote organization-wide awareness of efficient energy consumption through small group activities (SGA) among operational-level employees.
- ☑ Carry out activities in terms of energy and environmental aspects subject to global standards for further ongoing assessment and development by setting an additional objective to evaluate the specific energy consumption together with the original power consumption.

Energy Management

Performance of the Energy Conservation in 2021

Over the years, the Company annually implements energy conservation and sets up activities for employees to participate in the energy management assessment and raise awareness of energy consumption and conservation.

Besides, the Company is in the process of 2.711 MW rooftop solar installations to achieve sustainable energy consumption. In 2021, the quantitative goal of reducing energy consumption was set by 1.5% (193,065 kWh/year) compared to the year 2020 (14,628,028 kWh/year). In 2021, The Company conducted the following 3 energy conservation projects.



1. 250kW air compressors changed from old ones.

Detail	kW	kWh/year	THB/year
Energy Saving	50	327,600	1,248,156
Investment			3,300,000
Payback Period			2.64 years

2. LED HI-Bay (Explosion Proof) lighting at the Oil-Based Manufacturing Unit.

Detail	kW	kWh/year	THB/year
Energy Saving	2.3	10,046	38,276
Investment			345,000
Payback Period			9 years

3. LED HI-Bay lighting at the Water-Based Manufacturing Unit 1.

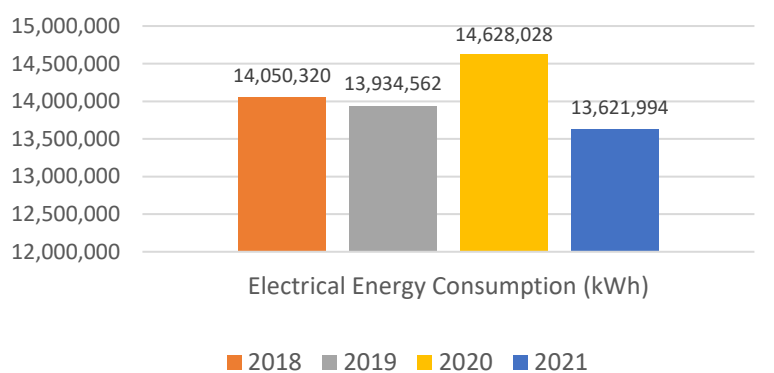
Detail	kW	kWh/year	THB/year
Energy Saving	5.25	11,466	43,685
Investment			228,900

Detail	kW	kWh/year	THB/year
Payback Period			5.24 years

Electrical Energy Consumption in 2018 – 2021

Resulting from the above 3 projects, the Company could save the electrical energy 349,112 kWh/year, which achieved the intended target.

The electrical energy consumption in 2021 was 13,621,994 kWh lower than the previous year, which the Company conducted near production capacity for 2020 and 2021.



Energy Efficiency Action Plan (2022 – 2025)

1. Solar rooftop installations (PPA) at the Warehouse Building 2 & Store 2 with 2.711 MW.

Detail	kW	kWh/year	THB/year
Energy Saving	2,711	3,970,000	6,637,840
Investment			0
Payback Period			0 year

2. Compressed air system improvement in the hallway of Bangna Plant.

Detail	kW	kWh/year	THB/year
Energy Saving	19.50	57,000	217,170
Investment			300,000
Payback Period			1.38 years

3. Solar rooftop installations (EPC) at the Store Building 1 with 900 kW.

Detail	kW	kWh/year	THB/year
Energy Saving	900	1,140,000	4,343,400
Investment			21,000,000
Payback Period			4.8 years

4. Changing air compressors at the Special Paint Manufacturing Building.

Detail	kW	kWh/year	THB/year
Energy Saving	30	6,000	22,860
Investment			15,000
Payback Period			0.60 year

5. Improvement of machines and manufacturing procedures.

Detail	kW	kWh/year	THB/year
Energy Saving	99	290,000	1,104,900
Investment			3,200,000
Payback Period			2.89 years

Water Management

- Water is a natural resource that all stakeholders are concerned since it is limited and important to human life. Inefficient water management may not only cause water crisis but also cause environmental problems together with discharge of low-quality water that leads to conflict with local communities or other water users. Consequently, it will affect the credibility of the Company.

Management Approach

The Company places the importance of effective water management throughout all production processes, from the source of water for production input until the preservation of the environment after the manufacturing processes. Therefore, the Company strictly adheres to regulations of water management and considers the impacts of water consumption on the nearby communities. On the other hand, the Company also plans to prevent the risk of water shortage which may interrupt its operations. The water management procedures are as follows:



Develop the innovative production process to reduce water consumption (pigging system).



Ensure the efficient maintenance and availability of water supply system.



Install the wastewater treatment system to treat wastewater from production process and return back into the receiving environment and reuse the treated wastewater.

Goals

- Reduce water consumption in the manufacturing procedures and utility systems by reusing treated wastewater by 5% or 4,931 m³/year from the 2021 base year.
- Reduce water consumption in the sanitary systems of the office building, which the water management team performs such duties and utilizes technological instruments to systematically monitor the water resource, with the aim of water use reduction by 10% or 2,629 m³/year by 2025 from the 2021 base year.

Strategies

- Appoint a water management team to systematically manage and monitor water consumption on a weekly basis.
- Improve the efficiency of wastewater treatment systems to ensure better reuse of treated wastewater.
- Improve sanitary wares to be more water-saving in the office building.

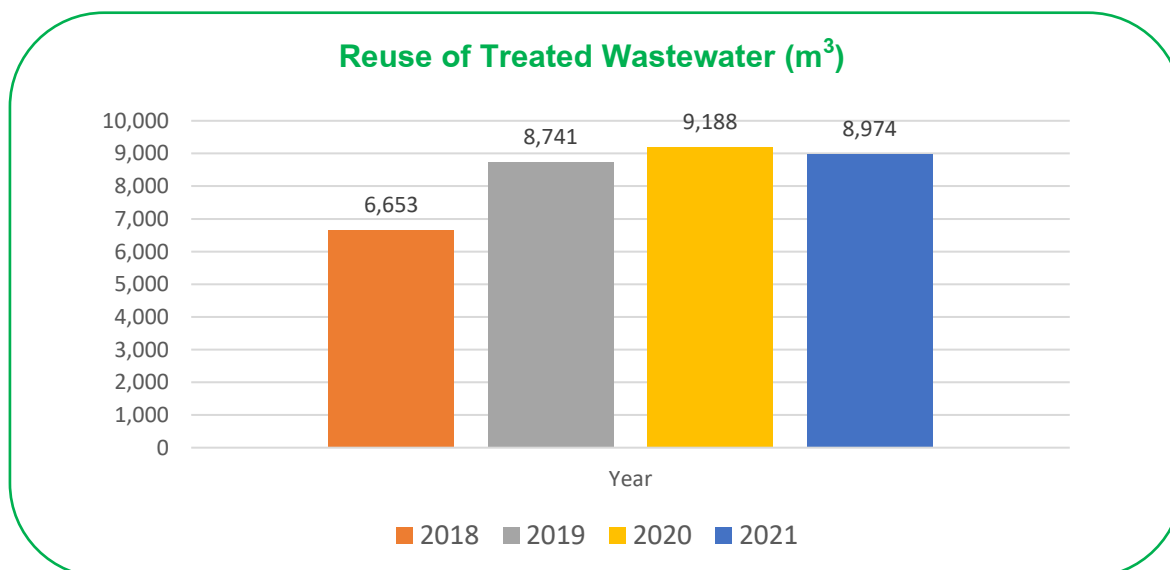
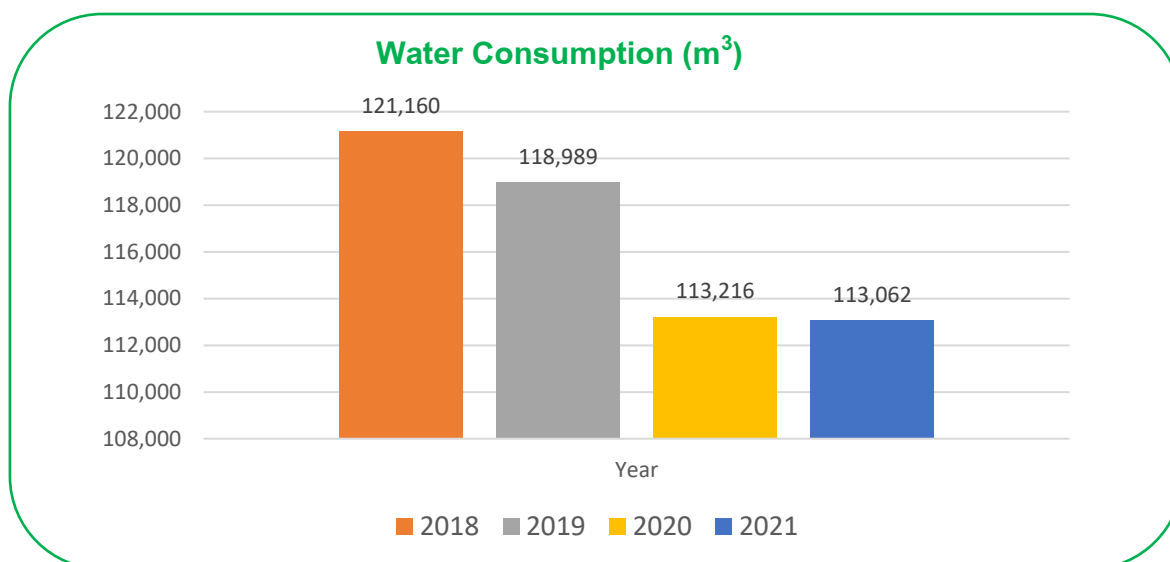
Performance

In 2021, the water consumption amount was controlled nearly to the previous year. Compared to 2020, the production capacity was a bit higher, and the Company consumed treated wastewater nearly the same amount. In order to ensure effective water management, the Company appointed a working team to perform such duties and find out control measures, and also installed 5 more water meters for measurement and monitoring, which the water efficiency results shall be seen next year.

Water Consumption in Each Resource

Unit: m³

Water Resources	2018	2019	2020	2021
1. Piped water	121,160	118,989	113,216	113,062
2. Reuse of treated wastewater	6,653	8,741	9,188	8,974



Waste Management

- Waste in particular hazardous waste is one of the key issues upon which the Company places great importance, as leakage caused by improper waste management can have a direct impact in terms of high disposal costs and damages to the Company's reputation. More importantly, improper management of hazardous waste can affect the health and safety of employees including the surrounding communities.

Management Approach

Waste Management Policy

The Company is committed to maintaining a sustainable coexistence with its community and society, creating and promoting an environment-centric business as well as corporate social responsibility. In this regard, the Company has determined the waste management policy as the good practices in managing waste generated from the production process, with the following details:

- (1) Reduce the amount of waste released to the environment causing environmental degradation by means of promoting the waste recycling practices;
- (2) Reduce the amount of disposed waste through the 3Rs (Re-use/Reduce/Recycle) waste management approach that will enhance the Company's systematic waste disposal;
- (3) Determine working standards, and encourage all departments to analyze and seek the appropriate waste reduction and waste disposal approaches, as well as monitor such compliance with the waste management standards on a regular basis;
- (4) Ensure the company-wide communication to enlighten on the waste disposal, including exchanging knowledge and experience on such matter of each department in order to establish the corporate culture that values environmental conservation, and extend such awareness among the Company's employees;
- (5) Determine the periodical waste management assessment in accordance with the intended indicators, and regularly develop and improve waste management activities;
- (6) Appoint designated persons to take responsibility for the waste management in the organization.

Waste Management with 3Rs

Reduce

is to reduce resource consumption only for the necessity or maximize usage of resources, especially to reduce the single-use resources.

Reuse

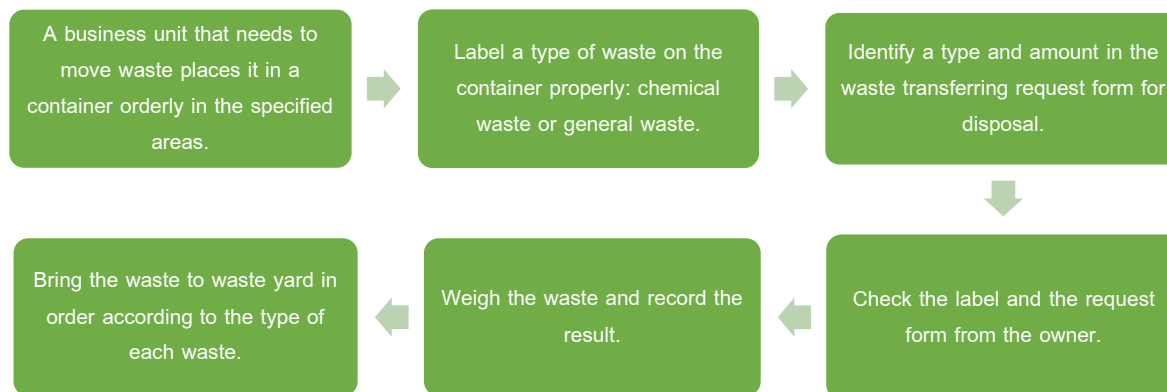
is to consume resources at maximum worthiness by reusing before recycling as well as repairing.

Recycle

is to convert the materials unable to be utilized in the primary form through various processes into new objects and use them again.

Management of Waste and Non-Used Materials

The Company has determined the regulation for managing and controlling waste from the production process or other activities to ensure appropriateness, conformance to applicable laws, and safe storage, transportation, and disposal as guidelines for preventing the disposal of waste and non-used materials negatively affecting the environment. The Company classifies its waste by establishing working procedures for waste management. The waste can be classified into 3 types: community waste, general waste, and chemical waste, and the Company stores such waste to be disposed of by a licensed company. The waste management is as follows:



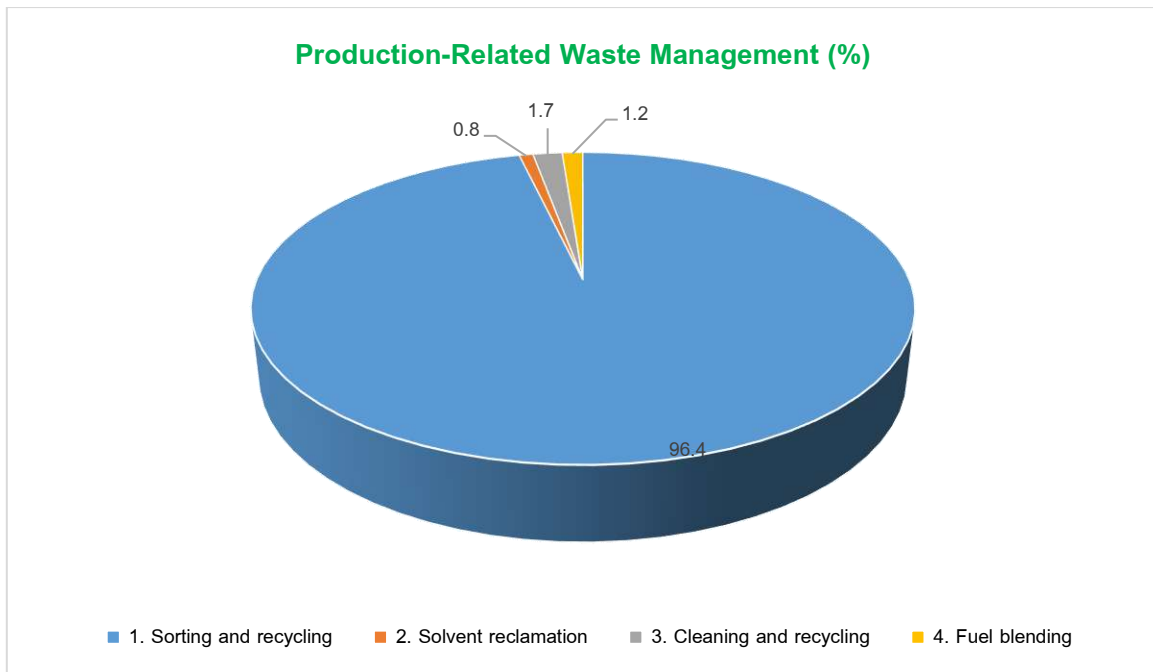
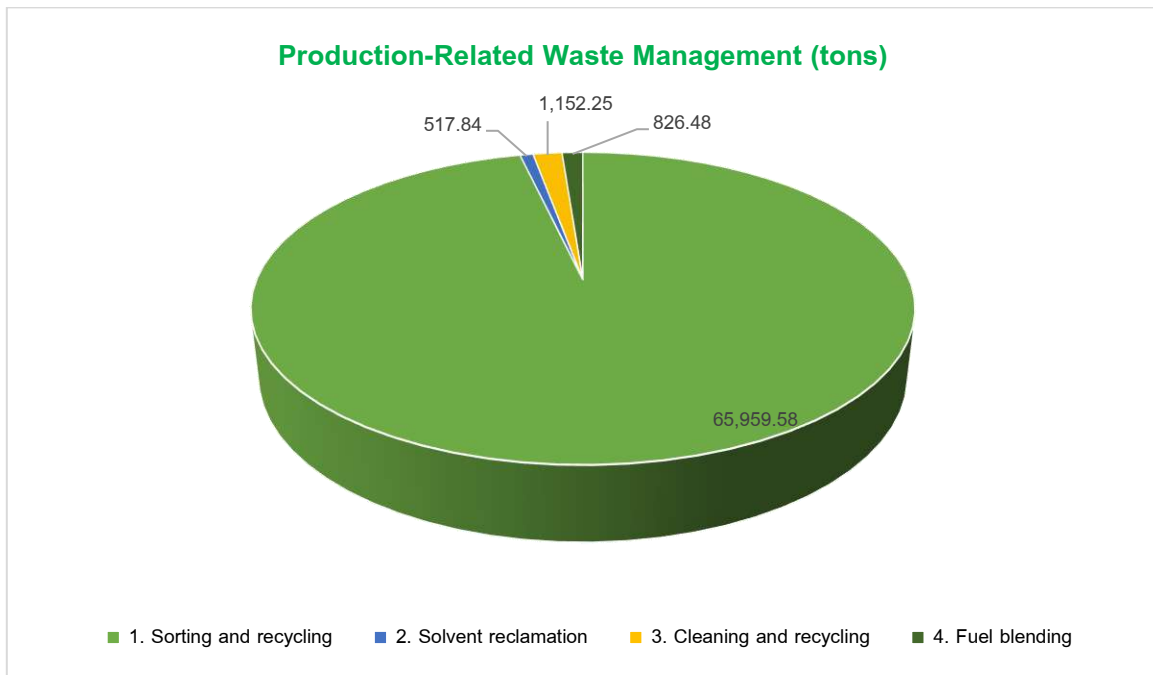
Performance

The Company places great importance on maximizing the use of resources effectively and efficiently in accordance with the environmental policy and waste management policy, selecting the quality raw materials that produce less waste, checking and storing the materials properly, and monitoring quality control and safety.

Performance	To increase the proportion of waste utilization from production process up to 98% by 2025 from 2021 base year.		
	2021	2020	2019
Proportion of hazardous waste reused and recycled	97.72%	96.06%	97.00%
Proportion of non-hazardous waste reused and recycled	97.94%	97.89%	96.56%

Production-related waste management	Type of waste	Volume (tons)	Percentage	Management approach
1. Sorting and recycling	Plastics, paper, metals	65,959.58	96.4	Sorting for resale to proceed with the recycling process.
2. Solvent reclamation	Solvent	517.84	0.8	Recovering solvents through distillation systems.
3. Cleaning and recycling	Contaminated packaging	1,152.253	1.7	Reuse by cleaning and treating used water for further reusing.
4. Fuel blending	Contaminated materials and damaged products	826.48	1.2	Fuel blending with calorific value for generating renewable energy or alternative fuel.

Proportion of the Production-Related Waste Management in 2021



Air Quality

- Air pollution and climate change are closely related. Air pollutants cause environmental impacts on the health and wellbeing of the employees and surrounding communities. Adverse consequences from a mishandled air quality control may result in operational interruption and failure of stakeholder trust.

Management Approach

To avoid the adverse impacts of air pollutants from its operations, the Company's air emissions management is executed in accordance with the standards. In doing this, the machines and devices used in manufacturing procedures are primarily selected taking account of clean technology to prevent environmental damage. Machinery maintenance and enhancement are also carried out on a regular basis to ensure good conditions. In addition, the Company regularly monitors and reports the air emissions to meet and maintain the air quality standards as follows:

- The air quality monitoring stations are installed within the Company's operating areas to detect and measure the total suspended particles (TSP), carbon monoxide, sulfur dioxide, and nitrogen dioxide. The anemometer is also set up to measure the wind speed and direction and analyze the air pollution movement and where air pollutants originate from.



- The emission monitoring system measures the number of air pollutants released into the atmosphere from the stacks. The results shall be evaluated to further monitor air toxics or potential risks impacting the wellbeing of the employees and nearby communities and take appropriate corrective actions in due time as well.

Performance

Air Pollution Management in 2021

Strategies	Management Approach	Performance
1. Proactive prevention and control action plan	Appointing a working group for monitoring and assessing air pollutants through both physical methods and measuring devices.	There was no complaint from surrounding communities and factories was filed in terms of air pollution, and air quality results were in accordance with the requirements of laws.
2. Prevention at the source	Designating responsible persons for monitoring wet scrubber systems and executing a weekly PM plan to ensure operational efficiency.	Wet scrubber systems effectively removed and controlled air pollutants.

Goals for Air Pollution Management	2021	3-year Goals (2022 – 2025)
Xylene (only Bangna Plant)	2.93 ppm	3% reduction
Total VOCs (only Bangna Plant)	16.5 ppm	3% reduction

Goals for Air Pollution Management	2021	3-year Goals (2022 – 2025)
Number of complaints from surrounding communities	0	0
Number of violations against air quality standards	0	0

Air Quality Measurement (Bangna Plant)

Air Quality Measurement	Number of violations against air quality standards			
	2021	2020	2019	2018
Air emissions	0	0	0	0
Stack emissions	0	0	0	0

Air Emissions	Unit	Average Results				Emission Standards
		2021	2020	2019	2018	
Carbon monoxide	ppm	0.3	0.35	1.65	0.5	30
Nitrogen dioxide	ppm	0.003	0.0125	0.0077	0.0275	0.17
Sulfur dioxide	ppm	0.0015	0.003	0.0018	0.0265	0.30
Total suspended particles (TSP)	mg/m3	0.0665	0.1385	0.0735	0.0795	0.33

Stack Emissions	Unit	Average Results				Emission Standards
		2021	2020	2019	2018	
Total VOC as propane	ppm	16.5	31.78	84.6	88.27	-
Total suspended particles (TSP)	mg/m3	0.52	0.93	1.38	1.93	400
Xylene	ppm	2.93	1.2	25.71	32.43	200

Air Quality Measurement (Samrong Plant)

Air Quality Measurement	Number of violations against air quality standards			
	2021	2020	2019	2018
Air emissions	0	0	0	0
Stack emissions	0	0	0	0

Air Emissions	Unit	Average Results				Emission Standards
		2021	2020	2019	2018	
Carbon monoxide	ppm	1.6	0.4	1.659	0.3	30
Nitrogen dioxide	ppm	0.002	0.027	0.018	0.019	0.17
Sulfur dioxide	ppm	0.011	0.003	0.003	0.003	0.30
Total suspended particles (TSP)	mg/m3	0.215	0.066	0.047	0.054	0.33

Stack Emissions	Unit	Average Results				Emission Standards
		2021	2020	2019	2018	
Total VOC as propane	ppm	212.09	19.88	31.64	49.6	-
Total suspended particles (TSP)	mg/m3	3.45	2.35	6.05	1.69	400
Xylene	ppm	7.94	0.53	1.35	0.3	200
Copper	mg/m3	0.01	0.04	0.005	0.11	30
Lead	mg/m3	0.01	-	0.03	0.10	-

Reduction in Greenhouse Gas Emissions

- Greenhouse gas emissions and climate change are hot-button issues and global challenges that the world pays a great deal of attention to. Such issues lead to the risks of disaster and adverse impacts on the environment, ecosystem, economy, well-being of society. Therefore, good collaboration to prevent the increasing global temperature is the global agenda.

Management Approach

As climate change and greenhouse gas emissions have been prioritized, the Company is committed to preventing and reducing such concerns occurring from its business operations through resource efficiency and energy conservation. The Carbon Footprint for Organization Committee and a working group to support the committee have been appointed. In 2021, the Company's quantity of greenhouse gas was verified by the Energy Conservation Center of Thailand, the Federation of Thai Industries, and the Company received the certificate of Carbon Footprint for Organization by the standards of the Thailand Greenhouse Gas Management Organization (Public Organization).



Below are the details of greenhouse gas emissions arising from the Company's business activities.

1. Direct greenhouse gas emissions (Scope 1)

Scope 1 emissions are direct emissions from the Company's activities. The on-site combustion includes benzene, diesel, fuel oil, LPG, as well as GHG from other sources such as leakage of refrigerants and fire suppressants including methane from the wastewater treatment system. The Company's management approach to reduce Scope 1 emissions is to use electric-powered forklifts instead of diesel-powered forklifts.

2. Indirect greenhouse gas emissions (scope 2)

Scope 2 emissions occur from the electricity consumption as reported under the heading "Energy Management".

3. Other indirect greenhouse gas emissions (Scope 3)

Scope 3 emissions occur from sources such as consumption of paper and water as described under the heading "Creating Green Culture", "Water Management", and "Waste Management", respectively.

Goal: Manage and reduce the greenhouse gas emissions for 2,700 tCO₂e by 2025 from the 2021 base year.

Strategy: Energy Efficiency Action Plan for 2022 – 2025 (more details are shown under the heading “Energy Management”).

Performance

Greenhouse Gas Emissions Intensity

The Company assessed the organizational carbon footprint. Greenhouse gas emissions used in the calculation method of Thailand Greenhouse Gas Management Organization (Public Organization) comprised carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), hydrofluorocarbon group (HFCs), perfluorocarbon (PFCs), sulfur hexafluoride (SF₆) and nitro fluoride (NF₃) as follows:

			Unit: tCO ₂ e
Greenhouse Gas Emissions		2020	2021*
Direct GHG Emissions (Scope 1)		8,534.24	8,455.54
Indirect GHG Emissions (Scope 2)		8,283.10	8,651.11
Other indirect GHG Emissions (Scope 3)		158.24	30,443.00
Total		16,975.58	47,549.65

Remark: * 2021 data was aggregated and derived from both Bangna Plant and Samrong Plant (2020 data only for Bangna Plant), and subject to a new evaluation according to the regulations of the Thailand Greenhouse Gas Management Organization which required more focused Scope 3 emissions.



Low Emission Support Scheme “LESS”

The Company received the certificate for participating in reducing greenhouse gas emissions from the Ministry of Natural Resources and Environment supported by the Thailand Greenhouse Gas Management Organization (Public Organization) for 2 consecutive years through 3 projects as follows:

Waste Management & Waste Classification in a Plant	Reducing Energy Consumption	Changing to Energy-Efficient Lighting Devices
Classifying recyclable waste including many kinds of paper, plastic, aluminum, metal, glass, etc.	Activities to reduce energy consumption in each unit according to energy-saving measures and ISO 5001.	Energy-efficient lighting devices were installed in the office building and the manufacturing area.
GHG emissions decreased 250.260 tCO ₂ e	GHG emissions decreased 59.629 tCO ₂ e	GHG emissions decreased 142.038 tCO ₂ e
Total 451.927 tCO ₂ e		

Unit: tCO₂e

Low Emission Support Scheme (LESS)	2 Projects in 2020	3 Projects in 2021
Decrease in GHG Emissions	142.292	451.927

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403-2	Hazard identification, risk assessment, and incident investigation	98-100		-
403-3	Occupational health services	98-100		-
403-4	Worker participation, consultation, and communication on occupational health and safety	98-100		-
403-5	Worker training on occupational health and safety	98-99		-
403-6	Promotion of worker health	100		-
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	97-98		-
403-8	Workers covered by an occupational health and safety management system	98-100		-
403-9	Work-related injuries	101		-
403-10	Work-related ill health	101		-
GRI 404: Training and Education (2016)				
103-1	Explanation of the material topic and its Boundary	93		-
103-2	The management approach and its components	93-95		-
103-3	Evaluation of the management approach	95-96		-
404-1	Average hours of training per year per employee	96		-
404-2	Programs for upgrading employee skills and transition assistance programs	93-95		-
GRI 405: Diversity and Equal Opportunity (2016)				
103-1	Explanation of the material topic and its Boundary	83		-
103-2	The management approach and its components	83-84, 189		-
103-3	Evaluation of the management approach	86-89		-
405-1	Diversity of governance bodies and employees	83-84, 143-144		-
GRI 413: Local Communities (2016)				
103-1	Explanation of the material topic and its Boundary	102		-
103-2	The management approach and its components	102		-
103-3	Evaluation of the management approach	103		-
413-1	Operations with local community engagement, impact assessments, and development programs	102-103		-
413-2	Operations with significant actual and potential negative impacts on local communities	102-103		-
GRI 414: Supplier Social Assessment (2016)				
103-1	Explanation of the material topic and its Boundary	70		-
103-2	The management approach and its components	70-72		-
103-3	Evaluation of the management approach	72		-
GRI 416: Customer Health and Safety (2016)				
103-1	Explanation of the material topic and its Boundary	73		-

GRI Content Index				
Disclosure	Description	Page	Detail/Omission	External Assurance
103-2	The management approach and its components	73-75		-
103-3	Evaluation of the management approach	75-77		-
416-1	Assessment of the health and safety impacts of product and service categories	74		-
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	76		-
GRI 418: Customer Privacy (2016)				
103-1	Explanation of the material topic and its Boundary	73		-
103-2	The management approach and its components	190-191		-
103-3	Evaluation of the management approach	76		-
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	76, 191		-

4. General Information and Other Related Information

4.1 General Information

Name:	TOA Paint (Thailand) Public Company Limited
Stock Symbol:	TOA (Listed Company in The Stock Exchange of Thailand)
Registered Number:	0107560000133
Type of Business:	Manufacture and distribution of decorative, non-decorative paint and coating products for general consumers
Website:	http://www.toagroup.com
Established Year:	1977
First Trade Date:	October 10, 2017
Headquarters:	31/2 Moo 3, Bang Na-Trad Road, Bang Sao Thong Subdistrict, Bang Sao Thong District, Samut Prakarn Province, 10570, Thailand
Registered Capital:	THB 2,029 million including issued and paid-up ordinary shares totaling 2,029 million shares
Par value:	Ordinary share: THB 1 per share
Preferred Stock:	None
Accounting Period:	January 1 – December 31
Contact:	Headquarters Telephone: (+662) 335-5555 Fax: (+662) 312-8919 Email: contact@toagroup.com Company Secretary & Investor Relations Telephone: (+662) 335-5555 ext. 5875, 1581, 1520 Fax: (+662) 312-8923 Email: companysecretary@toagroup.com , ir@toagroup.com

4.2 References

Security Registrar: Thailand Securities Depository Company Limited (TSD)

Address: 1st Floor, The Stock Exchange of Thailand Building
93 Ratchadaphisek Road, Dindaeng, Dindaeng, Bangkok 10400, Thailand

Telephone: (+662) 009-9999

Fax: (+662) 009-9991

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

Auditor: PricewaterhouseCoopers ABAS Company Limited

(for accounting period ended December 31, 2021)

By Miss Nopanuch Apichatsatien, Certified Public Accountant No. 5266 or

Mr. Paiboon Tunkoon, Certified Public Accountant No. 4298 or

Miss Sanicha Akarakittilap, Certified Public Accountant No. 8470

Address: 179/74-80, 15th Floor Bangkok City Tower, South Sathorn Road,
Thung Maha Mek, Sathorn, Bangkok 10120

Telephone: (+662) 844-1000

FAX: (+662) 286-5050

Website: <https://www.pwc.com/th/en.html>

4.3 Material Agreements

The following description summarizes selected provisions of certain material agreements of, or affecting the Company. This description is a summary and should not be considered as a full statement of the terms and conditions of such agreements.

Financial Agreements

The Company and certain of its subsidiaries, including Captain Coating Co., Ltd., Mega Paint and Home Co., Ltd. (former name: Professional PC Service Co., Ltd.), and TOA Paint (Vietnam) Co., Ltd. have entered into a number of secured and unsecured short-term borrowing arrangements with third party financial institutions to finance their working capital and operations. Certain of the subsidiaries' loans are also guaranteed by the Company. The agreements are primarily overdraft facilities, credit lines (such as revolving promissory notes, working capital lines, import and export lines, letters of credit and letters of guarantee) as well as uncommitted credit lines for hedging foreign exchange rates. The agreements are with Thai banks or

Thai branches of regional banks, are generally denominated in Thai Baht. Interest rates on these short-term facilities are typically floating, based on the existing market rate plus an applicable margin. As at December 31, 2021, the Company and its subsidiaries had THB4,415.0 million and US\$0.5 million of short-term loans from financial institutions, of which THB289.1 million was outstanding, and the rate of interest on outstanding short-term indebtedness ranged between 0.8% and 3.0%, including Captain Coating Co., Ltd.'s promissory notes that are secured by its land, buildings and machinery.

As at December 31, 2021, the Company and its subsidiaries had short-term loans and other credit facilities totaling THB8,225.0 million and US\$3.0 million.

4.4 Legal Disputes

As of 31 December 2021, there was no lawsuit or legal dispute whereby the Company and its subsidiaries are the party including any arbitration which could (1) negatively affect the assets of the Company or a subsidiary at an amount higher than 5.0% of the shareholders' equity, (2) materially affect the business undertaking, financial status, operating results, and business opportunities of the Company or a subsidiary but the assessment whereof cannot be quantified in numbers, and (3) not be caused by normal business undertaking of the Company. However, the Company, from time to time, may be involved with a legal or administrative process of normal trading.

Part 2

Corporate Governance



Part 2: Corporate Governance

5. Corporate Governance Policy

5.1 Overview

The Board of Directors fosters the importance of good corporate governance. Therefore, the Board of Directors has reviewed the application to the principles of Corporate Governance Code for listed companies 2017 by the Securities and Exchange Commission (SEC) or CG Code. The CG Code based on the Stock Exchange of Thailand's Principles of Good Corporate Governance for Listed Companies includes relevant regulatory requirements for revision to cover the guidelines or changes along with current international standards and trends to ensure the management efficiency, honesty, absence of fraud, and corruption, transparency, and auditability in order to build confidence among the Company's shareholders, investors, stakeholders, society, all relevant parties, and enhance the sustainable growth.

Thus, the corporate governance policy determines the principles for the Board of Directors as an organizational leadership to properly comply with the 8 principles which are disclosed in **Section 7 "Corporate Governance Report"**.

5.2 Code of Conduct

Presently, the paint and coating industry faces quite high competition. In order to maintain sustainable leadership in the paint and coating market, there must be continuous development in every aspect in an effective way, and to be lined up to work towards the same goals. In this regard, the Company puts in a lot of effort to make its directors, management, and employees at all levels comply with and possess desired characteristics with the code of conduct under the corporate governance principles, morality, and business ethics to drive good returns and sustainable growth together with taking responsibility for stakeholders, society, and environment with the following fundamentals:

- 1) Focus on conducting businesses with effectiveness, efficiency, transparency, integrity, responsibility for stakeholders, society, and community as well as generating proper returns to shareholders;
- 2) Encourage good citizenship, sense of morality, and strictly comply with laws, regulations, rules, relevant regulatory requirements;
- 3) Prioritize continued human resource development by implementing the learning and development organization, awareness of integrity, honesty, determination, and responsibility;
- 4) Aim to develop quality products and services with state-of-the-art innovation to meet customer needs and respond to changing society and environment.

Please see the full version of **the Corporate Governance and Code of Conduct Handbook** at www.toagroup.com, "Investor Relations" >> "Corporate Governance" >> "Corporate Governance Policy".

5.3 CG-related outcomes and development in the previous year

5.3.1 Significant change and development in the previous year

The Company has adhered to and complied with the good corporate governance in operating business applying to the directors, executives, and employees. Moreover, good corporate governance is regarded as a key factor in enhancing the Company's overall success as the organization's responsibility towards society. Regarding the Board of Directors' Meeting No. 10/2021 on December 14, 2021, the corporate governance and corporate sustainability were reviewed based on the Corporate Governance Code for listed companies 2017 (CG Code) by the Securities and Exchange Commission (SEC) including data requirements in the 56-1 One Report which enhances the ESG-related reporting and disclosing such as policy, goal, and performance, GHG emissions, human rights, etc. This is to determine the practice principles for listed companies' board of directors to apply to ensure long-term performance and returns for sustainable value creation.

CG-related development/improvement in 2021 is summarized as follows:

- The data protection officer has been designated subject to the Personal Data Protection Act, B.E. 2562 (2019) in Section 41 and Section 42. Moreover, personal data protection has been promoted and communicated to employees for better understanding and awareness.
- The Company was in the process of studying and assessing the readiness for a declaration stage in the Self-Evaluation Tool for Thai Private Sector Collective Action Against Corruption (CAC).

5.3.2 Non-implemented issues and alternative practices

The Company has emphasized the significance of good corporate governance as it is beneficial for organizational development. However, *there were some principles that had not been implemented* in 2021, but the Company has defined alternative practices that can fulfill the intended outcomes of the principles as follows:

1. Cumulative voting for the election of directors

According to the Company's Articles of Association no. 16 stating that each shareholder shall elect a company director, which is made by a majority vote as a resolution. In addition, no. 16(1) specifies that each shareholder shall have a number of votes equal to one share for one vote. Thus, the cumulative voting for the election of directors is not applied at the shareholders' meeting. However, the Company has determined measures to treat the rights and encourage the participation of minority shareholders such as proposing agenda in advance for the shareholders' meeting, nominating a candidate to serve as a director, etc.

2. Chairman is an independent director

Chairman and Chief Executive Officer are different persons. The Company clearly separates the roles, duties, and responsibilities of such two positions. Moreover, Chairman is a non-executive director. Although Chairman is not an independent director, he is knowledgeable, expert in the Company's business, and also gives all directors the opportunity to express their opinions and suggestions beneficial to the Company. Moreover, the Board of Directors has appointed a designated independent director to participate in setting

the board meeting agenda for compliance with the good corporate governance principles. In approving a meeting agenda that a non-independent director is involved with a conflict of interest, there must be at least 2 independent directors participating and voting in the meeting.

3. The Board of Directors establishes the Risk Management Committee and CG Committee (board level)

The Company has appointed the Risk Management Committee (management level) chaired by the Chief Executive Officer, and Risk Management Working Group consisting of top executives from each department. The committee has duties and responsibilities for determining the risk management policy, monitoring the risk management, and then reporting to the Audit Committee and Board of Directors. However, the CG Committee has not been established yet because the Board of Directors has the direct responsibility for monitoring the Company's corporate governance compliance.

4. Appointment of a high percentage of independent directors (more than 50 %) on the Board of Directors

The Board of Directors consists of 9 directors; 2 executive directors or 22.22%, and 7 non-executive directors or 77.77%, of which consists of 3 independent directors or 33.33% of the entire board. This is in compliance with the composition of the Board of Directors and independent directors regarding the regulations specified by the Securities and Exchange Commission which states that the Board of Directors must consist of independent directors at least 1/3 of the entire board, but must not less than 3 independent directors.

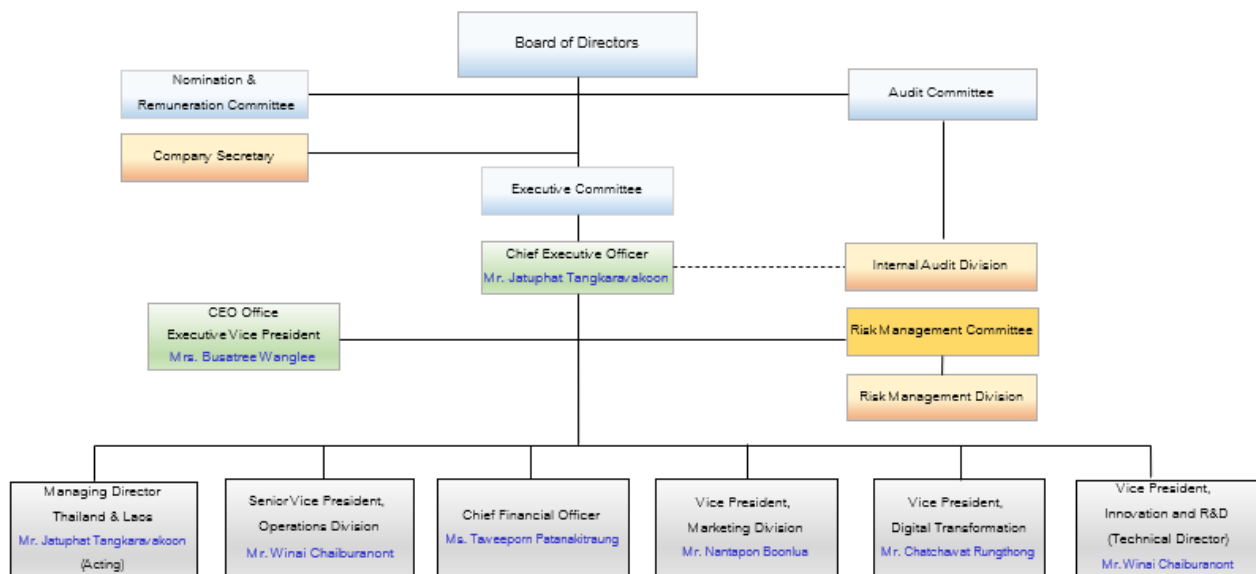
5.3.3 Other compliance

See the report in **Section 7. "Corporate Governance Report", Heading "7.1 Summary of Board Performance in the previous year"**.

6. Corporate Governance Structure, and Significant Information about Board of Directors, Sub-Committees, Management Team, Employees, and Others

6.1 Corporate Governance Structure

Corporate Governance Structure of the Company as at March 1, 2022



6.2 Board of Directors

6.2.1 Composition of the Board of Directors

- 1) The Board of Directors must comprise at least 5 directors and not less than half of the total number of directors must be resident in the Kingdom of Thailand including the composition of independent directors must not be less than 1/3 of the entire board and at least 3 independent directors in compliance with the regulation of the Securities and Exchange Commission.
- 2) The Chairman and Chief Executive Officer are not the same individuals. The separation of their roles and responsibilities is clearly defined.
- 3) In case the Chairman is not an independent director, the Board of Directors shall appoint a designated independent director to participate in setting the board meeting agenda in compliance with good corporate governance. In case approval of an agenda that a non-independent director may lead to the conflict of interests, there must be at least 2 independent directors to present and vote at the meeting.

- 4) The Board of Directors appoints a company secretary for performing his/her duties including coordination in compliance with the board resolution. Moreover, the company secretary should receive ongoing training and education relevant to performing his/her duties or laws and accounting.
- 5) The board composition must consist of directors with diversified backgrounds: gender, age experience, skills, profession, and specific capability such as accounting and finance, organization management and human resources, risk management, crisis management, Company's business model, international marketing, defining vision and strategies and necessary knowledge towards the Company in 3-5 years ahead, for performing duties in order to ensure that the Company runs the business to achieve the objectives and creates sustainable growth. Thus, there must be at least 3 directors who know the Company's industry or nature, and at least 1 director or 1/3 of such number must be a non-executive director including at least 1 director who possesses knowledge of accounting and finance.

As at December 31, 2021, the Board of Directors consisted of 9 directors, including 2 executive directors presented the entire board as 22.22%, 7 non-executive directors presented as 77.78%, and 3 independent directors presented as 33.33% which is in compliance with the composition of the Board of Directors regarding the regulations specified by the Securities and Exchange Commission which states that the Board of Directors must consist of at least 1/3 of the entire board, but must not less than 3 independent directors as follows:

Name	Position	Remark
1. Mr. Prachak Tangkaravakoon ⁽¹⁾	Chairman of the Board/ Member of the Executive Committee	The director who is not a member of the executive management team
2. Mrs. La-or Tangkaravakoon	Vice Chairman of the Board/ Member of the Executive Committee	The director who is not a member of the executive management team
3. Mr. Vonnarat Tangkaravakoon	Director/ Member of the Executive Committee	The director who is not a member of the executive management team
4. Mr. Jatuphat Tangkaravakoon	Director/ Chairman of the Executive Committee/ Member of the Nomination and Remuneration Committee	The executive director
5. Mr. Nattavuth Tangkaravakoon	Director	The director who is not a member of the executive management team
6. Mrs. Busatree Wanglee	Director/ Member of the Executive Committee	The executive director
7. Mrs. Prisana Praharnkhasuk	Independent Director/ Chairman of the Audit Committee/ Member of the Nomination and Remuneration Committee	The director who is not a member of the executive management team
8. Mrs. Chantip Weerasubpong	Independent Director/ Member of the Audit Committee	The director who is not a member of the executive management team
9. Mr. Veerasak Kositpaisal	Independent Director/ Member of the Audit Committee/ Chairman of the Nomination and Remuneration Committee	The director who is not a member of the executive management team

Remark: ⁽¹⁾Mr.Prachak Tangkaravakoon, Chairman of the Board of Directors, is not an independent director. As such, the Company has appointed an independent director, namely, Mr. Veerasak Kositpaisal, to participate in designating the board meeting agenda to be in compliance with the Corporate Governance Code for listed companies 2017. Additionally, the Board of Directors' Meeting No. 5/2017 on May 12, 2017, resolved to amend the Charter of the Board of Directors, requiring at least 2 independent directors to be present and vote for an agenda in which a non-independent director is a person with a vested interest.

More details about the qualifications and experiences of 9 directors above are disclosed in **Attachment 1 "Information of Directors, Management Team, Controlling Persons, CFO, Person Supervising Accounting, and Company Secretary"**.

6.2.2 Authorized Signatory Directors of TOA

The authorized directors who sign on behalf of the Company are the following two of them; Mr. Vonnarat Tangkaravakoon, Mr. Jatuphat Tangkaravakoon, Mr. Nattavuth Tangkaravakoon, and Mrs. Busatree Wanglee. Two of them must jointly sign with the Company's seal affixed.

6.2.3 Roles, Duties, and Responsibilities

The Board of Directors has an important role in monitoring corporate governance for the best interest of the Company. The board composition consists of directors with diverse qualifications, skills, experiences, specific capabilities. The Board of Directors sets a vision and performs its leadership roles and duties with honesty, due care, can exercise objective and independent judgment towards the management, take the best interest of the Company into account, respect the fairness and be responsible for the shareholders and all stakeholders. Moreover, the Board of Directors must ensure that the Company operates the business with systematic procedures in compliance with laws and ethics.

1. Qualifications of Directors

- 1) The Board of Directors must not have prohibited characteristics under the requirements by the Limited Public Company Act B.E. 2535 (as amended), the Securities and Exchange Act B.E. 2535 (as amended) as well as notifications, Articles of Association, and/or relevant regulations.
- 2) The Board of Directors comprises qualified directors with knowledge and experience from diversified professions: relevant business, accounting, and finance.
- 3) The Board of Directors is able to consider and exercise independent judgment towards the management and any group with interest. Thus, all directors must submit a report of conducting business or being a director or an executive in other companies to the Chairman and Chairman of the Audit Committee.
- 4) The Board of Directors can allocate sufficient time to discharge its duties and responsibilities effectively.
- 5) The directors or top management of the Company have never been staff or partners or had any relationship with the audit firm during the past two years.

- 6) The number of listed companies that the directors can serve as directors should not exceed 5 listed companies in order to allocate their sufficient time and perform their duties and director roles effectively.

2. Scope of Duties and Responsibilities

Regarding the Board of Directors' Meeting No. 1/2022 on January 25, 2022, the roles, duties, and responsibilities of the Board of Directors were reviewed as follows;

- 1) Perform duties in compliance with laws, objectives, the Company's Articles of Association, and Board of Directors' and shareholders' resolutions with accountability, prudence, and integrity.
- 2) Consider providing details and endorse vision, business strategy, business direction, business policy, goal, guideline, operating plan, and budget of the Company and its subsidiary companies as prepared by the Executive Committee and the management.
- 3) Supervision of management and performance of the Executive Committee, Chief Executive Officer, the management, or any persons assigned to perform such duties in order to comply with the vision, mission, business strategy, business direction, business policy, goals, approaches, operational plans and budget formulated by the Board of Directors.
- 4) Monitor the operating results of the Company and its subsidiary companies regularly in order to meet with the operating plan and budget of the Company.
- 5) Ensure that the Company and its subsidiary companies apply an appropriate and efficient accounting system, as well as establish the internal control system and the internal audit system can be evaluated efficiently and sufficiently. To provide a proper assessment process of the Company of the internal control system and subsidiaries as usual.
- 6) Ensure that the balance sheet and profit and loss statement are made available at the end of the fiscal year of the Company, and sign to certify the said financial statements for further proposal to shareholders for consideration and approval in the Annual General Meeting of Shareholders.
- 7) Consider and endorse the selection and nomination of the auditor, as well as consider appropriate remuneration as proposed by the Audit Committee for further proposal to shareholders for consideration and approval in the Annual General Meeting of Shareholders.
- 8) Establish the written corporate governance policy in line with the good corporate governance principles by the Stock Exchange of Thailand, the Securities and Exchange Commission and grant approval of as well as foster such policy into practice efficiently for retaining and keeping the high standards of the Company's good corporate governance, including to ensure that the Company is accountable to all concerned parties equally, by reviewing such policy at least once a year.
- 9) Establish the business ethics based on honesty, trustworthiness, transparency, good corporate governance principles, and good social ethics, which is approved by the Board of Directors.

Thus, the directors, management, employees must comply with such business ethics strictly as well as communicate it for well understanding via email and notice board. The standard operating procedures are also defined in order to control the operation, organizational implementation including monitoring such compliance.

- 10) The Board of Directors supervises the implementation of the risk management covering the organization and assigns the Risk Management Committee to determine the risk management policy and propose to the Audit Committee and the Board of Directors respectively for acknowledgment. The Risk Management Committee is responsible for the compliance and reports to the Audit Committee on a regular basis, and report on the committee's performance is presented to the Audit Committee and the Board of Directors at least once a year. Moreover, the risk system or assessment of risk management should be reviewed at least once a year and disclosed on the annual report as well as whenever a risk level changes together with prioritization of the early warning signs and irregularity.
- 11) The Board of Directors determines the whistleblowing policy for whistleblowers or stakeholders via the Company's website or directly to the Audit Committee and the Board of Directors. This may appoint designated persons; that is, the head of internal audit and/or the secretary to the Audit Committee to further report such matter to the Company's independent directors or the Audit Committee in order to investigate a whistleblowing issue in line with the procedures and have explicit actions taken when a whistleblowing issue is received, and then report to the Board of Directors.
- 12) Consider and appoint persons possessing desirable qualifications and having no prohibited characteristics as stipulated in the Public Limited Company Act B.E. 2535 (including the amendments), the Securities and Exchange Act B.E. 2535 (including the amendments), as well as the announcements, rules, and/or related regulations to take up the directorship in case of vacancy in the Board of Directors for other reasons than retirement by rotation. Consider and endorse the appointment of directors to replace those who retire by rotation, as well as determine the directors' remuneration for further proposal in the shareholders' meeting for consideration and approval.
- 13) Establish sub-committees as well as Audit Committee, Executive Committee, or any other sub-committees, and formulate the roles and responsibilities of such committees in order to assist and support the Board of Directors in the discharge of its responsibilities including determining the remuneration of the sub-committees subject to the budget proposed by the management (not exceed the total amount approved by the shareholders).
- 14) Consider and appoint the Chief Executive Officer, Executive Vice President in the Office of Chief Executive Officer, and Company Secretary, as well as determine the remuneration for the Chief Executive Officer, Executive Vice President in the Office of Chief Executive Officer including set the aggregate amount for the annual bonus of employees and the management of the Company.

- 15) Consider and approve the financial expenditure in investment, other operations, loans or credits from a financial institution, as well as serving as a guarantor, for business-as-usual operations of the Company or subsidiaries, including companies in the Group; without financial limit, under the Company's regulations or rules with relevance to the Stock Exchange of Thailand and the Capital Market Supervisory Board.
- 16) Consider the conflicts of interest with due care in consideration of approval on a related transaction between the Company, its subsidiaries, and associate companies with a related person as specified by the Securities and Exchange Act B.E. 2535 (including the amendments) as well as regulations pertaining to the Stock Exchange of Thailand and Capital Market Supervisory Board, and approve the criteria about trade agreement under the general commercial terms to enter into a transaction between the Company and its subsidiaries with a related director, management, or relevant party. In order to determine the scope of authority to enter into the transaction, it is subject to the applicable laws and relevant regulations. Such transaction shall be considered and screened by the Audit Committee prior to a further proposal at a meeting of the Board of Directors and/or shareholders depending on the transaction nature and size in line with the notification of the Capital Market Supervisory Board. Thus, directors or management of the Company who may cause conflicts of interest or be involved shall not participate in making decisions in such transaction.
- 17) Provide appropriate channels of communication for each group of shareholders, and supervise the disclosure of information in order to ensure correctness, clearness, transparency, and credibility in line with the Company's disclosure of information and relevant regulations.
- 18) Appoint an individual to serve as a director of the subsidiaries, or associate companies at least in proportion to shareholding. Scope, authority, and responsibilities of the appointed directors and management are clearly set as well as determine the scope of authority for exercising discretion to vote in the subsidiaries' board meeting or associate companies upon important matters which require prior approval of the Company's Board of Directors in order to exercise the management control in accordance with the Company's policy, and ensure that all transactions are conducted legally, including disclosure of information upon financial status, performance, related transactions, as well as significant acquisition or disposition of assets accurately.
- 19) Consider and approve the interim dividend payment.
- 20) Determine and/or change the authorized signatories of the Company's directors.
- 21) Seek professional opinions from external organizations if necessary so as to contribute to making proper decisions.
- 22) Monitor the Company's corporate performance to run efficiently, and protect any interests related to all stakeholders.

- 23) Arrange the annual general meeting of shareholders (AGM) every year within 4 months after the end of the Company's fiscal year.
- 24) Hold the Board of Directors' meeting at least once every three months.
- 25) Prepare the Board of Directors' annual report, and be responsible for preparing and disclosing the financial statements of the Company and its subsidiaries to demonstrate the financial status and performance of the Company, and subsidiaries in the previous year and further proposal at a shareholders' meeting for consideration and approval.
- 26) Assess the overall performance of the Board of Directors, including individual performance assessment to consider and review the performance, problems, and obstacles in each year to ensure future application of the assessment result for development and improvement in various aspects of operations.
- 27) Monitor and oversee the management and operation of the Company and subsidiaries in alignment with the Company's policy, securities, and exchange laws, including announcement, regulations, and other criteria related to the Capital Market Supervisory Board, the Securities and Exchange Commission, and the Stock Exchange of Thailand such as a related transaction, a significant acquisition or disposition of assets, as long as there is no infringement with other laws. Moreover, there must be an appropriate and sufficient internal control system, and an internal audit system.
- 28) Review the Board of Directors' charter at least once a year.

6.3 Sub-Committees

The Board of Directors may establish 3 sub-committees; (1) the Audit Committee, (2) the Nomination and Remuneration Committee, and (3) the Executive Committee in order to focus on a particular task or area which supports the Board of Directors' performance. Such sub-committees have responsibilities for screening and reviewing other particular matters. The Board of Directors considers and appoints the members of sub-committees or determines the scope of duties, authority, and responsibilities including other issues relating to the sub-committees as deemed appropriate by the Board of Directors. On a yearly basis, the Board of Directors considers and reviews the charter of sub-committees.

6.3.1 Audit Committee

The Audit Committee is regarded as the important part of the good corporate governance mechanism in order to support the Board of Directors in overseeing and monitoring the quality and reliability of financial system, audit system, internal control system, as well as the Company's financial reporting procedures.

1. Composition

The Audit Committee must consist of at least 3 directors and all of them are independent directors who can exercise their independent judgment as well as read and understand the basic financial statements, which is a necessary duty to perform as a member of the Audit Committee. There must be at least 1 person with knowledge

and experience in accounting or financial management in line with the regulation of the Stock Exchange of Thailand. The members of the Audit Committee are as follows:

Name	Position
1. Mrs. Prisana Praharnkhasuk ⁽¹⁾	Independent Director and Chairman of the Audit Committee
2. Mrs. Chanutip Weerasubpong ⁽¹⁾	Independent Director and Member of the Audit Committee
3. Mr. Veerasak Kositpaisal	Independent Director and Member of the Audit Committee

Remark: (1) members of the Audit Committee who have sufficient knowledge and experience to review the reliability of the Company's financial statements.

Mr. Attapol Watjarapairoj is a secretary to the Audit Committee.

2. Tenure

The Audit Committee serves a term of 3 years since the appointment date or the tenure of the director of the Company. The retiring members of the Audit Committee shall be re-elected at a meeting of the Board of Directors or shareholders as deemed appropriate. In case of a vacancy for the member of the Audit Committee due to other reasons aside from retirement by rotation, the meeting of the Board of Directors or shareholders shall appoint a qualified person with a complete requirement to be a member of the Audit Committee in order to replace the vacant position as specified by laws or related regulations not later than 3 months as of the date of incomplete composition of the Audit Committee. Such replacement member shall hold office only for the remaining term of office of the member whom he/she replaces.

The Audit Committee considers and appoints the head of the internal audit department in order to serve as the secretary to the Audit Committee and to provide support to the Audit Committee in meeting appointments, and other assignments by the Audit Committee.

3. Roles, Duties, and Responsibilities of the Audit Committee

Regarding the Board of Directors' Meeting No. 1/2022 on January 25, 2022, the roles, duties, and responsibilities of the Audit Committee were reviewed as follows:

- 1) Review the Company's financial reports to ensure the accuracy and sufficiency of financial reports in accordance with the relevant financial reporting standards, and to cooperate with the external auditor and the management in preparing quarterly and annual financial reports. The Audit Committee may also suggest the auditor review or audit any transaction which is deemed important and necessary during the auditing process of the Company;
- 2) Review the internal control and internal audit system to ensure that such systems are appropriate, sufficient, and efficient;
- 3) Consider the independence of the internal audit division by its performance and responsibilities for developing and reviewing the efficiency of the risk management and internal control, as well as approve the appointment, transfer, and dismissal of the head of the internal audit division or other related divisions in charge of internal audit;

- 4) Has the authority to access all levels of information of the Company, including inviting executives, management, division heads, employees, or other relevant parties to the meeting for clarifying information. This includes distributing and sharing related information in accordance with the duties subject to the scope of authority as assigned by the Board of Directors;
- 5) Consider and approve the annual budget, manpower, and resources required for the internal audit division's duties and approve the annual internal audit plan including any material changes to such plan as well as ensure that the duties and assignment of the internal audit division are in accordance with the approved annual internal audit plan and the International Standards for the Professional Practice of International Auditing, and evaluate the quality of the internal audit division's performance annually.
- 6) Ensure that the Company complies with the securities and exchange laws and the Capital Market Supervisory Board or laws relating to the Company's business;
- 7) Consider, select, nominate, and dismiss an independent person to serve as an auditor of the Company, and propose the auditor's remuneration in consideration of reliability, sufficient resources, the quantity of auditing work of the audit firm, and experience of the auditor to be assigned for audit of the Company, as well as attend in a meeting with the auditor in the absence of the management at least once a year;
- 8) Consider related party transactions, or any transactions that may lead to conflicts of interest, and ensure that such transactions proceed in compliance with laws and regulations pertaining to the Stock Exchange of Thailand, and the Capital Market Supervisory Board, which is reasonable and for the best interest of the Company and shareholders;
- 9) Prepare a report of the corporate governance performance by the Audit Committee and disclose it in the Company's annual report signed by the Chairman of the Audit Committee. Such report contains the following information:
 - (1) Opinion about accuracy and completeness to ensure the reliability of the Company's financial report;
 - (2) Opinion about the adequacy of the Company's internal control system and risk management;
 - (3) Opinion about compliance with the laws pertaining to the securities and exchange laws, regulations of the Stock Exchange of Thailand or other laws relevant to the Company's business;
 - (4) Opinion about the appropriateness of the auditor;
 - (5) Opinion about the transactions that may cause the conflicts of interest;
 - (6) Number of the Audit Committee's meeting and the meeting attendance of each member;
 - (7) Overall opinion or observation that the Audit Committee performs duties subject to the charter; and

- (8) Other matters that shareholders and investors should know under the scope of duties and responsibilities as assigned by the Board of Directors;
- 10) Review and monitor the risk management performance, as well as assess the performance of the Risk Management Committee at least once a quarter. There must be at least one executive director on the committee. The Audit Committee and the Risk Management Committee must hold joint meetings at least twice a year;
- 11) Meet up with the management at least once a year;
- 12) Review the complaint-making and whistle-blowing process, such process conducted by the management;
- 13) Review the accuracy of references and self-assessment relating to the anti-corruption of the organization in the accordance with the Private Sector Collective Action Coalition Against Corruption;
- 14) Review and propose the amendment of the Audit Committee Charter as deemed appropriate at least once a year;
- 15) Review the operating performance in the previous year by preparing the report and presenting it to the Board of Directors at least once a year;
- 16) Seek the independent opinions in other professions when deemed necessary in order to provide opinions or suggestions within the scope of duties fitting to the Company's budget;
- 17) Carry out other duties as assigned by the Board of Directors with the consent of the Audit Committee.

The Board of Directors has the authority to modify, change, define, and set qualifications of the independent directors, including the Audit Committee's charter in order to maintain consistency to the regulations of SEC, SET, Capital Market Supervisory Board, and/or other related laws.

4. Reporting

- (1) Report the performance of the Audit Committee to the Board of Directors on at least a quarterly basis.
- (2) In performing duties, the Audit Committee has found or suspected that any transaction or act may cause a material impact on the Company's financial position and operation, the Audit Committee is required to report to the Board of Directors for timely rectification. Such transactions and acts may include:
1. Any transaction that may cause conflicts of interest,
 2. Fraud or irregularity or defect in relation to the internal control system,
 3. Violation against the Securities and Exchange Act, regulations of the Stock Exchange of Thailand, Securities and Exchange Commission, or Capital Market Supervisory Board, or relevant laws pertaining to the Company's business.

If the Audit Committee discovers that the Board of Directors or the management do not carry out to improve such aforementioned acts with unreasonable cause, any one member of the committee may report that matter to the SEC or SET.

6.3.2 Nomination and Remuneration Committee

1. Composition

- 1) The Nomination and Remuneration Committee shall consist of not less than 3 members and most of the members are independent directors (more than 50%).
- 2) The Chairman of the Nomination and Remuneration Committee must be an independent director.

The Nomination and Remuneration Committee consists of 3 members as follows:

Name	Position
1. Mr. Veerasak Kositpaisal	Chairman of the Nomination and Remuneration Committee (independent director)
2. Mrs. Prisana Praharnkhasuk	Member of the Nomination and Remuneration Committee (independent director)
3. Mr. Jatuphat Tangkaravakoon	Member of the Nomination and Remuneration Committee

Miss Nipaporn Jongjatuporn is a secretary to the Nomination and Remuneration Committee.

2. Tenure

- 1) The tenure of the Nomination and Remuneration Committee is 3 years since the appointment date.
- 2) A Member of the Nomination and Remuneration Committee whose tenure has ended may be re-appointed as deemed appropriate by the Board of Directors.

3. Roles, Duties, and Responsibility of Nomination and Remuneration Committee

Regarding the Board of Directors' Meeting No. 1/2022 on January 25, 2022, the roles, duties, and responsibilities of the Nomination and Remuneration Committee were reviewed as follows:

- 1) Consider the board structure and composition including the number and proper qualifications for the corporate business;
- 2) Consider the qualifications of a candidate who shall be nominated as an independent director suitable for the nature of business. The independence must be at least in accordance with the requirements of the SEC;
- 3) Consider the nomination policy and criteria for a qualified person suitable for the director-level position, senior management position from the Vice President and higher, including selecting and nominating a qualified person, as well as nominating retired persons to be reinstituted into such positions. Such nomination shall be proposed to the Board of Directors, and/or at a shareholders' meeting for considering the appointment;
- 4) Consider and review the policy and criteria relating to the remuneration and benefits for senior management positions from the Vice President and higher;

- 5) Provide suggestions to the Board of Directors in order to consider and approve the following issues;
 - Nomination of senior management positions from the Vice President and higher, including determination of the remuneration and benefits of such management,
 - Remuneration and benefits of the directors, which is proposed to the Board of Directors for consideration and approval prior to the shareholders' meeting for further approval,
 - The total amount of the annual bonus for the Company's employees and management,
 - Annual salary increments for the senior managers at the level of the Vice President and higher,
 - Determination of goals and annual indicators for the senior managers at the level of the Vice President and higher.
- 6) Consider and approve the succession plan review, and monitor the implementation in order to further inform the Board of Directors;
- 7) Consider the director development plan for the purpose of enhancing knowledge both for the existing directors and new directors in relation to corporate business, industry outlook, including director roles and responsibilities, relevant rules, or applicable laws;
- 8) Provide suggestions upon the human resource management;
- 9) Review the Charter of the Nomination and Remuneration Committee at least once a year.

6.3.3 Executive Committee

The Executive Committee consisted of 6 members as follows:

Name	Position
1. Mr. Jatuphat Tangkaravakoon	Chairman of the Executive Committee
2. Mr. Prachak Tangkaravakoon	Member of the Executive Committee
3. Mrs. La-or Tangkaravakoon	Member of the Executive Committee
4. Mr. Vonnarat Tangkaravakoon	Member of the Executive Committee
5. Mrs. Busatree Wanglee	Member of the Executive Committee
6. Ms. Taweeporn Patanakitraung ⁽¹⁾	Member of the Executive Committee

Remark: ⁽¹⁾ She is appointed as a member of the Executive Committee as a result of the position of Chief Financial Officer in accordance with the resolution of the Board of Directors' Meeting No. 2/2017 on March 9, 2017.

Roles, Duties, and Responsibilities of Executive Committee

Regarding the Board of Directors' Meeting No. 1/2022 on January 25, 2022, the roles, duties, and responsibilities of the Executive Committee were reviewed as follows:

- (1) Consider and determine a policy, business strategy, goal, operation plan, financial goal, and an annual budget of the Company and its subsidiaries in consideration of business factors appropriately in order

to present to the Board of Directors for approval. In case of changes, the Executive Committee shall consider the expenditure of the approved budget for proper management in any situation;

- (2) Oversee, verify, and monitor the business operations of the Company in accordance with the policies, business strategies, goals, business plans, financial goals, and budget of the Company, which is approved by the Board of Directors efficiently and effectively and suitable for the business condition. In addition, the Executive Committee has the responsibility to advise and provide suggestions relating to the management to the top management;
- (3) Study the possibility of investing in new projects and have the authority to consider and approve the investment or joint venture with an individual, entity, or other organization that the Executive Committee deems appropriate in order to operate in line with the Company's objectives. This includes consideration and approval of expenditure for such investment, entering into a legal contract, and/or any operations related to the matter until it reaches the set financial limit and/or applicable laws and regulations, and/or the Company's Articles of Association;
- (4) Monitor the progress and performance of the investment projects of each business unit, report the performance with problems or obstacles that may arise, and provide a solution or improvement to the Board of Directors for acknowledgment;
- (5) Examine and advise the dividend payment policy of the Company, and report it to the Board of Directors;
- (6) Consider and make suggestions or opinions to the Board of Directors in relation to the proposed projects or any transactions relating to the Company's business operations. This includes considerations for fundraising when necessary, and when exceeding the financial limit and/or the applicable laws, related regulations, or the Company's Articles of Association which requires the approval of the shareholders and/or the Board of Directors;
- (7) Consider and approve to enter into financial transactions with financial institutions to open accounts for loans, credits, pawns, guarantor, and others, including purchasing-selling, and registration of land title. This follows the objectives of benefiting the Company's business operations, including entering into legal contracts, making proposals, contact, or legal actions, with the governmental agency; which grant multiple rights to the Company and/or operations related to such matter, until reaching the set financial limit, and/or the related laws, regulations, or the Company's Articles of Association. Thus, the Executive Committee has the authority to approve the budget approved by the Board of Directors not exceeding 50,000,000 Baht. In case of no budget and/or a failure to adhere to the budget approved by the Board of Directors, the Executive Committee has the autonomous authority to approve not exceeding 15,000,000 Baht each time;
- (8) Consider and approve rules, regulations, management policies, and business operations of the Company or any actions which bind the Company;
- (9) Appoint and/or assign the executive directors or any other person(s) to perform duties under the scope of the Executive Committee's authority, and within the period as considered appropriate by

the Executive Committee. In this regard, the Executive Committee may revoke, withdraw, or amend the designated authority;

- (10) Invite executives, management, or employees to attend the Executive Committee's meeting, or provide relevant information to be considered in the Executive Committee's meeting;
- (11) Have any authority or responsibilities as assigned, or according to policies granted by the Board of Directors on a case-by-case basis;
- (12) Seek a counsel or any other person to provide independent opinions or suggestions when necessary;
- (13) Report to the Board of Directors all actions taken by the Executive Committee under its scope of authority, and responsibilities on a regular basis, including any other matters as deemed necessary and appropriate to be presented to the Board of Directors for acknowledgment;
- (14) Consider and approve the work-related policies and scope of responsibility of the management in order to ensure that all acts taken by the management are conducted in a systematic manner;
- (15) Consider and approve the day-to-day operations of the Company, including entering into any agreements in the ordinary course of business, in accordance with the investment or budget approved by the Board of Directors. Such amount for each transaction must be in accordance with the delegation of authority approved by the Board of Directors, but not exceed the annual budget approved by the Board of Directors. This also includes entering into any related contracts.

6.4 Management Team

6.4.1 Management Team

As at March 1, 2022, the Management Team, the first 4-ranking executive levels under the definitions stipulated by the Securities and Exchange Commission, consisted of 6 members as follows:

Name	Position
1. Mr. Jatuphat Tangkaravakoon	Chief Executive Officer, and Acting Managing Director, Sales Division - Thailand & Laos
2. Mrs. Busatree Wanglee	Executive Vice President, Office of Chief Executive Officer
3. Miss Taweeporn Patanakitraung	Chief Financial Officer, and the person supervising accounting
4. Mr. Winai Chaiburanont	Senior Vice President, Operations Division, and Vice President, Innovation and R&D (Technical Director)
5. Mr. Nantapon Boonlua	Vice President, Marketing Division
6. Mr. Chatchawat Rungthong	Vice President, Digital Transformation

6.4.2 Remuneration for the Directors and Management Team

Criteria and guidelines of remuneration for the directors and management are disclosed in **Section 7 “Corporate Governance Report”, Heading “Principle 3.4** When proposing director remuneration to the shareholders’ meeting for approval, the Board of Directors should consider whether the remuneration structure is appropriate for the directors’ respective roles and responsibilities, linked to their individual and performance, and provide incentives for the Board of Directors to lead the Company in meeting its objectives, both in the short and long term”.

6.4.3 Remuneration

Monetary Remuneration

(1) Remuneration for the Board of Directors and sub-committees

Regarding the Annual General Meeting of Shareholders 2021 held on April 23, 2021, a resolution approved the remuneration of directors in terms of monthly remuneration and meeting allowance for the year 2021 which was the same amount approved in 2020. Moreover, the meeting also approved the annual bonus for the directors at the rate of 0.40% of the net profit under the separated financial statements for the year ended December 31, 2020, but not more than THB 10 million. In this regard, the Chairman of the Board and Vice-Chairman received bonus more than other directors by 35% and 25%, respectively (same rate in the previous year), totaling THB 8,502,172, with the following details:

Board/ Committees	Monthly remuneration (Baht/Person)	Meeting allowance (Baht/Time/Person) (only for attendees)	Annual Bonus (Baht/Person)
Board of Directors			
▪ Chairman	200,000	40,000	1,195,618
▪ Vice Chairman	150,000	35,000	1,107,053
▪ Director	50,000	30,000	885,643
<u>Sub-committees</u>			
1. Executive Committee			
▪ Chairman	100,000	40,000	-
▪ Member	50,000	30,000	-
2. Audit Committee			
▪ Chairman	-	35,000	-
▪ Member	-	30,000	-
3. Nomination and Remuneration Committee			
▪ Chairman	-	35,000	-
▪ Member	-	30,000	-

(a) Remuneration for the period of January 1 – December 31, 2021

The total remuneration paid to 9 directors during the period from January 1, 2021 to December 31, 2021 was THB 26.8 million, which was for monthly remuneration and meeting allowance as to be paid for the director position only, with the following details:

Name	Position	Board of Directors (THB)	Audit Committee (THB)	Nomination and Remuneration Committee (THB)	Executive Committee (THB)	Bonus (THB)	Directors' total remuneration (THB)
1. Mr. Prachak Tangkaravakoon	Chairman of the Board / Member of Executive Committee	2,800,000	-	-	960,000	1,195,618	4,955,618
2. Mrs. La-or Tangkaravakoon	Vice Chairman / Member of Executive Committee	2,150,000	-	-	960,000	1,107,053	4,217,053
3. Mr. Jatuphat Tangkaravakoon	Director / Chairman of Executive Committee / Member of Nomination and Remuneration Committee	900,000	-	120,000	1,680,000	885,643	3,585,643
4. Mr. Vonnarat Tangkaravakoon	Director / Member of Executive Committee	900,000	-	-	960,000	885,643	2,745,643
5. Mr. Nattavuth Tangkaravakoon	Director	870,000	-	-	-	885,643	1,755,643
6. Mrs. Busatree Wanglee	Director / Executive Director	900,000	-	-	960,000	885,643	2,745,643
7. Mrs. Prisana Praharnkhasuk	Director / Independent Director / Chairman of Audit Committee / Member of Nomination and Remuneration Committee	900,000	420,000	120,000	-	885,643	2,325,643
8. Mrs. Chanatip Weerasubpong	Director / Independent Director / Member of Audit Committee	900,000	360,000	-	-	885,643	2,145,643
9. Mr. Veerasak Kositpaisal	Director / Independent Director / Member of Audit Committee / Chairman of Nomination and Remuneration Committee	900,000	360,000	140,000	-	885,643	2,285,643
Total		11,220,000	1,140,000	380,000	5,520,000	8,502,172	26,762,172

Remark: The remuneration amount excludes the accrued bonus, subject to the 2021 operating results, amounting to THB 7.91 million which is going to be proposed at the 2022 Annual General Meeting of Shareholders to obtain approval.

(b) Other Benefits

The Executive Committee shall receive actual medical expenses at the total amount not exceeding THB 5 million per year, which is in accordance with the Company's regulations, and the Board of Directors agreed with the consideration raised by the Nomination and Remuneration Committee.

(2) Other Actual Expenses Used by the Chairman of the Board

The Chairman of the Board of Directors receives transactions of other expenses for administrative activities of the Company. The amount of other expenses has been approved by the Board of Directors in compliance with the relevant regulations. The expense evidence must be signed by the Chief Financial Officer, who is not the related person to the Chairman of the Board.

(3) Remuneration for the Management Team

The Company has determined the remuneration policy for the senior managers at the level of the Vice President and higher according to the criteria and policy that the Nomination and Remuneration Committee formulated. The Board of Directors will consider the remuneration for the senior managers at the level of the Vice President and higher for both short-term and long-term on the consideration of responsibilities, performance, operating results of the Company whether such performances achieve in line with the policy and objectives in each year or not. Such performances will also be compared with peer industries. As for the consideration of the long-term remuneration, it will be based on the vision and strategy linked to the clear implementation plan, the ability to develop, improve the efficiency of operation, and provide solutions to problems in a timely manner. The Corporate KPIs are formulated based on the Balanced Scorecard together with the performance evaluation conducted by the Board of Directors.

The Company paid remuneration to the management team under SEC's definition totaling THB 53.3 million:

Remuneration	Amount in 2021 (THB Million)
	The management under SEC's definition: 7 ⁽¹⁾ Persons
Salary & Bonus	43.4
Provident Fund	0.5
Other Remuneration ⁽²⁾	9.4
Total	53.3

Remark: ⁽¹⁾ Remuneration for the management under SEC's definition including those who resigned during the year 2021.

⁽²⁾ Other remuneration includes social security fund, car rental expenses, gasoline expenses, telephone bill, and life insurance.

6.5 Employees

6.5.1 General Information

The Company divides its operations into 3 lines: (1) operational line, (2) commercial line, and (3) support line.

6.5.2 Personnel Remuneration

The Company recognizes the importance of being equipped with the management and employees for the long term to ensure efficiency in competitive markets. The Board of Directors believes that the Company's ongoing success depends on various factors such as the support and dedication of its management-level personnel. The Company has put in place human resource strategies, which include competitive compensation, fit-for-purpose recruitment, and succession planning.

The employee attraction policy is formulated in the form of remuneration and career paths through setting the vision and business direction of the Company and then communicating them to other divisions. The Company has supervised and monitored the implementation to achieve the goals and strategies. In order to ensure the achievement, the KPIs under the balanced scorecard highlighting project-based objectives consist of financial performance and non-financial performance such as stakeholder satisfaction, development of the internal process, people engagement, creativity, challenging the status quo, and so on.

6.5.3 Provident Fund

In 2011, the Company and its subsidiaries jointly established a provident fund with employees in accordance with the Provident Fund Act B.E. 2530 (1987), including any amendments thereto. Employees and the Company, as well as its subsidiaries, contribute to the monthly fund at the rate from 3% to 5% of the employee's basic salary. For the years ended December 31, 2019, 2020, and 2021, the Company contributed THB 39.5 million, THB 42.4 million, and THB 43.9 million, respectively. The provident fund is separated from the Company's and its subsidiaries' other assets. The provident fund is managed by an authorized fund manager. The employees will receive the provident fund in case of termination of employment according to the fund regulations.

Employment	Contribution of Employee (% salary)	Contribution of Employer (% salary)
Less than or equal to 3 years	3	3
Greater than 3 years but not greater than 6 years	4	4
Greater than 6 years	5	5

As at December 31	Number of Employees				Total Remuneration* (THB Million)
	Operating Models			Total	
	Operation	Business	Support		
2021	2,117	2,626	363	5,106	2,522.2
2020	2,237	2,520	349	5,106	2,351.7
2019	2,141	2,563	343	5,047	2,424.6

Remark: *Total remuneration includes salary, bonus, overtime pay, provident fund, and other remuneration (excluding the directors and management under SEC's definition).

6.5.4 Major labor dispute in the last 3 years (2019- 2021)

The Company had not been involved with any significant labor dispute that would impact its business, financial position, and operating results. The Company was not aware of any circumstance that would give rise to any labor dispute that may significantly and adversely impact the financial position and business of the Company.

6.5.5 Labor Unions

Some employees of the Company belong to the Colors and Chemicals Labor Union of Thailand. In Thailand, employers with more than 50 employees must arrange for the establishment of a welfare committee at the workplace, comprising at least 5 representatives. Thus, the Company and Captain Coating Co., Ltd. have established a welfare committee at their sites.

TOA Paint (Vietnam) Co., Ltd. joined a collective membership with the Grassroots Trade Union entering into a collective labor agreement for a 3-year term in 2021. Such collective labor agreement has been registered with the Binh Duong Industrial Zones Authority (BDIZA).

6.6 Other Significant Information

6.6.1 Persons responsible for corporate governance

The organizational structure must be well-balanced in light of internal control, audit, regulatory compliance, and good corporate governance to assure the check and balance system in every single activity and achieve the Company's objectives. In this regard, the Board of Directors/ Audit Committee has appointed the following persons to be responsible for governance oversight:

Name	Position	Appointment Date
1.Miss Taweeporn Patanakitraung	Chief Financial Officer, and the person supervising the accounting	Board resolution no. 2/2017 on March 9, 2017
2.Mr. Attapol Watjarapairoj	Assistant Vice President, Internal Audit Division, and Head of Compliance	Resolution of Audit Committee no. 7/2019 on September 2, 2019
3.Miss Srikanlaya Pensri	Company Secretary	Board resolution no. 6/2018 on July 23, 2017

See more details about qualifications and experiences of above persons in no.1 and no.3 in **Attachment 1 “Information of Directors, Management Team, Controlling Persons, CFO, Person Supervising Accounting, and Company Secretary”**, and no.2 in **Attachment 3 “Information of Head of Internal Audit and Head of Compliance”**.

6.6.2 Head of Investor Relations

Miss Srikanlaya Pensri

Telephone number: 0-2335-5555 ext. 5875, 1520

Fax number: 0-2312-8923

E-mail: ir@toagroup.com

See roles, responsibilities, and also activities conducted by Investor Relations in the previous year in **Section 7. “Corporate Governance Report”, Heading “Principle 7.5** The Board of Directors ensures the establishment of a dedicated Investor Relations function responsible for regular, effective, and fair communication with shareholders and other stakeholders”.

6.6.3 Remuneration for Auditors

In the fiscal year ended December 31, 2021, the Company paid for the audit fees to PricewaterhouseCoopers ABAS Company Limited and other audit firms. The detailed audit fees and non-audit fees are shown as below:

Unit: Baht

Company	2021	2020
1. PricewaterhouseCoopers ABAS Company Limited for the Company and subsidiaries (For fiscal years in 2020 and 2021, there were 13 subsidiaries and 8 subsidiaries, respectively.) - Audit Fee - Non-Audit Fee	 7,098,975 1,036,722	 8,565,811 1,066,652
2. Other audit firms for subsidiaries (For fiscal years in 2020 and 2021, there were 3 subsidiaries and 7 subsidiaries, respectively.) - Audit Fee - Non-Audit Fee	 643,283 -	 30,500 30,017
Total Audit Fee	7,742,257	8,596,311
Total Non-Audit Fee	1,036,722	1,096,669

Thus, PricewaterhouseCoopers ABAS Company Limited and other audit firms are the auditors, but not the directors, staff, employees, or hold any other positions in the Company as stated in Section 121 of the Public Limited Companies Act B.E. 2535 (1992), and do not have a relationship or interest with the Company, subsidiaries, management, major shareholders, or related persons. The auditors are independent and endorsed by the Securities and Exchange Commission. Moreover, the Company does not use other professional services from such audit firms and auditors.

In addition, the directors and executives of the Company have never been employees, partners, or had any relationship with PricewaterhouseCoopers ABAS Company Limited, and other audit firms during the past two years.

7. Corporate Governance Report

7.1 Summary of board performance in the previous year

The Board of Directors fosters the importance of good corporate governance. Therefore, the Board of Directors has reviewed the application to the principles of Corporate Governance Code for listed companies 2017 by the Securities and Exchange Commission (SEC) or CG Code. The CG Code based on the Stock Exchange of Thailand's Principles of Good Corporate Governance for Listed Companies includes relevant regulatory requirements for revision to cover the guidelines or changes along with current international standards and trends to ensure the management efficiency, honesty, absence of fraud, and corruption, transparency, and auditability in order to build confidence among the Company's shareholders, investors, stakeholders, society, all relevant parties, and enhance the sustainable growth. Thus, the corporate governance policy determines the principles for the Board of Directors as an organizational leadership to comply with properly.

In addition to reporting in line with the CG Code, the Company also discloses other CG-related compliance such as Corporate Governance Report (CGR), ASEAN CG Scorecard, and AGM Checklist, as well as enhancement of ESG reporting that listed companies present their business operations based on good corporate governance taking social and environmental impacts into account.

CG-related assessment and performance

Quality Evaluation of the Annual General Meeting of Shareholders (AGM)



In placing the importance on holding the annual general meeting of shareholders, the Company was assessed upon 2021 AGM quality as a full score of 100% by the Thai Investors Association (TIA).

Corporate Governance Report of Thai Listed Companies (CGR)



The Company received 5 stars – excellent level for CGR assessment result under the Corporate Governance Report of Thai Listed Companies 2021. The Company was one of the 268 listed companies that received excellent recognition, there was a total of 716 listed companies submitting their CGR checklists, which was organized by the Thai Institute of Directors (IOD) with the support of the Stock Exchange of Thailand.

➤ Principle 1 Establish Clear Leadership Role and Responsibilities of the Board

The Board of Directors focuses on and recognizes the importance of the roles and responsibilities of organizational leadership to protect the benefit of the Company's shareholders and stakeholders. In overseeing the Company, the Board of Directors determines business strategy and objectives both in the present and in a long term, defining the auditing process, and monitoring the business operation with transparency in order to create sustainable value.

Principle 1.1 The Board of Directors defines the Company's vision and mission for the directors, management, and employees to recognize the same goals, which have been reviewed on a yearly basis, and also determines the engagement guidelines.

Principle 1.2 The Board of Directors exercises its leadership to achieve sustainable value creation, and pursue the following governance outcomes:

1. Competitiveness and performance with a long-term perspective,
2. Ethical and responsible business towards shareholders and stakeholders as well as fair customer service,
3. Good corporate citizenship for environmental development or minimizing environmental impact,
4. Corporate resilience.

Principle 1.3 The Board of Directors ensures that all directors and management perform their responsibilities in compliance with the required responsibilities, duty of care, and duty of loyalty and that the Company operates in accordance with applicable laws, Articles of Association, and resolution of shareholders' meeting.

1. Ensure that directors and management perform their duties with responsibility, due care, and loyalty, and comply with laws, regulations, and relevant regulatory requirements:
 - 1.1 In performing duty with due care under the scope of responsibility in the position, knowledge, capability, and experience:
 - 1.1.1 a decision has been made with honest belief and reasonable ground that it is for the best interest of the Company,
 - 1.1.2 a decision has been made in reliance of information honestly believed to be sufficient, and
 - 1.1.3 a decision has been made without one's interest, whether directly or indirectly, in the matter.
 - 1.2 In performing duty with loyalty, directors, and management shall:
 - 1.2.1 act in good faith for the best interest of the Company,
 - 1.2.2 act with proper purpose and,
 - 1.2.3 not act in significant conflicts with the interest of the Company.
2. The Board of Directors is responsible for the implementation of adequate systems and controls to ensure that the Company complies with applicable laws, Articles of Association, resolution of shareholders' meeting including policies, material approval procedures such as investment, related party transaction, acquisition/disposal of assets, and dividend payment, etc.

Principle 1.4 The Board of Directors demonstrates a thorough understanding of the division of roles and responsibilities. The Board of Directors clearly defines the roles and responsibilities of the Chief Executive Officer and the management and monitors their proper performance of duties.

1. The Board of Directors has established the charters of committees and Chief Executive Officer that clearly set out the roles and responsibilities referring to the duties of directors. The Board of Directors shall at least annually review the charters.

2. The Board of Directors demonstrates a thorough understanding of the division of roles and responsibilities and is responsible and accountable for the overall affairs of the Company: matters for which the Board of Directors has primary responsibility: matters involving shared responsibility of the Board of Directors and management: and matters that the Board of Directors should delegate or not get involved with by means of providing written directions to management that clearly set out management's responsibilities including monitor the management's duties and assignment.

Throughout the years, the Board of Directors has had an important duty to give direction for the Company's business operation, has monitored the management's implementation, determined the good corporate governance policy, code of conduct, and anti-corruption policy, including applicable laws or relevant regulations. The Board of Directors also oversees the corporate operations for the best interest of the Company and its shareholders and ensures that the Company runs its business in line with legal requirements.

Regarding the Board of Directors' Meeting No. 1/2022 on January 25, 2022, charters of the Board of Directors, and sub-committees, including roles, duties, and responsibilities of the Chairman, and Chief Executive Officer were reviewed to ensure the updates for their duties in accordance with the current situation or changes, and the good corporate governance principles.

In 2021, the Company did not commit any severe violation against stipulations of the Securities and Exchange Commission and the Stock Exchange of Thailand and did not corrupt any act or violation against ethics. There was no non-executive director who resigned due to any issues of governance-related concern. In addition, the Company did not lose creditability due to the Board of Directors' failure in monitoring the business.

➤ **Principle 2 Define Objectives that Promote Sustainable Value Creation**

Principle 2.1 The Board of Directors defines or oversees the objectives that promote sustainable value creation and governance outcomes towards the Company, customers, stakeholders, and society as a framework for the operation of the Company.

Principle 2.2 The Board of Directors ensures that the Company's objectives, goals, medium-term and/or annual strategies are consistent with the key objectives and goals while utilizing innovation and technology properly and securely.

1. The Board of Directors ensures that the Company's annual strategies and plans, as well as medium-term strategies for 3 - 5 years, correlate and align with the Company's key objectives and goals while considering the business environment, opportunities, and risk appetite. Moreover, the Board of Directors ensures that such strategies and plans are regularly reviewed and updated as appropriate.
2. The Board of Directors ensures that the Company's strategies and plans take into account all relevant factors influencing stakeholders and value chain by means of clearly defining stakeholder engagement procedures and channels, identifying stakeholders in both internal and external groups relating to the business operation, identifying and prioritizing stakeholder concerns and expectations in order to consider and take action on their level of importance and potential impact on the stakeholder engagement in value co-creation.

3. The Board of Directors promotes the innovation and the use of technology to enhance competitiveness, respond to stakeholder concerns and expectations based on the Company's strategies.
4. The Board of Directors defines the Company's financial and non-financial goals that are suitable for the Company's business environment and capability with the risk concerns taken into account, which does not cause the Company to engage in illegal or unethical conduct.
5. The Board of Directors fosters the effective communication of the Company's objectives and goals linking to strategies and plans throughout the organization.
6. The Board of Directors ensures the proper resource allocation and effective systems and controls, as well as monitoring the implementation of the Company's annual strategies and plans.

Over 57 years, the Company and corporate group are committed to creatively developing new products and using high technology for high-quality products that are eco-friendly to users and the environment (Greenovation). Thus, the Company defines strategies and goals for business operations in order to achieve its vision, as well as reviews them reflecting the business environment properly. The Board of Directors ensures that the management reports their operating performance and progress to the Executive Committee, and Board of Directors for acknowledgment and providing helpful opinions to the management, especially relating to the financial goals and plans to be implemented in line with the objectives.

➤ Principle 3 Strengthen Effective Board of Directors

Principle 3.1 The Board of Directors is 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.

1. The Board of Directors establishes a board skills matrix to ensure that the Board of Directors consists of directors with appropriate and necessary qualifications, knowledge, skills, experience, character traits, with an appropriate gender and age balance and diversity to achieve the objectives and goals of the Company and respond to stakeholder expectations.
2. The proper number of directors must comprise at least 5 directors but not more than 12 directors. The majority of the Board of Directors are non-executive directors who exercise objective and independent judgment. Moreover, the number and qualifications of the independent directors are in accordance with the regulations specified by the Securities and Exchange Commission and the Stock Exchange of Thailand. Furthermore, the Board of Directors ensures that the independent directors and the entire board can fulfill their role and responsibilities efficiently and in the best interest of the Company while exercising objective and independent judgment.
3. The Board of Directors explicitly discloses the policies and details relating to the board composition, including directors' information such as shareholding percentage, years of service as directors, and directors' position in other listed companies in the Company's annual report and on its website.

Principle 3.2 The Board of Directors should select an appropriate person as the Chairman and ensure that the board composition serves the best interest of the Company, enabling the Board of Directors to make its decisions as a result of exercising independent judgment on corporate affairs.

1. In case the Chairman is not an independent director, the Board of Directors shall appoint a designated independent director to participate in setting the board meeting agenda.
2. The Board of Directors clearly separates the roles and responsibilities of the positions of the Chairman and Chief Executive Officer.
3. The Board of Directors establishes the policy that the tenure of an independent director should not exceed a cumulative term of 9 years from the first day of service in order to actually perform the duty to exercise independent judgment.
4. The Board of Directors appoints the sub-committees to consider specific matters, to screen information, and to recommend action for board approval; however, the Board of Directors remains accountable for all decisions and actions.
5. The Board of Directors monitors the disclosure of the roles and responsibilities of the Board of Directors and all sub-committees, the number of meetings, the number of directors participating in meetings in the previous year, and the performance of the Board of Directors and all sub-committees.

Principle 3.3 The Board of Directors 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 of Directors.

1. The Board of Directors establishes the Nomination and Remuneration Committee. The majority of its members and the Chairman are independent directors.
2. The Nomination and Remuneration Committee sets the nomination criteria and process. Upon proposal to and approval by the Board of Directors, a candidate's profile is presented to the shareholders' meeting for election and appointment as a director. If the Nomination and Remuneration Committee nominates current directors, their performance should be considered.
3. In case the Board of Directors appoints any person as a consultant to the Nomination and Remuneration Committee, relevant information about that consultant shall be disclosed in the annual report, including information about independence and conflicts of interest.

Guidelines

The Board of Directors has approved the written charters/roles and responsibilities of the Board of Directors, sub-committees, Chairman, and Chief Executive Officer.

Thus, the charter/roles, duties, and responsibilities of the Board of Directors, and sub-committees are disclosed in **Section 6 "Corporate Governance Structure, and Significant Information about the Board of Directors, Sub-Committees, Management Team, Employees, and Others"**.

Nomination and Appointment of Directors and Top Management

(1) Independent Directors

1) All independent directors of the Company are qualified in line with Notification of the Capital Market Supervisory Board No. Tor Jor. 39/2559 Re: Application for Approval and Granting of Approval for Offering of Newly Issued Shares (including the amendments), and regulations of the Securities and Exchange Commission, and the Stock Exchange of Thailand:

- Holding no more than 1.0 percent of the total voting shares of the Company, parent company, subsidiary, associate company, major shareholder or controlling person of the Company, including shares held by the connected persons of such independent director;
- Not being or having been an executive director, employee, staff, advisor earning a regular monthly salary or the controlling person of the Company, its parent company, subsidiary, associate company, same-level subsidiary, major shareholder or controlling person, unless the foregoing status has ended for at least 2 years.
- Not being a person who is related by blood or legal registration as father, mother, spouse, sibling, and child, including the spouse of a child, other directors, management, major shareholders, controlling person or person to be nominated as director, the management or controlling person of the Company or its subsidiary;
- Not having or having had a business relationship with the Company, its parent company, subsidiary, associate company, major shareholder, or controlling person in a manner that may interfere with independent discretion, which includes not being or having been a significant shareholder or the controlling person of any person having a business relationship with the Company, its parent company, subsidiary, associate company, major shareholder or controlling person, unless such foregoing relationships have ended for at least 2 years.

The business relationship shall include normal business transactions, rental or lease of real estate, transactions related to assets or services or granting or receipt of financial assistance through receiving or extending loan, guarantee, providing assets as collateral, and any other similar actions, which result in the Company or the counter party being subject to indebtedness payable to the other party in an amount starting from three percent of the net tangible assets of the Company or from twenty million baht or more, whichever amount is lower. In this regard, the calculation of such indebtedness shall be in accordance with the method for calculating the value of related party transactions under the Notification of the Capital Market Supervisory Board Re: Rules on Execution of Related Party Transactions, mutatis mutandis. In any case, the consideration of such indebtedness shall include the indebtedness incurred during the period of one year to the date of establishing the business relationship with the related person;

- Not being or having been an auditor of the Company, its parent company, subsidiary, associate company, majority shareholder, or controlling person, and not being a significant shareholder,

controlling person, or partner of the audit firm which employs the auditor of the Company, its parent company, subsidiary, associate company, majority shareholder, or controlling person, unless the foregoing relationship has ended for not less than 2 years;

- Not being or having been a provider of professional services, which includes serving as a legal advisor or financial advisor being paid with a service fee of more than 2 million baht per year by the Company, its parent company, subsidiary, associated company, majority shareholder, or controlling person, and not being a significant shareholder, controlling person, or partner of such provider of professional services, unless the foregoing relationship has ended for not less than 2 years;
 - Not being a director who is appointed as the representative of directors of the Company, major shareholder, or shareholder who is a connected person of a majority shareholder;
 - Not undertaking any business of the same nature and in significant competition with the business of the Company or its subsidiary, or not being a significant partner in a partnership, or an executive director, employee, staff, advisor earning a regular monthly salary, or holding more than one percent of the voting shares of another company that undertakes a business of the same nature and in significant competition with the business of the Company or its subsidiary;
 - Not having any other characteristics that cause the inability to express independent opinions on the business operation of the Company;
 - Do not be a director delegated from the Board of Directors to make a decision of the Company, its parent company, subsidiary, associated company, same-level subsidiary, majority shareholder, or controlling person and;
 - Do not be a director of the parent company, subsidiary, or same-level subsidiary of a listed company.
- 2) Be independent apart from the management and major shareholders of the Company, and there is no independent director holding positions of more than 5 listed companies.
- 3) Independent directors should have a tenure not exceeding a cumulative term of 9 years from the first day of such appointment.

(2) Nomination and Termination of Directors

1) Nomination

- The Nomination and Remuneration Committee shall consider the nomination criteria with the **board diversity**. The **Board Skills Matrix** is established to define the required director qualifications in line with the Company's business strategies and others necessary to the organization. The committee shall select a qualified person to be proposed to serve as a director in consideration of proper qualifications, skills, and experiences suitable for the benefit of the

Company. In this regard, a **professional search firm or director pool** may be applied to select a qualified person a necessary and appropriate.

Board Skills Matrix

Director	Knowledge, Skills, and Experiences													
	Paint and coating industry	Other related industry	Business/Administration	Strategic planning	Internal Control/ Accounting	Tax	Finance/ Investment	Technological and innovative products and manufacture	Corporate governance	Sustainable development	Overseas Business	Laws	Risk management	Technology and information
Mr. Prachak Tangkaravakoon	/	/	/	/							/			
Mrs. La-or Tangkaravakoon	/	/	/	/							/			
Mr. Vonnarat Tangkaravakoon	/	/	/	/				/			/			
Mr. Jatuphat Tangkaravakoon	/	/	/	/	/	/	/	/	/		/			/
Mr. Nattavuth Tangkaravakoon	/	/	/	/				/			/			
Mrs. Busatree Wanglee	/	/	/	/	/	/	/				/			
Mrs. Prisana Praharnkhasuk	/	/	/		/		/		/		/		/	/
Mrs. Chanatip Weerasubpong	/	/	/		/	/						/		
Mr. Veerasak Kositpaisal	/	/	/	/	/				/	/	/		/	/

- The Company offers its minor shareholders the opportunity to propose a proper person with the profile for considering as a director via the Company's website at www.toagroup.com or the company secretary's email at companysecretary@toagroup.com. The Company also discloses the proposing procedures equipped with the proposing form on the Company's website. Thus, a person proposed to be a director shall submit a notification of confirmation within December 31 of every year. Then, the company secretary shall collect such information in order to propose at the Nomination and Remuneration Committee's meeting to screen and scrutinize proposed persons for the proper ones.
- The Nomination and Remuneration Committee shall propose the qualified person's name and profile together with receiving approval from the Board of Directors in order to present such agenda in the general shareholders' meeting for election and appointment as a director.

2) Appointment of Directors

■ Shareholders' Resolution to Appoint Directors

A director shall be appointed in replacement of a director whose office term ended and/or a new director shall be appointed in compliance with the following criteria and procedures of the Company's Articles of Association;

- (1) Each shareholder shall have one share for one vote;

- (2) Each shareholder may exercise all the votes he or she has under (1) to elect one or several persons as director or directors, but the shareholder cannot appropriate his or her votes to any person in any number as the shareholder desires;
- (3) Persons who receive the highest votes arranged in order from higher to lower in a number equal to that of the number of directors to be appointed are elected to be the directors of the Company in that meeting. In the event of a tie at a lower place, which would make the number of directors greater than that required, the Chairman of the meeting should have a casting vote.

■ **Election of Directors in case of Director Vacancy other than the End of Office Term**

The Board of Directors shall on the next board meeting appoint a qualified person, not having prohibited qualities under the laws pertaining to the Public Limited Company Act and the Securities and Exchange Act to be a new director, except if such office term remaining is less than two (2) months. The replacement director shall hold the office only for the remainder of the office term of the director whom he/she replaces. In this regard, the resolution of the Board of Directors must be approved by the votes of not less than three-fourths (3/4) of the number of the remaining directors.

3) Tenure and Termination

The Company's directors hold office for three years. At the general shareholders' meeting, one-third (1/3) of the directors, or, if the number of directors cannot be divided exactly into three (3) parts, the number of directors nearest to one-third (1/3) shall vacate office. A vacating director may be eligible for re-election.

Apart from vacating at the end of his/her office term, a director shall vacate office upon

- (1) death,
- (2) resignation; (effective on the date when the resignation letter reaches the Company),
- (3) lack of qualifications or disqualifications under the laws, regulations, notification pertaining to applicable laws or the Company's Articles of Association,
- (4) removal prior to the expiration of his/her office term pursuant to a resolution passed at the shareholders' meeting by a vote of not less than three-fourths (3/4) of the number of shareholders attending the meeting and having the right to vote and the shares held by them shall, in aggregate, be not less than one half of the number of shares held by the shareholders attending the meeting and having the right to vote.
- (5) removal pursuant to a court order.

Combination or Separation of Positions

The Company determines a policy that separates the roles and responsibilities of the Chairman of the Board of Directors from the Chief Executive Officer, two of them must be knowledgeable and capable, be equipped with suitable experiences and qualifications, and must not be the same person in order to create a clear balance of power.

1. Roles, Duties, and Responsibilities of Chairman

- 1) The Chairman or other assigned person convenes the Board of Directors' meeting. The notice must be given to the directors at least 7 days (5 business days) prior to the meeting date.
- 2) Perform duties in determining the meeting agenda with the Chief Executive Officer to oversee the material matter to be proposed in the agenda meeting of the Board of Directors. In case the Chairman is not an independent director, the Board of Directors shall appoint a designated independent director to participate in setting the board meeting agenda in compliance with the good corporate governance principles.
- 3) Be the Chairman at the Board of Directors' meeting, and have a casting vote.
- 4) Control the meeting efficiently, allocate sufficient time for the management to propose topics, support and give the directors an opportunity to discuss and exercise their independent opinions, control discussion of issues, and declare a resolution in the meeting.
- 5) Encourage the directors to perform their duties in line with the scope of roles, duties, and responsibilities of the Board of Directors, applicable laws as well as the good corporate governance principles such as abstention and absence from the meeting in case of consideration on an agenda pertaining to a director who may cause a conflict of interest.
- 6) Oversee and ensure that the Board of Directors carries out its duties efficiently to achieve the Company's objectives.
- 7) Inform the Board of Directors of any important information.
- 8) Encourage the directors to attend the shareholders' meeting, and perform duties as the Chairman of the shareholders' meeting in order to monitor the meeting efficiently including answering questions to shareholders.
- 9) Ensure that all directors contribute to the Company's ethical culture and good corporate governance.
- 10) Promote a culture of openness and debate through ensuring constructive relations between the executive directors and non-executive directors, and between the Board of Directors and the management.

2. Roles, Duties, and Responsibilities of Chief Executive Officer

- 1) Determine a vision, business direction, policies, business strategies, goals, operation plans, and annual budget plan of the Company and its subsidiaries as proposed by the management, including defining the structure and authority of management, operation plan, and annual budget plan of the Company and its subsidiaries in order to propose to the Executive Committee and/or Board of Director for further approval.
- 2) Communicate the vision, business direction, policies, and business strategies of the Company, which is approved by the Board of Directors to the top management of the Company in order to implement them as a framework for work plan and business management plan in each unit.
- 3) Oversee, monitor, implement and/or conduct day-to-day operations in line with the policies, work plans, and annual budget plan as approved by the Board of Directors, including overseeing, and ensuring that

the Company's business operations are in accordance with the plans, as well as applicable laws, regulations, and rules required by other relevant parties, and the Company's Articles of Association. This shall lead to the set outcomes for both financial and non-financial performances.

- 4) Consider and approve the operation plan of each unit of the Company, and consider and approve the proposal from other units of the Company, which exceeds the authorized limit of any units. This includes considering and approving to enter into the general business transactions of the Company subject to the investment or budget approved by the Board of Directors, or the delegation of authority approved by the Board of Directors.
- 5) Prepare an operating performance report and operation plans of the Company and its subsidiaries to further present them to the Board of Directors on a quarterly basis, and have the authority to define orders, regulations, notifications, and memos to ensure compliance with policies and benefits of the Company, and to monitor the working disciplines within the organization.
- 6) Have the authority to manage the Company's business in line with the objectives, Articles of Association, policies, regulations, rules, orders, budget as approved by the Board of Directors, the shareholder resolution, and/or the Board of Directors' resolution, and/or the Executive Committee's resolution. This includes verifying and assessing the Company's operating performance to be in accordance with the policies and reporting the managerial performance, as well as the progress to the Chief Executive Officer, Executive Committee, Audit Committee, or Board of Directors as the case may be.
- 7) Ensure that the Company has an appropriate internal control system in alignment with the guidelines provided by the Audit Committee and/or the Board of Directors.
- 8) Ensure that the Company has an appropriate risk management and control system in alignment with the guidelines provided by the Audit Committee and/or the Board of Directors.
- 9) Seek a business opportunity and new investment related to the core business of the Company and its subsidiaries in order to generate income for the Company.
- 10) Monitor the Company's overall human resources management and determine regulations, criteria, guidelines, rules, appointment, employment, rotation, salary, compensation, bonus, and employment termination.
- 11) Determine an organizational structure as well as employee appointment, employment, rotation, salary, compensation, bonus, employment termination, including employment at the position level below the Vice President.
- 12) Approve and appoint a consultant of other professions as deemed necessary to the business operations, and to be in compliance with the notifications of the Securities and Exchange Commission and the Stock Exchange of Thailand.
- 13) Be a representative of the Company in conducting corporate public relations, particularly in creating relation networks and a good image of the organization both nationally and internationally.

- 14) Support the Board of Directors to provide proper communication channels for the shareholders in a consistent manner and disclose information with standard and transparency, including being a representative of the Company in communication with shareholders.
- 15) Have authority, roles, and responsibilities for the administration of the subsidiaries and other departments of the Company.
- 16) Delegate the management-level employees to have the power to be in charge in one or any actions as deemed appropriate, including having the authority to grant a power of attorney and/or assign any person to be in charge in some actions by granting the power and/or assigning which is subject to the scope of power in the letter of power of attorney and/or the regulations, disciplines or orders determined by the Board of Directors and/or sub-committees and/or the Company.

Thus, in granting the power and responsibilities of the Chief Executive Officer or a person given the authority by the Chief Executive Officer, it is not included with using such authority for approving any transactions involved with oneself or any persons who may cause the conflicts of interest, (according to the notifications of the Securities and Exchange Commission and/or the Capital Market Supervisory Board and/or the Stock Exchange of Thailand and/or relevant parties), causing the Chief Executive Officer or any person to have the interest or may have the conflicts of interest in otherwise manners with the Company and its subsidiaries. This is excepted for the transactions which are conducted in line with the policies and criteria approved by the shareholder meeting or the Board of Directors, and such transactions are considered as ordinary business and general business conditions in compliance with the notifications of the Securities and Exchange Commission and/or the Capital Market Supervisory Board and/or the Stock Exchange of Thailand and/or relevant parties.

- 17) Carry out other duties as assigned by the Board of Directors and/or sub-committees under the Company's regulations and Articles of Association, securities, and exchange laws, as well as notifications, regulations, and other criteria pertaining to the Capital Market Supervisory Board, the Securities and Exchange Commission, and the Stock Exchange of Thailand.

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

Guidelines

1. Remuneration for Directors

- 1) The Company defines the remuneration policy for the directors comparable to the industry level, reflecting the experience, obligations, scope of work, accountability and responsibilities, and contribution of each director. Directors who have additional roles and responsibilities, such as a member of a sub-committee, should be entitled to additional remuneration as appropriate. Thus, the Nomination and Remuneration Committee shall consider the remuneration of directors and propose

to the Board of Directors for approval prior to the general meeting of shareholders for further approval each year.

- 2) The remuneration of the directors should be consistent with the Company's strategies and long-term objectives and reflect the experience, obligations, scope of work, and responsibilities. The members of the sub-committees should be entitled to proper additional remuneration according to the Company's performance and, comparable to industry practice.
- 3) The Board of Directors shall disclose the directors' remuneration policy and criteria including the pay components and level received from the Company and its subsidiaries.

2. Remuneration for Management

- 1) The remuneration is set for the Chief Executive Officer and top management in accordance with the criteria and policy determined by the Board of Directors, and for the best interest of the Company. Such remuneration levels such as salary, bonus, and incentives shall be linked to their individual performance, and the shareholders' benefit shall be taken into account.
- 2) The Nomination and Remuneration Committee assesses the performance of the management level at the Vice President and higher for considering the determination of the remuneration by means of the concrete assessment criteria and process, which is systematically set in advance with the position, reflecting the financial performance, performance meeting the Company's objectives, long-term strategies, development of the management, etc. In this regard, the performance shall be presented to the Board of Directors for approval, the Chairman or Chairman of the Nomination and Remuneration Committee shall inform the executives of the results for acknowledgment.

Thus, the details of such remuneration in 2021 are disclosed in **Section 6 "Corporate Governance Structure, and Significant Information about Board of Directors, Sub-Committees, Management Team, Employees, and Others"**, Heading **"Remuneration for Directors and Management Team"**.

Principles 3.5 The Board of Directors should ensure that all directors are properly accountable for their duties, responsibilities, and allocate sufficient time to discharge their duties and responsibilities effectively.

1. The Board of Directors should ensure that the Company's policies prohibit and prevent a director from creating a conflict of interest with the Company both directly and indirectly in other companies, including by using the Company's information or opportunities for his or her own benefit. In this regard, this must be informed to the shareholders as appropriate.
2. The Board of Directors should encourage each director to attend not less than 75 percent of the total number of board meetings in the whole financial reporting year.

Guidelines

The Board of Directors determines the guidelines pertaining to the meeting of the Board of Directors, and sub-committees as follows:

1. Board of Directors

1.1 Meeting

- According to the Company's Articles of Association, the Board of Directors shall convene meetings at least once every 3 months at the province where the head office of the Company is located or nearby province or other location. The meeting day, time, and venue are considered by the Chairman, and the special meeting shall be held if necessary. In order to ensure the board meeting is held in a consistent manner, and the large numbers of directors' meeting attendance, the Company shall send its directors the whole-year schedule of the Board of Directors' meetings for the next year prior to the year-end of each year. The board meetings are determined at least 6 meetings a year.
- The Company shall hold a meeting where the non-executive directors have the opportunity to discuss the managerial affair, as necessary, in the absence of the management, and shall report such results to the Chief Executive Officer.

1.2 Meeting Agenda

At every meeting, the company secretary, the Chief Executive Officer discuss proposing a meeting agenda to the Chairman and the designated independent director to participate in setting such agenda in order to set the meeting agenda in advance. Thus, the notice with relevant document shall be sent to the directors at least 7 days (5 business days) prior to the meeting date to provide the directors sufficient time to consider the content of the meeting agenda or be able to request more information or document. In case of an urgent issue considered to protect the right and benefit of the Company, there may be another way to call for a meeting, and send the meeting document to the directors less than seven (7) days.

1.3 Summon of the Board of Directors' Meeting

The Chairman shall call for the Board of Directors' meeting, or two (2) or more directors may request to convene a meeting, the Chairman shall define the meeting date within fourteen (14) days from the date of receipt of the request.

1.4 Attendance, Quorum, and Voting

- According to the Company's Articles of Association pertaining to a board meeting either being present in the same place or via electronic meeting, not less than one-half of the total number of directors must be present to constitute a quorum. However, in order to encourage the directors to participate in considering and voting at the meeting, the Company determines not less than two-thirds of the total number of the entire directors (the numbers of directors who are present and attend the meeting are counted; however, a director who is involved with an agenda that may cause a conflict of interest has no right to vote on such agenda).
- The Chairman presides at the Board of Directors' meeting. In case the Chairman is not present at the meeting, or cannot perform his or her duties, the Vice-Chairman shall be

the chairperson of the meeting. If the Vice-Chairman is not present or cannot perform his or her duties, the directors present at the meeting shall elect one of the directors to be the chairperson of the meeting.

- The decisions at the meeting shall be made by a majority vote of the directors attending the meeting. Any director having an interest in any matter shall not be entitled to vote on such matter. In the event of a tie vote, the Chairman of the meeting shall have a casting vote.
- The Chairman allocates sufficient time for the management to propose topics and discuss the significant matter thoroughly and encourages all directors to place importance on the issue at the meeting, as well as the corporate governance.
- The Board of Directors should encourage the top management to propose the inclusion of relevant items and to attend the meeting to present details on the agenda items related to matters that they are directly responsible for, and to allow the directors to gain familiarity with the top management and assist succession planning in the future.
- The Board of Directors is able to have access to necessary information required for their respective roles from the management and company secretary. If necessary to discharge their responsibilities, the Board of Directors may seek independent professional advice at the Company's expense.

1.5 Reporting

The company secretary or a person designated by the Board of Directors shall record the meeting, and send it to the Board of Directors within 14 days from the meeting date.

2. Audit Committee

2.1 Meeting

- The Audit Committee must hold at least 4 meetings per year.
- The Chairman of the Audit Committee may call for a special meeting when receiving such request from a member of the Audit Committee, internal auditor, auditor, or the Chairman of the Company for considering and discussing the significant matter.

2.2 Meeting Agenda

The secretary to the Audit Committee and the Chairman of the Audit Committee discuss to determine the meeting agenda and send the relevant document to the Audit Committee and other related parties in advance to provide the committee sufficient time to consider the content of the meeting agenda, or request more information or document. Thus, if such a meeting is held through electronic means, documents related to the meeting may be sent through electronic mail.

2.3 Quorum

- All members of the Audit Committee should attend all the meetings. There must be not less than one-half of the total number of the committee present to constitute a quorum, either being

present in the same place or via electronic meeting. In case the Chairman of the Audit Committee is not present at the meeting, or cannot perform his or her duties, the members present at the meeting shall elect one of the members to be the chairperson of the meeting.

- The Audit Committee may invite a director or management of the corporate group, internal auditor, auditor, external lawyer, or other professional to attend the meeting in order to exercise their opinions or answer a relevant matter.

2.4 Voting

- The meeting document must define the names of persons who attend the meeting. Any member of the Audit Committee with a vested interest in any matter shall not be entitled to attend the meeting and vote on such matter.
- The resolutions at the meeting shall be made by a majority vote, either being present in the same place or via electronic meeting. One member shall have one vote, in the event of a tie vote, the Chairman of the Audit Committee or the Chairman at the meeting shall have a casting vote.
- The secretary to the Audit Committee has no right to vote.

2.5 Reporting

The secretary to the Audit Committee or a person designated by the Audit Committee shall record the meeting and send it to the committee within 14 days from the meeting date.

3. Nomination and Remuneration Committee

3.1 Meeting

The Nomination and Remuneration Committee must hold at least 2 meetings per year.

3.2 Quorum

In the Nomination and Remuneration Committee's meeting either being present in the same place or via electronic meeting, there must be not less than one-half of the total number of the committee present to constitute a quorum. In case the Chairman of the Nomination and Remuneration Committee is not present at the meeting, or cannot perform his or her duties, the members present at the meeting shall elect one of the members to be the chairperson of the meeting.

3.3 Voting

Either being present in the same place or via electronic meeting, a member of the Nomination and Remuneration Committee shall have one vote, and the resolutions at the meeting shall be made by a majority vote. Any member of the Nomination and Remuneration Committee with a vested interest in any matter shall not be entitled to vote on such matter. In the event of a tie vote, the Chairman of the Nomination and Remuneration Committee or the Chairman at the meeting shall have a casting vote.

4. Executive Committee

4.1 Meeting

The Company shall hold meetings of the Executive Committee at least 4 times a year, on a quarterly basis. The meeting schedule shall be set and informed to the members in advance. Thus, the Board of Directors considers that the dedication to the Company of each member should not focus on the meeting attendance only, but also on the exchanging opinions, suggestions, experience, and relation network for creating benefit to the Company's business.

4.2 Quorum

In the Executive Committee's meeting, there must be not less than one-half of the total number of the committee present to constitute a quorum, either being present in the same place or via electronic meeting. In case the Chairman of the Executive Committee is not present at the meeting, or cannot perform his or her duties, the members present at the meeting shall elect one of the members to be the chairperson of the meeting.

4.3 Voting

Either being present in the same place or via electronic meeting, a member of the Executive Committee shall have one vote, and the resolutions at the meeting shall be made by a majority vote. Any member of the Executive Committee with a vested interest in any matter shall not be entitled to vote on such matter. In the event of a tie vote, the Chairman of the Executive Committee or the Chairman at the meeting shall have a casting vote.

The Meeting Attendance of Each Director in 2021

Name	Number of Meeting Attendance 2021											
	AGM		EGM		Board of Directors		Audit Committee		Nomination & Remuneration Committee		Executive Committee	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
1. Mr. Prachak Tangkaravakoon	1/1	100	1/1	100	10/10	100					12/12	100
2. Mrs. La-or Tangkaravakoon	1/1	100	1/1	100	10/10	100					12/12	100
3. Mr. Vonnarat Tangkaravakoon	0/1	0	1/1	100	10/10	100					12/12	100
4. Mr. Jatuphat Tangkaravakoon	1/1	100	1/1	100	10/10	100			4/4	100	12/12	100
5. Mr. Nattavuth Tangkaravakoon	1/1	100	1/1	100	9/10	90 ¹						
6. Mrs. Busatree Wanglee	1/1	100	1/1	100	10/10	100					12/12	100
7. Mrs. Prisana Praharnkhasuk	1/1	100	1/1	100	10/10	100	12/12	100	4/4	100		
8. Mrs. Chanatip Weerasubpong	1/1	100	1/1	100	10/10	100	12/12	100				
9. Mr. Veerasak Kositpaisal	1/1	100	1/1	100	10/10	100	12/12	100	4/4	100		
10. Ms. Taweporn Patanakitraung	1/1	100	1/1	100							12/12	100

Remark: ¹Mr. Nattavuth Tangkaravakoon was unable to attend a BOD meeting due to emergency and unavoidable circumstance. However, the director regularly received agenda-related documents in advance. If there are any questions raised or votes cast in disapproval, the company secretary will be informed in advance for recording meeting minutes.

The Board of Directors promotes a meeting among non-executive directors in the absence of the executives in order to independently discuss and debate their concerns, express their opinions upon the executives' 2021 performance. Accordingly, the non-executive directors held 1 meeting at the Board of Directors' Meeting No. 1/2022 on January 25, 2022.

In addition, the schedule of the Board of Directors' meetings for the year 2022 was already set in advance (the schedule is subject to change) excluding any special meeting(s) as follows:

No.	BOD's Meeting Date	No.	BOD's Meeting Date
1	January 25, 2022	7	August 15, 2022
2	February 24, 2022	8	September 13, 2022
3	March 22, 2022	9	October 11, 2022
4	May 12, 2022	10	November 14, 2022
5	June 14, 2022	11	December 13, 2022
6	July 12, 2022		

Principle 3.6 The Board of Directors 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.

Guidelines

- The Board of Directors defines the Company's governance framework and policies extend to its subsidiaries as follows:
 - The authority to appoint subsidiary directors, management, or others with controlling power, including the duties and responsibilities of such persons in accordance with the Company's policies as well as other joint venture agreements (if any).
 - The internal control systems are effective and all transactions comply with relevant laws and regulations.
 - The integrity and timely disclosure of the financial information, performance, and other information as required by laws.
- A significant investment in other businesses such as between 20 percent and 50 percent of shares with voting rights, other than the subsidiaries, ensuring those shareholder agreements or other agreements are in place to enable the Company's performance monitoring and participation in the businesses' management, including for approval of significant transactions and decisions in order to ensure that the Company has sufficient, accurate, and timely information for the preparation of its financial statements that conform with relevant standards.

Policy on Supervision of Subsidiary and Associate Companies

The Company defines the policy on supervision of subsidiary and associate companies, with the objective to set measures and mechanisms, both direct and indirect, so that the Company can govern and manage the business operation of subsidiary and associate companies. This includes monitoring the subsidiary and associate companies' compliance, as if it is their own function, also in accordance with the Company's policies, Public Limited Companies Act, Civil and Commercial Code, and relevant laws, announcement, regulations, and other related criteria of the Capital Market Supervisory Board, SEC, and SET. This is to protect the Company's interests from investment in the subsidiary and associate companies, as follows:

- (1) The Company shall nominate a representative to serve as a director in each subsidiary and/or associate company, in proportion to shares held in each company. Their duty is to govern subsidiaries and/or associate companies to ensure compliance with laws, good corporate governance policy, and other policies of the Company. However, the nomination into each subsidiary and/or associate company must be considered and approved by the Board of Directors in the consideration of the appropriateness for each company.
- (2) In case of entering into transactions, or any other conduct of subsidiaries that are considered as the acquisition or disposal of assets as prescribed by the notification of acquisition or disposal of assets, or related party transaction, which may affect the Company to request for approval from the Company's Board of Directors and/or from the shareholder meeting, or law-related functions prior to entering into the transaction. Subsidiaries shall proceed with the transaction only upon being permitted by the Company's Board of Directors and/or shareholder meeting and/or related agencies (as the case may be).

In addition, in the event that entering into any transaction causes certain circumstances in subsidiaries to require the Company to disclose such transaction to SET according to the regulations of the SET's Board of Governors. The director of subsidiaries has the duty to immediately inform the Company's management that the subsidiaries are about to enter into the transaction or the said circumstances.

- (3) The Board of Directors and management of subsidiaries and/or associate companies have the scope of authority and responsibilities in accordance with applicable laws such as disclosure of financial position and operating performance to be reported to the Company for acknowledgment. In this regard, the regulations of the Capital Market Supervisory Board, and SET's Board of Governors are applicable mutatis mutandis, including disclosing and delivering information on their own interests and those who are related persons to the Board of Directors in order to demonstrate relationship and transaction with the Company, subsidiaries and/or associate companies that may cause a conflict of interest, and avoid proceeding with a transaction that may cause a conflict of interest.
- (4) The Company shall set the important working plans and operations in order to ensure that subsidiaries and/or associate companies disclose information on operating performance and financial position. In addition, the Company shall monitor subsidiaries and/or associate companies to ascertain sufficient and appropriate disclosure of information system, and internal control system.

Furthermore, the Company also closely monitors the operating performance and implementation of subsidiaries and/or associate companies, and presents summary analysis, opinions, or suggestions to

the Company's Board of Directors, boards, and sub-committees of each subsidiary and associate company, in order to consider and determine policies, or improve subsidiaries' business and/or associate companies' business for further development and growth.

Thus, the Company appoints a designated representative with suitable qualifications and experience to serve as a director of both domestic and international subsidiaries according to the Company's shareholding proportion, which is subject to the corporate governance policy of subsidiaries and associate companies. Moreover, the Company also nominates and be a part in interviewing an accountant, accounting and finance manager, or accountant for subsidiaries to monitor the subsidiaries' accounting report preparation.

The Company oversees and governs the preparation of consolidated financial statements by joint work between the subsidiaries' accounting department on a regular basis, including a setting process for preparing the accurate and proper consolidated financial statements to ensure that the Company's consolidated financial statements are accurate and prepared in a timely manner. Thus, the Company emphasizes the importance of appointing auditors for the subsidiaries from the same audit firm that the Company hires. Therefore, the Company sets the future plan for the Company and all subsidiaries to hire the same audit firm in the consideration of auditing fees and reasoned judgment.

Furthermore, the Company determines the delegation of authority for the subsidiaries, ensuring that the business operation is conducted effectively in relation to the significant transactions, or transactions regarded as material size, such as large-scale investment, business expansion, debts or obligations, or entering into a transaction deemed as an acquisition or disposal of assets, or related party transaction, which needs to be approved by the Board of Directors or President of subsidiaries, all of them are representatives of the Company, or the Board of Directors, and/or the Company's shareholders, and/or related agencies (as the case may be) prior to proceeding such transactions.

Principles 3.7 The Board of Directors conducts an annual performance assessment of the Board of Directors, sub-committees, and each individual director. The evaluation results should be used to strengthen the effectiveness of the board.

Guidelines

1. Board Self-Assessment

- 1) The performance assessment of the Board of Directors and sub-committees should be conducted at least once a year to facilitate consideration and improvement of the board's performance and effectiveness and resolution of any problems.
- 2) The Nomination and Remuneration Committee considers the assessment guidelines to further propose to the Board of Directors for approval. The Committee determines the annual assessment of the performance of the Board of Directors and sub-committees as a whole and on an individual director level based on self-assessment. The criteria, process, and results of the assessment should be disclosed in the annual report.
- 3) The Board of Directors shall consider the assessment results and problems for further improvement and the right combination of the Board of Directors.

2. Performance Assessment Criteria of the Chief Executive Officer, Executive Vice President – Office of Chief Executive Officer were preliminarily approved by the Nomination and Remuneration Committee's Meeting No. 4/2021 on November 10, 2021, and then finally approved by the Board of Directors' Meeting No. 9/2021 on November 12, 2021. The details are as follows:

- 1) The Nomination and Remuneration Committee assesses the performance and further presents it to the Board of Directors for approval on a yearly basis.
- 2) Assessment Criteria
 - Corporate KPIs
 - Leadership competency assessments:

(1) Leadership	(2) Strategic Planning
(3) Performance aligned with strategy	(4) Financial planning and performance
(5) Relationship with the Board of Directors	(6) Relationship with third parties
(7) Management and people engagement	(8) Succession Planning
(9) Knowledge about products and services	(10) Characteristics

Regarding the Board of Directors' Meeting No. 9/2021 on November 12, 2021, there was a resolution to approve the criteria for 3-category performance assessments in line with the guidelines of the Stock Exchange of Thailand as follows:

1. Board self-assessment as a whole:

- (1) Structure and qualifications of the Board of Directors;
- (2) Roles, duties, and responsibilities of the Board of Directors;
- (3) The Board of Directors' meetings;
- (4) Duties of the directors;
- (5) Relationship with the management;
- (6) Self-development of the directors and management.

2. Self-assessment for sub-committees as a whole:

- (1) Structure and qualifications suitable for supporting a sub-committee's activities effectively;
- (2) Sub-committee meetings are conducted effectively;
- (3) In line with the duties and responsibilities of a sub-committee, a member gives priority and devotes sufficient time.

3. Board self-assessment on an individual basis:

- (1) Structure and qualifications of the Board of Directors;
- (2) The Board of Directors' meetings;
- (3) Roles, duties, and responsibilities of the Board of Directors.

Board assessment procedures:

- (1) The Nomination and Remuneration Committee considers and proposes the proper and complete self-assessment according to the criteria of the governing body;

- (2) The Board of Directors approves the above criteria of the assessment;
- (3) The company secretary sends the assessment form to the Board of Directors to conduct their self-assessment in a timely manner;
- (4) The company secretary collects the assessment form in order to conclude the assessment results, and then report to the Board of Directors;
- (5) The Board of Directors integrates the assessment results to be used to strengthen the effectiveness of the board.

The 2021 assessment results of the Board and sub-committees are concluded as follows:

Board and Sub-Committees	Overall performance assessment results (%)	Individual performance assessment results (%)
1. Board of Directors	95.35	95.83
2. Audit Committee	98.28	95.14
3. Nomination and Remuneration Committee	94.71	96.25
4. Executive Committee	94.05	96.88

Regarding the Nomination and Remuneration Committee's Meeting No. 1/2022 on January 17, 2022, the performance assessment results of the Chief Executive Officer, and Executive Vice President – the Office of Chief Executive Officer were considered before receiving approval from the Board of Directors' Meeting No. 1/2022 on January 25, 2022. However, the assessment results are confidential and cannot be disclosed.

Principle 3.8 The Board of Directors ensures that the board and each individual director understand their roles and responsibilities, the nature of the business, the Company's operations, relevant laws, and standards. The board supports all directors in updating and refreshing their skills and knowledge necessary to carry out their roles and duties.

Guidelines

1. The Board of Directors establishes the director's handbook which includes corporate information, charter, and policies as the guidelines of the director's roles and duties.
2. The Board of Directors ensures that a newly appointed director receives suggestions and the director's handbook including other relevant information. The director orientation shall be held to inform him or her of the nature of business, and corporate direction that shall enhance the well understanding of the Company's objectives, goals, vision, and nature of business.
3. The Board of Directors encourages the directors to regularly receive sufficient and continuous training and knowledge development and also discloses training and knowledge development of the directors in the annual report.

In this regard, the Nomination and Remuneration Committee No. 1/2022, on January 17, 2022, approved the director development plan covering readiness training programs for a new director and promoting knowledge development and upskilling beneficial to their ongoing duties.

In 2021, there was no newly appointed director.

Directors' Training Sessions Conducted by the Thai Institute of Directors (IOD)

Name	Courses	DAP	DCP	M&A	ACEP	CGI	AACP	FND	RCL	BNCP
1. Mr. Prachak Tangkaravakoon		21/2004	-	-	-	-	-	-	-	-
2. Mrs. La-or Tangkaravakoon		-	-	-	-	-	-	-	-	-
3. Mr. Vonnarat Tangkaravakoon		SEC/2013	-	-	-	-	-	-	-	-
4. Mr. Jatuphat Tangkaravakoon		14/2014	-	-	-	-	-	-	-	-
5. Mr. Nattavuth Tangkaravakoon		19/2004	-	-	-	-	-	-	-	-
6. Mrs. Busatree Wanglee		67/2007	-	-	-	-	-	-	-	-
7. Mrs. Prisana Praharnkhasuk		-	119/2009	1/2011	-	-	25/2017	-	-	-
8. Mrs. Chantip Weerasubpong		-	176/2013	-	14/2015	6/2015	14/2014	-	13/2018	5/2018
9. Mr. Veerasak Kositpaisal		-	82/2006	-	-	-	-	30/2006	-	-

Remark: DAP = Director Accreditation Program DCP = Director Certification Program M&A = Board's Role in Mergers & Acquisitions
AACP = Advanced Audit Committee Program FND = Finance for Non-Finance Directors
ACEP = Anti-Corruption for Executive Program BNCP = Board Nomination and Compensation Program
CGI = Corporate Governance for Capital Market Intermediaries RCL = Risk Management Program for Corporate Leaders

Directors' Training Course/Knowledge Sharing in 2021

No.	Name	Course
1	Mr. Jatuphat Tangkaravakoon	Sharing experience and vision on challenging times and coming through 12 crises over 20 years ago and achieving sustainability, by Money Chat Thailand
2	Mrs. Prisana Praharnkhasuk	E-Conference for the audit committees of listed companies in terms of auditor selection and financial reporting quality, by SEC
3	Mrs. Chantip Weerasubpong	E-Conference for the audit committees of listed companies in terms of auditor selection and financial reporting quality, by SEC
4	Mr. Veerasak Kositpaisal	E-Conference for the audit committees of listed companies in terms of auditor selection and financial reporting quality, by SEC

In 2021, no other directors were attending any training courses or sharing knowledge totaling 5 out of 9 directors.

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

Guidelines

1. The Board of Directors has a mechanism that allows each board member and management to independently propose the relevant items on the meeting agenda through the company secretary.
2. The Board of Directors encourages the Chief Executive Officer or President to invite key management to attend the board meetings to present details on the agenda items related to matters that they are directly responsible for.
3. The meeting documents should be sent to the directors at least 7 days (5 business days) before the meeting date. The Board of Directors can gain access to important information required for their scope of duties and roles from the Chief Executive Officer, President, company secretary, or designated individual.

4. The company secretary has the necessary qualifications, and experience for performing his/her duties, and receives ongoing training and education relevant to performing his/her duties, and a company secretary certified program. The qualifications and experience of the company secretary must be disclosed in the annual report and on the company's website.

➤ **Principle 4 Ensure Effective Top Management and People Management**

Principle 4.1 The Board of Directors ensures that a proper mechanism is in place for the nomination and development of the President and top management to ensure that they possess the knowledge, skills, experience, and characteristics necessary for the Company to achieve its objectives.

Guidelines

1. Criteria and Procedures of Nominating the Top Management

The Nomination and Remuneration Committee defines the nomination criteria, selection, and remuneration of the Chief Executive Officer, Executive Vice President at the Office of Chief Executive Officer, and President in order to propose to the Board of Directors for approval of the appointment and remuneration.

2. Succession Plan

- 1) The Board of Directors ensures that the Company has a system of personnel selection to be responsible for the management positions or important supervisors at all levels. In recruiting candidates for the position of the Chief Executive Officer and President, it must be in accordance with the appropriate recruitment process in the consideration of the inside and outside the Company.
- 2) The Board of Directors monitors the succession plan for the top management, and requests reporting on the implementation at least once a year.

Succession Planning Procedures

1. The Board of Directors together with the human resources development analyze the organizational situation reflecting the Company's business environment relating to the short-term, mid-term, and long-term objectives, policies, investment plan, and business expansion plan.
2. Evaluate the readiness of manpower in accordance with the Company's short-term and long-term business strategies.
3. Define manpower planning by means of developing or recruiting individuals for a vacant position.
4. Prepare recruitment plan, and employee training and development in advance in order to replace an employee who is about to retire or resign from his/her job.
5. Define the competencies covering knowledge, skills, personality, and attitude which are expected for each position, and also set the individual development plan.
6. Select, consider, and evaluate the individual performance and competency as appropriate.
7. Test and assess an individual to analyze the individual competency.

8. Develop and assess an individual who is regarded to be a successor in the consideration of his/her development and superstar performance as expected. In case of a failure of such succession planning of that individual, the new successor can be appointed.

3. Development of Top Management

- 1) Promote and facilitate the continuous development and education of the top management that is relevant to their roles to enhance their skills and knowledge, as well as corporate governance. Training and education shall be organized by the Company, or by outsourcing.
 - 2) The Company encourages the management to receive ongoing development for the readiness of the rotation in the organization administration from the department manager level and above, as well as evaluating the competency of the top management for being a successor of the President and Chief Executive Officer.
4. Determine the policies and guidelines for the Chief Executive Officer and top management, serving as a director in other companies, which is proposed to the Board of Directors for approval on the consideration of the appropriateness of each nature of the business that is not competitive with the corporate group, as well as the dedication of time to perform their duties for the subsidiaries.

In 2021, the Nomination and Remuneration Committee monitored and provided suggestions for the progress of the succession plan and executive leadership programs for the key positions to the management in order for the Company to plan and designate the leadership continuity program. Such programs focus on developing the key successors to have leadership ability and be ready for the higher position. Besides, the individual career development plan is set up and monitored by the Staffing and Development Committee. Moreover, the management reports the execution plan and performance to the Board of Directors at least once a year.

Principle 4.2 The Board of Directors ensures that the appropriate compensation structure and performance assessment are in place.

Guidelines

1. The Board of Directors determines the compensation structure and incentives for the top management, and employees at all levels to act in support of the Company's objectives, goals, and long-term value, taking into account industry standards.
2. The Board of Directors approves the evaluation criteria of the Company's performance, and the top management's annual bonus, which is preliminarily considered by the Nomination and Remuneration Committee.
3. The Nomination and Remuneration Committee assesses the performance of the Chief Executive Officer, and Executive Vice President at the Office of Chief Executive Officer, and then proposes to the Board of Directors for approval every year.

Details of 2021 remuneration for directors and management team are disclosed in **Section 6 “Corporate Governance Structure, and Significant Information about Board of Directors, Sub-Committees, Management Team, Employees, and Others”**, Heading **6.4.3 “Remuneration for the Directors and Management Team”**.

Principle 4.3 The Board of Directors considers its responsibilities in the context of the Company’s shareholder structure and relationships, which may impact the management and operation of the Company.

Guidelines

1. The Board of Directors understands the Company’s shareholder structure and relationships, including the family agreements, and considers their impact on the control over the Company.
2. The Board of Directors oversees that information is properly disclosed when any conditions have an impact on the control over the Company.

The Tangkaravakoon and TOA Group Holding Company Limited, in which the major shareholder is the Tangkaravakoon family, holding shares 75.00 of the registered capital which was issued and paid up. In addition, 4/6 persons in the Tangkaravakoon have the authority to sign on behalf of the Company, 2 of them are executive directors. Although the Tangkaravakoon did not act in concert, the family has an influence on policy formulation and administration in the same direction and control over the policies and business operations. This also includes the control of the resolution of shareholder meeting which requires the majority votes, and 3/4 of the total votes of shareholders attending the meeting and having the right to vote.

However, the Company determines the corporate governance principles for the directors and management to comply with, taking the right of shareholders into account, and disclosure of information and transparency, etc. In order to promote transparency, auditability, and balance of power of directors and management, the Company establishes the internal audit department under the supervision of the Audit Committee, and external auditors to audit and balance the power of consideration. The related party transaction must be conducted in compliance with the Securities and Exchange Act. Such transaction must be compared with third parties’ conditions prior to being considered by the Audit Committee, and respectively to the Board of Directors for further approval. Moreover, the Risk Management Committee has been established to define and oversee risk management plans, and report the implementation to the Audit Committee, and Board of Directors respectively to ensure compliance with guidelines and policies.

Principle 4.4 The Board of Directors ensures the Company has effective human resources management and development programs to ensure that the Company has adequate staffing and appropriately skilled, and experienced employees.

Guidelines

1. The Board of Directors ensures that the Company is properly staffed and that human resources management aligns with the Company’s objectives and furthers sustainable value creation. All employees must receive fair treatment, remuneration, and welfares that retain competent employees.

2. The Board of Directors ensures that the Company establishes a provident fund and implements a training and development program for employees that promotes financial literacy and management and investments that are suitable for their age.

Details of the human resource development in 2021 are disclosed in **Section 3 “Driving Business Value through Sustainability”**.

On October 19, 2021, employees were provided with a special online seminar about financial planning and investment by MFC Asset Management Public Company Limited. The seminar was very attractive to employees, showing that financial management was important to them.

➤ **Principle 5 Nurture Innovation and Responsible Business**

Principle 5.1 The Board of Directors prioritizes and promotes innovation that creates value for the Company together with benefits for its customers or relevant parties, society, and the environment, in support of sustainable growth of the Company.

Guidelines

1. The Board of Directors prioritizes and promotes a corporate culture that embraces innovation, and ensures the inclusion of innovation in corporate strategy, designing innovative business models, products, and services, promoting research and development, improving production processes, and collaborating with business partners to exchange knowledge and technology.

Details of the Company's innovation are disclosed in **Section 3 “Driving Business Value through Sustainability”**.

Principle 5.2 The Board of Directors encourages the management to adopt responsible operations, and incorporate them into the Company's operation plan. This is to ensure that every department and function in the Company adopt the Company's objectives, goals, and strategies, responsibility for all stakeholders, environment, and society.

1. The Company recognizes the importance of caring for all stakeholders. The internal stakeholders such as shareholders or investors and employees of the Company, or external stakeholders, such as customers, business partners, creditors, competitors, society and community, and so on. In running a business of the Company, it also takes into account the rights of all stakeholders. The collaboration between the Company and the stakeholders shall be fostered to create sustainable growth.
2. The Board of Directors determines the code of conduct and corporate governance policy for directors, management, and all employees to comply with. This shall help the Company achieve the objectives and key goals sustainably. Such code of conduct and corporate governance policy includes conducting business with ethics, corporate social responsibility and environment, right of stakeholders that covers the responsibility for its employees, responsibility for customers, responsibility for business partners, responsibility for community, responsibility for the environment, fair competition, and anti-corruption.

Guidelines

1) Fair Labor Practices

The employees' right to enjoy a working life in a good and respectful environment is prioritized. Employees at all levels are encouraged to treat their colleagues with respect, and taking advantage of colleagues is ardently discouraged. In relation to labor practices, the Company determines the human resources management in every procedure to ensure efficiency including recruitment, human resources development, training and education on a regular basis, fair remuneration, and welfare benefit. Moreover, the Company offers all employees an opportunity for career advancement. Training courses are provided to employees at all levels to improve their professional skills in the proper workplace. There are the following key guidelines:

1.1 Remuneration and Welfare

The Company has a policy pertaining to fair remunerations; salary and bonus according to the individual competency, job security, and career path for all employees. Welfare is also provided for the employees as required by law, such as social security. In addition to the legal requirements, the Company provides the employees with additional welfare for their good quality of life, life security, and long-term care such as provident fund, annual health check-up, health and accident insurance, free shuttle bus service, uniforms, scholarships for their children, employee scholarship program, as well as financial contributions such as the funeral expenses of an employee's parents, and so on.

1.2 Job Skill, Knowledge Development, and Training

The Company has a policy for promoting human resources development by encouraging all employees to improve their knowledge and enhance their skills, potential, good attitude, morals, and ethics, and embrace the spirit of teamwork by means of training courses, workshops, seminars, site visits to ensure their effective improvements.

Furthermore, the Company supports the development of the corporate and human resources, focusing on implementing operating procedures efficiently, clearly defining the scope of employees' roles and duties, determining an appropriate remuneration, improving the performance evaluation system, and enhancing employees' capacity.

1.3 Occupational Health and Safety Policy

The Company determines a policy for its employees to perform their duties in line with the awareness of occupational health and safety in a good workplace. In this regard, the regulations and safety handbook have been established and announced to all employees to strictly comply with. The Company puts the importance on avoiding work-related accidents with great efforts. Moreover, safety awareness is established among employees, as well as educating them with training sessions relating to occupational health, and any acts or things that are detrimental to the health or condition of customers or service users should be prohibited. In addition, all employees are encouraged to always keep

the workspace in a hygienic and safe condition in order to minimize the statistic of incidents, absenteeism rate, and injury/illness severity rate.

More details in 2021 are disclosed in **Section 3 “Driving Business Value through Sustainability”**.

2 Responsibility to Shareholders

- 1) Perform duties with integrity, as well as making a decision on the professional principle with caution, care, and fairness to major and minor shareholders with the intention to generate a good performance, stable growth for the best interest of the shareholders;
- 2) Report the Company's status, operating performance, and other reports with accuracy, completion, consistency, and truth to the Board of Directors and the shareholders;
- 3) Conduct and drive the Company's business to growth, stability, and proper return towards the shareholders;
- 4) Perform duties with utmost knowledge, capability, and skills for the benefit of the shareholders and Company;
- 5) Do not seek any interest, in performing duties, for oneself and others;
- 6) Do not disclose any secret of the Company, and do not use its confidential information for the benefit of oneself or others without receiving permission from the Company;
- 7) Any acts which may cause the conflict of interest with the Company without prior notice are prohibited.

In 2021, the Company has respected the basic rights of all shareholders in compliance with laws, the Company's Articles of Association, resolutions of the shareholder meeting, and code of conduct by treating all shareholders with equality. The Company has an effective mechanism to ensure that they shall receive accurate information, and appropriate and fair returns in accordance with the Company's dividend payment policy. In addition, there is the control of related party transactions, the measure on prevention of conflict of interest, the prevention on the exploitation of inside information which is confidential, and the stipulation that directors, management, and those who have an access to inside information, exploit the information for their personal gain by prohibiting them to buy or sell the company's securities, derivatives, and convertibles which depends upon the value of the underlying stock of the Company within 1 month prior to the disclosure of the financial statements to the public. Besides, the Company also reports the operating performance at every quarter and the related party transactions that are required to disclose under the applicable laws via the channel of the Stock Exchange of Thailand and the Company's website for their acknowledgment. **(more details about the equitable treatment of shareholders in 2021 are disclosed in “Principle 8: Ensure Engagement and Communication with Shareholders”).**

3 Responsibility to Customers and Consumers

The Company has the intention to generate products with utmost quality toward its customers and consumers in order to achieve their satisfaction, with the following guidelines:

- 1) The Company focuses on the quality and standard of its products, quality of materials, and production standard in order to generate a product with quality and achieve the customers' and consumers' satisfaction;
- 2) The Company consistently develops and improves innovation for new products to meet the needs of customers and consumers to offer them various products with quality and standard, and respond to demand/needs;
- 3) The Company believes in the concept of a fair market, and enforces its belief through policies that direct customers and consumers to the accurate and sufficient source of product information without any distortion, obscurity, or over-exaggeration, that will help support their buying decisions;
- 4) The Company is aware of the matter of customer and consumer safety and is readily committed to providing them with high quality and safe products in accordance with international safety standards, regulations, and laws, which includes continuous creative designing and development of its products that inspire the confidence of customers and consumers in the Company's products with quality, standard, and safety;
- 5) The Company establishes a customer relationship system as a basis of two-way communication between the Company and its customers and consumers, which also includes an efficient complaint channel for quality of products to timely respond to their needs;
- 6) The Company protects the confidential information of its customers and consumers and does not misuse such information.

The Company emphasizes customer relations and engagement on a regular basis, sets a direct call center for its customers at 0-2335-5777 to provide information and acknowledge defects of products and services of the Company. Such information on the action taken and solutions are filed in the knowledge management system of the Company as a reference.

In 2021, there was no significant complaint from customers. The other complaints were analyzed to seek the cause in order to rectify, prevent, monitor, and adjust to the organization to ensure that such defects might not happen again. More details are disclosed in **Section 3 "Driving Business Value through Sustainability"**.

4 Responsibility to the Business Partners and/or Creditors

The Company determines a policy pertaining to fair and equitable treatment towards all business partners and/or creditors with honesty, without exploitation, in consideration of maximizing the Company's benefits based on the fair return for both parties. Any situation causing the conflict of interest must be avoided, and the negotiation for any solutions shall be decided by taking the business relationship into account, with the following guidelines:

- 1) The process of selecting business partners is clearly set by providing equal information and selecting business partners with fairness based on the criteria for evaluating and selecting the Company's business partners under the proper contract form and fairness to all parties;
- 2) The Company must not request for, receive, or offer any kind of benefits from business partners and/or creditors in a way that is perceived as dishonest;

- 3) In case there is any information on the occurrence of request, acceptance, or the payment of any dishonest benefit, such matter shall be informed to the business partners and/or creditors to jointly find solutions fairly and quickly;
- 4) Comply with the contractual terms and conditions strictly; in the case of failure of compliance with any condition, the notice to the creditors shall be made in advance to jointly consider and find solutions;
- 5) The Company attaches great importance to its creditors as an important business partner, so it is committed to complying with all existing contractual obligations with its creditors and without concealing any information or facts that may cause any damage or non-compliance with such obligations, the Company will notify the creditors in advance to find out the solution, including guarantees, capital management, and default payment;
- 6) In case of a loan borrowed from a financial institution, the Company shall not use such loan in the way that causes a breach of the loan agreement/conditions.

The selection of business partners and treatment of business partners must be conducted with fairness and equitability. The Company defines guidelines or criteria to select business partners to be a part of the code of conduct: “procurement and treatment of business partners”, which includes (1) financial position and creditable financial records, (2) professional and experience, (3) technical capability, (4) complete scope of work, (5) capability to produce products and services with quality, and (6) business ethics, and avoidance of any violation against the laws pertaining to environment and labor.

In 2021, the Company had adhered to the conditions of trade, provided accurate information with good relationship and mutual understanding, including exchanged knowledge, cooperated in the development of products to add more value, no requesting, receiving, or agreeing to receive any gift or benefit considered as out of scope of the trading agreement. Furthermore, there was no violation or breach of contract between the Company and any business partner.

For its creditors, the Company has settled the payment to creditors in time according to credit terms agreed in advance and has never received any default notice from the creditors. The Company has paid off the loan to the financial institutions and complied with the terms of the loan agreements.

Thus, more details about the treatment of business partners/suppliers are disclosed in **Section 3 “Driving Business Value through Sustainability”**.

5 Policy and Practices towards Business Competitors

The Company conducts its business under the rules of fair competition with due regard to business ethics, business alliances to support each party without causing any damage to business and relations, with the following guidelines:

- 1) Do not seek any confidential information of the business competitors or do any act to receive such information through dishonest or illegal means;
- 2) The Company shall not conduct any acts in the way to cause the unfair competition or cartel;

- 3) The Company shall not destroy or damage the reputation of business competitors.

Sanction Policy

The United States of America and other jurisdictions or organizations, including the European Union and the United Nations, have comprehensive or broad economic sanctions targeting countries such as the sanctioned countries and sanctioned persons.

The Board of Directors' Meeting No. 4/2017 on May 3, 2017, there was a resolution to adopt the sanction policy to prevent the Company from engaging in any dealings or transactions with a person who carries on a business in one of the sanctioned countries, or individuals and/or entities specified on the list of Specially Designated Nationals and Blocked Persons ("Specially Designated Nationals" or "SDNs"). The Company has no plan to make any investments in any sanctioned countries. The policy covers all types of requests, or any other form of solicitation to enter into any transactions, from a government of, a person with the nationality of, or a person who carries on a business in, any of the sanctioned countries, or from persons that are SDNs (each, a "Solicitation"). Once identified, based on the policy, the President, following consultation with the Chief Executive Officer or Chief Financial Officer, shall reject the Solicitation.

Antitrust Policy

At the Board of Directors' Meeting No. 4/2017 on May 3, 2017, there was a resolution to adopt the antitrust policy as a part of the Company's efforts to ensure compliance with antitrust laws. To mitigate the Company's risks of breaching antitrust laws, the Company's antitrust policy sets out examples of activities that may violate antitrust laws that all employees are prohibited from engaging in. Examples of prohibited activities are engaging in cartel behavior, including price-fixing, customer or market allocation, a boycott of certain customers, suppliers, or competitors, anti-competitive monopolistic behavior, including predatory pricing, and forcing unfair trading conditions on business partners, and other anti-competitive conduct.

The policy requires all employees to report as soon as possible to their direct supervisor, who shall be obligated to further discuss with the Chief Executive Officer, or the President, immediately: (1) any conduct that is an actual violation of the antitrust laws; (2) any conduct that the employee suspects might be a violation of the antitrust laws; and (3) any suspicious conduct that might constitute evidence of a violation.

In 2021, the Company did not have any dispute with its business competitors.

6 Engagement to Develop the Community and Society

The Company determines a policy to run its business that is beneficial to the economy and society, to be a good citizen, and comply with applicable laws and regulations. The Company is also committed to improving and elevating the quality of life of the society in proximity to its premises as well as expanding its business at the same time.

The Company complies with the policy to care for and build a relationship with the nearby community. In this regard, the Company regularly promotes the nearby communities' activities in consideration of proper projects that provide benefits to the community and society for the purpose of sustainable community

development. The Company's employees also participate in such activities including supporting the activities on a regular basis.

More details about engagement and development of community or society in 2021 are disclosed in **Section 3 "Driving Business Value through Sustainability"**.

7 Environment

7.1 Environmental Conservation

The Company prioritizes its social responsibility towards environmental conservation by running its business under environmental standards such as an effective environmental management system; ISO14001 for domestically and internationally. The Company ensures that its production process and operations are in accordance with the laws pertaining to environmental conservation. Under the concept of environmental care and awareness, the Company focuses on monitoring and developing an environmentally friendly production process, and selecting raw materials without environmental impact.

7.2 Sustainable Resource Use

The Company promotes efficient and sustainable resource use in every production and service procedure with the following guidelines;

1. Indicate, measure, record, and report the consumption of energy, water, and other significant resources;
2. Implement the resource efficiency to reduce the consumption of energy, water, and other resources, define KPIs for energy, and energy-saving campaign;
3. Determine the principles of the 3Rs for waste utilization;
4. Manage the water resource to ensure the accessibility, equity, and sharing of water resources;
5. Extend the sustainable resource use practices to business partners;
6. Build awareness among employees about sustainable resource use through communication media such as notice boards, email, intranet, etc.

Additionally, the Company also emphasizes reducing waste generated from the production process by employing the principles of green engineering, minimizing material consumption as much as necessary, with the purpose of recycling shared resources for maximum efficiency and environmental preservation and avoidance of deforestation by means of procuring an environment centric system that serves as both guideline and business management tool. For launching a campaign to promote energy efficiency, the Company promotes various energy-saving policies of cost-effective consumption of workplace consumables, such as using re-used papers, using 2-side used papers for color testing by the Technical Support Division, turning electrical appliances and air-conditioners off during break time, distributing digitalized documents (soft files) instead of hard files, emphasizing on internet-based communication, meeting, and transaction to reduce otherwise mandatory inter-departmental visits.

In 2021, there were activities, campaigns, and training courses in terms of environment and efficient and sustainable resource consumption for employees as follows:

- 1) Low Emission Support Scheme (LESS)

- 2) Going paperless with E-Payslips
- 3) The campaign “Say No to Foam Containers and Plastic Bags”
- 4) World Environment Day
- 5) Thai Environment Day
- 6) Participation in energy assessment in 2021
- 7) Reuse of 2-sided used paper

More details about compliance with such policy in 2021 are disclosed in **Section 3 “Driving Business Value through Sustainability”**.

8 Human Rights

The Company recognizes the importance of human rights and emphasizes the equitable treatment of those within and outside of the Company. The Company constantly monitors and does not let the Company's business get involved with the direct or indirect infringements of an individual's rights or freedoms e.g. forced labor and child labor. It also stresses the fair and respectful treatment of all stakeholders on the basis of human dignity, and issues of equal treatment for the Company's employees, without discrimination by the origin of birth, race, gender, age, complexion, religion, physical appearance, social status or class, genealogical history, or another status that does not directly affect work performance. Internally, the Company promotes a mechanism for the monitoring of all employees to comply with its rules on human rights, encourages the compliance with the international standards of human rights, and ensures that the business responsibility pertaining to human rights are shared by all parties involved, from affiliates, joint ventures, and business partners.

In 2021, the Company did not face any lawsuit pertaining to the violation of human rights. More details about such compliance are disclosed in **Section 3 “Driving Business Value through Sustainability”**.

9 Supervision of Compliance with Intellectual Property Laws

The Company does not conduct any operation that violates intellectual property rights by ensuring that the directors, management, and employees comply with the laws and regulations and that they are not under any circumstance complicit in, contribute to, or act in such a way that violates the laws and regulations pertaining to the intellectual property.

In 2021, the Company was not engaged in any act infringing upon the patents and/or intellectual properties.

Principle 5.3 The Board of Directors ensures that the management allocates and manages resources efficiently and effectively throughout all aspects of the value chain to enable the Company to meet the sustainable objectives and goals.

Guidelines

1. The Board of Directors has a thorough understanding of how the business model affects resources optimization in support of ethical, responsible, and overall sustainable value creation.

2. The Board of Directors ensures the Company's use and optimization of resources, considering internal and external factors to meet the Company's objectives.

The Company determines the energy consumption policy and carries on developing the energy consumption to ensure efficient energy management under ISO 50001.

More details about such compliance in 2021 are disclosed in **Section 3 “Driving Business Value through Sustainability”**.

Principle 5.4 The Board of Directors establishes a framework for the 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.

Guidelines

- 1) The Board of Directors monitors and ensures that the Company has an IT resource allocation and management policy, including IT security policy.
- 2) The Board of Directors monitors the risk management to include IT risk management.

The Company places importance on information security, so the computer system usage policy has been established and posted on the Company's intranet (TOA Intranet) for directors, management, and employees to perceive and understand such as share drive usage policy, data backup policy, data center access control policy, etc., including the Computer Crimes Act B.E. 2560 (2017) (as amended). Moreover, employees are always informed about the threats of cybercrime: spam and phishing and how to avoid those threats.

The information system is regarded as a key factor to run the Company's business in which the Risk Management Committee has assessed and monitored such risk on a regular basis. The IT Steering Committee has been appointed to monitor IT-related issues, and drive the IT governance to achieve the goals. See more details in **Section 2 “Risk Management”, Heading, “(5) IT Security and Cyber Security Risks”**.

In 2021, “TOA Digital Day – Season II” was organized for employees with many speakers from world-class technology companies; Google, Bara Advanced InfoTech, Hitachi, Microsoft, and Outsystems, to provide them with the knowledge in terms of Digital Transformation, Hyperautomation (1in9 Technology trends 2021), Lumada Solution, New Way of Work and Security, and Application for better understanding, adaptation, resilience in the world of technology.



More details about capitalizing on IT to empower and stimulate business opportunities and performance for the year 2021 are disclosed in **Section 3 “Driving Business Value through Sustainability”**.

➤ **Principle 6 Strengthen Effective Risk Management and Internal Control**

Principle 6.1 The Board of Directors ensures 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 laws and standards.

Guidelines

1. The Board of Directors is aware of and understands the nature and scope of the Company's principal and substantial risks and should approve the risk appetite of the Company.
2. The Risk Management Committee, chaired by the Chief Executive Officer, consists of the top management from every department to be responsible for determining the risk management policy to propose to the Audit Committee for approval. Moreover, risk management shall be reviewed at least once a year.
3. The Risk Management Committee assesses the Company's principal and substantial risks that are identified through consideration of internal and external factors that may cause the Company to not be able to achieve its objectives.
4. The Risk Management Committee ensures that the Company assesses and prioritizes the impact and likelihood of identified risks, and that suitable risk management is included in the Company's risk management plans, which are divided as strategic risk, operational risk, financial risk, and legal and compliance risk.
5. Risk Management Committee reports the status of the risk management plan to the Audit Committee for assessing the effectiveness of the risk management, regularly report to the Audit Committee, and the Board of Directors at least once a year.

In 2021, more details about such principles are disclosed in **Section 2 "Risk Management"**, and **Section 8 "Internal Control and Related Party Transactions"**.

Principle 6.2 The Board of Directors establishes the Audit Committee that can act effectively and independently.

Guidelines

1. The Board of Directors establishes the Audit Committee that comprises 3 directors with required qualifications in line with the Securities and Exchange Commission and Stock Exchange of Thailand and clearly sets out in writing the Audit Committee's charter that includes the tenure, scope of duties, and responsibilities.
2. The Audit Committee shall hold a meeting with the external auditor without the presence of the management at least once a year.

In 2021, the Audit Committee held 1 meeting with the external auditors without the presence of the management at the Audit Committee's Meeting No. 2/2022 on February 24, 2022.

Principle 6.3 The Board of Directors manages and monitors the conflicts of interest that might occur between the Company, management, or shareholders. The Board of Directors should also prevent the inappropriate use of corporate assets, information, and opportunities, including preventing inappropriate transactions with related parties.

Guidelines

1. The Board of Directors establishes the policy on internal use of information, disclosure policy, and corporate governance policy, including code of conduct in order to monitor the information security, protect confidentiality, integrity, and availability of business information, as well as market-sensitive information. The Board of Directors monitors the implementation of the information security policies and procedures and the adherence to confidentiality requirements by insiders, including directors, management, employees, and professional advisers. Such policies can be found on the Company's website.
2. The Board of Directors monitors and discloses the conflict-of-interest situations and transactions in compliance with applicable laws and standards.
3. The Board of Directors sets requirements for all directors to report conflicts of interest in relation to any meeting agenda item at least before consideration of the matter at the meeting and record the reported conflict of interest in the meeting minutes. The Board of Directors also ensures that all directors who have a conflict of interest in relation to an agenda item abstain from being present for discussion of or voting on that agenda item.

In 2021, directors and executives at the first 4 high-ranking executive levels under the definitions as defined by the SEC did not trade their securities by using insider information. The transactions which may cause the conflict of interest are disclosed in **Section 8 "Internal Control and Related Party Transactions"**. Such transactions have been considered and approved by the meeting of the Board of Directors/shareholders, and the directors with a vested interest, according to the relevant regulations, had no right to vote for such matter.

Principle 6.4 The Board of Directors establishes a clear anti-corruption policy and practices, including communication, and strives to extend its anti-corruption efforts to stakeholders.

Guidelines

1. The Board of Directors establishes the anti-corruption policy to be a part of the code of conduct, which the directors, management, and employees must comply with strictly, including ensuring the company-wide awareness and implementation of the Company's anti-corruption policy and practices, and compliance with applicable laws and standards with the following details:

The Company conducts its business with transparency, recognizes the importance of anti-corruption in all forms, complies with applicable laws, and brings benefit to the society, as well as promotes integrity and good citizen among its employees.

The Company determines the anti-corruption policy as a clear guideline to prevent and resist the corruption problems in the Company. The anti-corruption is adhered to the organizational culture to enhance the awareness of

the negative impact of the corruption in order to drive the ethical value and build the confidence of all the stakeholders, and to ensure that the anti-corruption is effectively put in place with the following guidelines.

1. The directors, management, employees at all levels must not act or ignore their performing duties, or misuse their authority, violate the applicable laws and ethics, including doing any act or being involved with all forms of corruption both directly and indirectly, not seeking inappropriate benefit in any form such as to call for, accept, offer, or give any asset including any benefit to state officers or other individual doing business with the Company, and so on.
2. Determine the guidelines pertaining to giving, receiving gifts, or entertainment to be included in the Company's code of conduct. The employees must not offer, call for, receive, or accept money, non-monetary items, business hospitalities (such as meals and entertainment), or other benefits which may cause suspicion of bribery and fraud. Gifts, non-cash, or cash equivalent, should be given on a rational basis, not causing confusion in business judgment. It should be aware that any acts must be subject to transparency, and auditable.
3. Determine a regulation pertaining to procurement, the purpose of a transaction, advance payment, or any contract, to ensure that there is clear supporting evidence for each process, including the delegation of authority should be properly defined.
4. Communicate the anti-corruption policy to each department of the Company through various channels such as training, internal communication system to inform all related parties to comply with, etc.
5. Define the whistleblowing channel by promoting various communication channels for employees and related parties to be able to inform any suspicion or wrongdoing. Thus, effective measures to protect whistleblowers must be established, including strictly protecting their identity to avoid unfair punishment or job rotation, as well as appointing an individual to investigate and oversee the whistleblowing issues.
6. Develop and stay up-to-date on the anti-corruption measures to be in compliance with relevant laws as well as ethical practices, and ensure that the risk assessment of related activities or likelihood of any potential fraud and corruption risks together with the proper preventive measures are put in place, which should be communicated within the organization on a regular basis.
7. In the event that directors, management, and employees do any act, both directly and indirectly, that violates or is in non-compliance with this policy, they shall be punished according to the Company's regulations or applicable laws.

Thus, the Company's personnel must understand and comply with the anti-corruption policy in all working procedures. If any wrongdoing against this policy is found, it must be immediately reported to one's supervisor or department/individual who is delegated for this matter.

Principle 6.5 The Board of Directors establishes a mechanism for handling complaints and whistleblowing.

Guidelines

1. The Board of Directors ensures that the Company has a clear whistleblowing policy which includes procedures, and proper whistleblower protection from retaliation as a result of their good faith whistleblowing activities, and ensures that the availability of convenient complaint channels is set up for stakeholders to freely communicate their concerns about illegal or unethical practices or potential corruption or unethical behavior as well as human rights violation and other concerns to the Board of Directors directly as follows;

Channel 1: via e-mail to one of the following committees:

Channels	E-Mail
Board of Directors	directors@toagroup.com
Audit Committee	auditcommittee@toagroup.com

Channel 2: by post addressing one of the committees at the following address: TOA Paint (Thailand) Public Company Limited: 31/2 Moo 3, Bangna-Trad Road, Bang Sao Thong, Samut Prakarn 10570.

2. The head of internal audit is responsible for receiving and collecting whistleblowing issues and carries out in line with the whistleblowing policy, and then reports to the Audit Committee and the Board of Directors respectively for further consideration and approval.
3. The Company has a clear whistleblowing channel for reporting suspected wrongdoing through the Company's website or annual report.

In 2021, the Company strictly followed the policy. The Company received 7 whistleblowing issues from the channel which the internal audit division gathered information and coordinated with the responsible persons to assess, examine, and investigate such issues according to the complaint or whistleblowing process. According to the investigation, it was found that the issues did not fall within the scope of significantly wrongful acts or did not come across any irregularity in terms of complaint about requesting, or receiving, or giving gifts, rewards leading to the influence on a business decision, or corrupt and fraud conduct, and failure to comply with the code of conduct. Besides, the internal audit division coordinated with executives of relevant departments and developed working procedures and internal control based on received whistleblowing issues for better improvement and preventing recurring problems with the root cause.

In 2021, there were 7 issues filed which are summarized as follows:

Whistleblowing issues	Report	Investigation	Completion
1.Inquiry about a product	1	1	1
2.Working procedures	4	4	4
3.Issues regarding third parties	2	2	2

See more details in **Section 3 “Driving Business Value through Sustainability”**, Heading **“Anti-Corruption”**.



Principle 7 Ensure Disclosure and Financial Integrity

Principle 7.1 The Board of Directors ensures 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.

Guidelines

1. The Board of Directors ensures that any related person, including Chief Financial Officer, Internal Auditor, Company Secretary, and Investor Relations Officer, involved in the preparation and disclosure of any information of the Company have relevant knowledge, skills, and experience, and that sufficient resources, including staffing, are allocated.
2. When approving periodic financial disclosures, the Board of Directors should consider all relevant factors, including:
 - The adequacy of the internal control system,
 - The external auditor's opinions and observations,
 - The Audit Committee's opinions,
 - Consistency with the Company's objectives, strategies, and policies.
3. The Board of Directors has a mechanism that ensures the accuracy, clarity, and sufficiency of information disclosed to investors for their decision-making, both positive and negative impacts on the Company for financial and non-financial information in accordance with the regulations of the Securities and Exchange Commission, and the Stock Exchange of Thailand, and other relevant information with accuracy, accountability, credibility, and in a timely manner for shareholders and stakeholders to receive information equally.
4. The Board of Directors provides a summary of the Company's corporate governance policy, code of conduct, risk management policy, and corporate social responsibility policy, together with steps taken to implement such policies and identification of and reasons for each case of non-compliance through various channels, e.g., the Company's annual report and website, etc.
5. The Board of Directors presents its report of the Board of Directors' responsibilities for financial statements alongside the auditor's report to be disclosed in the annual report.
6. Encourage the Company to prepare a management discussion and analysis (MD&A) for quarterly and annual financial statements, in order to provide to investors more complete and accurate information about the Company's true financial status, performance, and circumstances, other than figures in the financial statements.
7. Ensure the disclosure of audit and non-audit fees.
8. Ensure that the roles and responsibilities of the Board of Directors and sub-committees, together with the number of meetings held, the attendance record of each director in the previous year, opinions of their performance, including ongoing professional education or training of the directors to be disclosed in the annual report.
9. Disclosure of the remuneration policy of the directors and top management reflecting their individual roles and responsibilities, including the compensation types. Thus, the amount of the remuneration, including the pay per each director serving as a director of its subsidiaries should be disclosed.
10. The Company discloses information as specified by the regulations through the channel of the Stock Exchange of Thailand, and annual registration statements/ annual report (56-1 One Report). The Board of Directors shall consider disclosing information via other channels, such as the Company's website, and keep such information updated on a regular basis.

11. The directors and management of the Company must report to the Company their own interests or those of related persons, which are related to the business operation of the Company or its subsidiaries in accordance with the rules and procedures prescribed by the Capital Market Supervisory Board. Such report must be updated and informed to the Company within 30 days from the date of the change of their interest, which is included in the meeting agenda of the Board of Directors for acknowledgment on a quarterly basis.
12. The Board of Directors determines the policy for the directors and management to inform the Board of Directors and company secretary of purchasing, trading, transferring, and/or obtaining securities of the Company, including derivatives¹ and convertibles², in writing at least 1 day prior to conducting the securities' trading.
13. All directors must submit their report on shareholding of the Company's securities, including derivatives and convertibles, and those of related parties in accordance with Section 59 of the Securities and Exchange Act B.E. 2535 (1992), and relevant regulations to the company secretary before submitting to the Securities and Exchange Commission as required by applicable laws. The company secretary is responsible for summarizing the report of the securities changes and reports to the Board of Directors for acknowledgment every 6 months. In this regard, the Company shall disclose the changes in shareholding of the securities, derivatives, and convertibles of the directors and top management by showing the holding levels at the beginning and at the end of the year together with the aggregate changes during the year in the annual report.
14. All directors ensure the accuracy and completeness of their information disclosed by the Company, including shareholders' information or any shareholders' agreement (if any).

Principle 7.2 The Board of Directors monitors the Company's financial liquidity and solvency.

Guidelines

1. The Board of Directors ensures that the management regularly monitors, evaluates, and reports on the Company's financial status. The Board of Directors and the management should ensure that any threats to the Company's financial liquidity and solvency are promptly addressed and remedied.
2. The Board of Directors should ensure that it does not consciously approve any transactions or propose any transactions for shareholder approval which could negatively affect business continuity, financial liquidity, and solvency.

¹ "derivatives" means derivatives under the Law on Derivatives, having all of the following characteristics:

(¹) specifying that the counterparty shall gain returns based on the price or the returns from shares issued by the Company;

(²) traded on a licensed derivatives exchange under the Law on Derivatives.

² "convertibles" means securities subject to any of the following rules and conditions;

(¹) debt repayment may be converted into settlement of shares issued by the Company;

(²) the securities holder shall have the right to buy shares issued by the Company;

(³) the right to gain returns shall be based on the price or the returns from shares issued by the Company.

Principle 7.3 The Board of Directors ensures 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.

Guidelines

1. In the event of financial difficulties, the Board of Directors shall enhance monitoring of the affairs of the Company, and duly consider the Company's financial position and disclosure obligations.
2. The Board of Directors ensures that the Company has sound financial mitigation plans and that any actions to improve the Company's financial position are reasonable and made for a proper purpose in consideration of the stakeholder rights including creditor rights.

The Company has a strong financial position and high liquidity, so the management team considers investing in line with the investment and business expansion policy, including financial management policy endorsed by the Board of Directors to establish a strategy in the financial management to ensure the security and strength in return on investment in consideration of liquidity and significant risks under normal circumstances and crisis. Executives must report the performance to the Board of Directors every quarter including monitoring the investment in business expansion subject to the annual budget, the current economic conditions, and investment trends.

Principle 7.4 The Board of Directors ensures sustainability reporting, as appropriate.

Guidelines

1. The Board of Directors considers and reports data on the Company's compliance and ethical performance, anti-corruption performance, its treatment of employees and other stakeholders, including fair treatment and respect for human rights, and social and environmental responsibilities, which reflects material corporate practices that support sustainable value creation. The sustainability reporting shall meet the domestic and international standards.

Such report is disclosed in **Section 3 "Driving Business Value through Sustainability"**.

Principle 7.5 The Board of Directors ensures the establishment of a dedicated Investor Relations function responsible for regular, effective, and fair communication with shareholders and other stakeholders.

Guidelines

1. The Board of Directors establishes the disclosure of information policy, and inside information policy as guidelines for the disclosure obligations and to ensure that all information relevant and material to third parties is disclosed in an appropriate, equal, and timely manner, using appropriate channels while protecting the Company's sensitive and confidential information. The Board of Directors ensures the creation of an Investor Relations function responsible for communication with external parties and ensures the company-wide communication and implementation of the Company's communication and disclosure policy.
2. Establish the Investor Relations department to communicate with investors or shareholders. The Company shall disclose its information, financial and general information to inform shareholders,

securities analysts, and related parties through convenient, timely, and accessible channels. Such parties shall be given an opportunity to meet the Company's management as appropriate in consideration of public disclosure of information. The roles and responsibilities of the investor relations department are defined in the IR code of conduct.

The Investor Relations Department ("IR") is the center of public communication and disclosure of information of the Company to prudently disclose information, which is significant and necessary for investment decision-making and analysis for investors in the Stock Exchange of Thailand. IR, under the supervision of the Chief Executive Officer, places high importance on building and maintaining the investors' confidence and understanding of accurate information relating to the Company's business and performance reflecting its true value creation. Thus, the Board of Directors has defined the IR's disclosure of information policy in order to ensure that the Company is committed to disclosing information in compliance with the good corporate governance principles with accurate, complete, and timely communications, relevant laws, and regulations, taking into account the equitable treatment to all shareholders and stakeholders, including the public for promoting and maintaining a sense of integrity and trustworthiness on the Company's information. The disclosure of information policy is as follows:

Disclosure of Information Policy

Information Disclosure Standards

1. Regarding the material information, which is not publicly available, the Company must be aware of disclosing information with due care, accuracy, completeness, and in a timely manner, and ensures that investors are notified of the Company's adequate information in an equitable and timely manner. The Company's information can be accessed through its website.
2. The Company shall prudently disclose its information pertaining to forecasting business and trends, business direction, including future operating performance, which must be disclosed with more details, explanations, or assumptions to support such forecast.
3. Disclosing information to the public must be carried out with accuracy, completeness, and clarity, to avoid misunderstanding or misinterpretation.
4. For other information regarded as insignificant, the Company shall disclose it based on truth, without misleading the understanding of facts pertaining to financial position, operating performance, and expression of any comment or guidance on the share prices.
5. When disclosing information, the Company may face an impact on business or competitiveness or may not comply with any agreement binding the Company as a party, the Company prudently disclose information on cost, market share, and specifications.

Material Insider Information Management

1. Do not disclose or inform the confidential or inside information to any party before disclosing information to the public through the channel of the Stock Exchange of Thailand.
2. Refrain from organizing meetings or providing information to investors and analysts for 1 month (Silent Period) prior to the public announcement of the Company's operating performance.

3. Directors, management, and employees including those who are assumed as a person knowing or possessing the Company's inside information are prohibited from purchasing, selling, trading, or persuading any person to purchase, sell, or trade the Company's securities, both directly and indirectly, during the period of 1 month prior to disclosing such information to the public, and at least 24 hours after the general publication of the release has been adequately disseminated.
4. Chief Executive Officer, President, and Chief Financial Officer are designated persons as speakers of the Company to provide information of the Company and its subsidiaries to mass media, analysts, and investors.

In order to establish and maintain accurate, complete, and timely communications with investors, the Company defines material information requiring disclosure for investment decision-making for both quarterly and annual reports as follows:

Quarterly Report	Annual Report
Quarterly financial statements	Annual financial statements
Management Discussion and Analysis (MD&A)	Management Discussion and Analysis (MD&A)
Corporate Presentation and Financial Information	Form 56-1 One Report

In addition to the disclosure of information through the channel of the Stock Exchange of Thailand, IR promotes various accessible and convenient channels to achieve clarity in business communication for the Company's information towards each group of shareholders and investors. All information disclosed to various channels must be public information in accordance with the notifications of the Stock Exchange of Thailand. The Company's disclosure channels are as follows:

Disclosure Channels
1. Company's website (https://investor.toagroup.com/en/home)
2. Company visit, conference call, and analyst meeting
3. Domestic and abroad roadshows
4. Public release such as newspaper, magazine, television, radio, Company's papers, or print media, etc.
5. Opportunity day

In 2021, due to the spike in Covid-19 cases and health concerns for related parties, IR had put importance on disclosing and communicating strategies and material information to investors and analysts through conference calls and online meeting platforms mostly. Such activities had been greatly supported by the top management of the Company; Chief Executive Officer and Chief Financial Officer. The top management allocated their time to participate in the IR's activities in order to communicate a business direction to local and foreign investors on a regular basis, which can be summarized as follows:

Activities on informing operating performance				
Activities	Amount	Objectives	Attendee	Management's Attendance
Annual General Meeting and Extraordinary General Meeting of Shareholders	2	Informing annual operating performance, proposing agendas for acknowledgment and approval according to laws.	Shareholders	Board of Directors/ Audit Committee/ Chief Executive Officer/ Chief Financial Officer/ IR
Analyst Meetings	4	Informing quarterly operating performance.	Analysts	Chief Executive Officer/ Chief Financial Officer/

Activities on informing operating performance				
Activities	Amount	Objectives	Attendee	Management's Attendance
				IR
Opportunity Days	3	Informing quarterly operating performance.	Analysts, investors	Chief Executive Officer/ Chief Financial Officer/ IR
Company visits and conference calls	18	Opportunity to meet, answer and explain the Company's business direction, performance, and strategies.	Analysts, minor investors, domestic and foreign institutional investors	Chief Executive Officer/ Chief Financial Officer/ IR
Roadshows/ virtual roadshows	4	Presenting overall business operation, business direction, and strategies.	domestic and foreign institutional investors	Chief Executive Officer/ Chief Financial Officer/ IR

Press conference on business direction

- Press conference on a new innovative, healthy and eco-friendly product together with the 2022 business goal, service, and business model to offer "Total Solution", which was held on December 2, 2021, at Samyan Mitrtown.



Shareholders and investors can contact IR officers directly through the telephone number 0-2335-5555 ext. 5875 or 1520, and e-mail: ir@toagroup.com.

Principle 7.6 The Board of Directors ensures the effective use by the Company of information technology in disseminating information.

Guidelines

- 1) The Board of Directors promotes the disclosure of information in both Thai and English through the Company's website at www.toagroup.com, other than the disclosure of information through the Stock Exchange of Thailand's channel.

Regarding the Board of Directors' Meeting No. 6/2018 on July 23, 2018, there was a resolution to approve the disclosure of information practices to ensure that the Company complies with the disclosure of information principles and prevention of inside information which may impact the share prices before disclosing to the public, which must be conducted in line with the legal requirements and guidelines of SEC and SET, including the good corporate governance principles to ensure the disclosure and financial integrity through the SET's channels, and Company's website.



Principle 8 Ensure Engagement and Communication with Shareholders

Principle 8.1 The Board of Directors ensures that shareholders have the opportunity to participate effectively in decision-making involving significant corporate matters.

Principle 8.2 The Board of Directors ensures that the shareholders' meetings are held as scheduled and conducted properly, with transparency and efficiency, and ensures inclusive and equitable treatment of all shareholders and their ability to exercise their rights.

Principle 8.3 The Board of Directors ensures accurate, timely, and complete disclosure of shareholder resolutions and preparation of the minutes of the shareholders' meetings.

Guidelines

1. Right of Shareholders

The right of shareholders is highly prioritized not only for the right prescribed by applicable laws. The Company shall not conduct any act that violates or deprives the shareholder rights but shall encourage the shareholders to exercise their rights. The basic right of shareholders includes the right to buy, sell and transfer stocks, profit sharing, to acquire adequate information of the Company, to attend the shareholder meetings to vote for appointment or removal of the directors, auditors, to approve important transactions influencing and impacting the Company's business direction, such as dividend payout, determination or amendment of the Company's Articles of Association and Memorandum of Association, increase or decrease of capital, including approval on special issues, and so on.

Apart from the aforementioned basic right of shareholders, the Company also encourages and facilitates the shareholders to exercise their right by:

1.1 Prior to the Shareholder Meeting Date

- 1) The Board of Directors ensures that significant matters that may impact the Company's business direction are included in the agenda for the shareholders' meeting.
- 2) The Company shall inform the shareholders of information, date, time, venue, and agenda items for the shareholders' meeting, including purposes, reasons, and opinions of the Board of Directors in each agenda item, as well as all relevant information for decision-making.
- 3) The Company determines a policy pertaining to facilitate shareholders and institutional investors to exercise their right to attend and vote in the shareholders' meeting. The shareholders' meeting shall hold in the Bangkok metropolis area or the meeting room of the Company. Moreover, the transportation service is provided as deemed appropriate to facilitate the shareholders, and a revenue stamp for affixing on the proxy form is also provided for proxies.
- 4) Shareholders are allowed to submit questions prior to the meeting date not less than 10 days in accordance with the Company's criteria. Shareholders are also informed through the channel of the Stock Exchange of Thailand, and the criteria and process for shareholders to submit questions are posted on the Company's website at www.toagroup.com.
- 5) The Board of Directors encourages the use of proxy forms on which shareholders are able to specify their votes and appoint at least 1 independent director as their proxy.

1.2 On the Day of Shareholders' Meeting

- 1) Sufficient staffing and technology are allocated in order to run the meeting timely, accurately, and precisely.
- 2) The Chairman of the Board of Directors or the Chairman of the shareholders' meeting oversees the meeting in compliance with applicable legal requirements and the Company's Articles of Association, allocating sufficient time for consideration and debate of agenda items, and providing an opportunity to all shareholders who wish to share their opinions or ask questions related to the Company.
- 3) Directors, top management, company secretary, and auditors should attend the meeting to meet shareholders and answer questions from shareholders on company-related matters.
- 4) The Company promotes the appointment of an independent party as an inspector to count or validate votes at an annual general meeting or an extraordinary general meeting, which shall be disclosed at the meeting and recorded in the minutes of the meeting.
- 5) The attending shareholders should be informed of the number and the proportion of shareholders and shares represented at the meeting in person and through proxies, the meeting method, and the voting and vote counting methods before the start of the meeting.
- 6) There should not be any bundling of several items into the same resolution. For example, the appointment of each director should be voted on and recorded as a separate resolution.
- 7) For promoting transparency and future reference, the Company encourages the use of voting cards for important agenda items such as related party transactions, acquisitions, or disposal of assets, etc.
- 8) The Company shall allocate sufficient time and provide an opportunity to all shareholders who wish to share their opinions or ask questions related to the Company.
- 9) The Board of Directors ensures that the Company discloses the results of voting on proposed resolutions at the shareholders' meeting through the channel of the Stock Exchange of Thailand and the Company's website within the next business day.
- 10) The Company shall promptly prepare the effective minutes of the shareholders' meeting, including at least the following information:
 - attendance of directors, management, the proportion of attending directors, and director who is absent at the meeting;
 - voting and vote counting methods by informing shareholders before the start of the meeting;
 - questions asked and answers provided during the meeting, which is given to shareholders to ask in each agenda item;

- clear meeting resolutions, and voting results (“for”, “against”, and “abstain”) for each proposed agenda that requires voting; and
- Names of Directors and management who attend the meeting.

- 11) The minutes of the shareholders’ meeting are submitted to the Stock Exchange of Thailand and disclosed on the Company’s website at www.toagroup.com within 14 days from the shareholders’ meeting date.

2. Equitable Treatment of Shareholders

The Company is committed to establishing equality among all groups of shareholders including shareholders who are management, non-executive, major, minor, and foreigner. All of them should be treated fairly and equally.

Guidelines

2.1 Information announced to shareholders prior to the meeting date

- 1) The Board of Directors ensures that the notice of the shareholders’ meeting is accurate, complete, and sufficiently in advance for the shareholders to exercise their rights.
- 2) The Company shall arrange for the notice of the shareholders’ meeting that includes agenda items and the Board of Directors’ opinions to be disclosed on the Stock Exchange of Thailand and Company’s website both in Thai and English at least 30 days before the meeting date.
- 3) The Company shall submit the notice of the shareholders’ meeting to Thailand Securities Depository Company Limited, a registrar of the Company, in order to send the notice and related document to all shareholders at least 7 days before the meeting date or 14 days in case of the proposal for approving important transactions such as allocating stock options for director and employee stock option plan (ESOP), related party transactions, acquisition or disposal of assets, etc.
- 4) Shareholders shall be informed about relevant regulations pertaining to the meeting, voting procedures, including voting right for each type of stock.

2.2 Right of Minority Shareholders

- 1) The Company establishes the criteria that allow shareholders to propose agenda items for shareholders’ meetings with details posted on the Company’s website at www.toagroup.com. The shareholders can propose agenda items from October to December of every year. If the Board of Directors rejects a proposal, the reasons should be given at the meeting.
- 2) The shareholders are given an opportunity to nominate persons to serve as directors of the Company according to the Company’s criteria. Such details shall be posted on the Company’s website at www.toagroup.com. The shareholders can nominate persons from October to December of every year.
- 3) The Company shall not add agenda items or change significant information without prior notice to the shareholders.

- 4) With regard to transparency and auditability, the Board of Directors gives the shareholders an opportunity to exercise their right for appointing each director, and use voting cards for “approval”, “disapproval” and “abstention”.
- 5) The Company determines the voting right of shareholders in line with the number of shares they hold.

2.3 Use of Insider Information

The Company determines a policy pertaining to the use of insider information, and disclosure of information, establishing guidelines and measures for every person in the organization to comply with. The Company also regularly monitors compliance to prevent directors, management, and employees from using insider information for self-benefit or others in an illegal way. Directors and management must report their shareholding to the company secretary every time they purchase, sell, transfer, and obtain securities in order to summarize and report to the Board of Directors for acknowledgment every 6 months, as well as disclose in the annual report.

Internal Information Policy

- (1) The Company ensures that the directors and management are informed of their duty to prepare and submit a report regarding the securities and derivatives of the Company they hold, and those of their related persons; that is, spouse or reputed spouse, minor child, and any juristic person in which the directors and management, their spouse, or reputed spouse, and minor child hold shares more than 30% of the total voting rights, to the SEC in compliance with Section 59, and the penal provision under Section 275 of the Securities and Exchange Act. The above-mentioned persons also have the duty to report their acquisition or disposal of the securities of the Company in compliance with Section 246, and the penal provision under Section 298 of the Securities and Exchange Act.
- (2) The Company requires that the directors and management prepare and submit a report regarding the securities and derivatives (under Section 59) of the Company they hold, and those of their related persons; that is, spouse, or reputed spouse, minor child, and any juristic person in which the directors and management, their spouse, or reputed spouse, and minor child hold shares more than 30% of the total voting rights, filling the securities holding form, to the company secretary prior to submitting to the SEC every time any changes occur. Every 6 months, the company secretary prepares a summary of the securities holding and changes of securities holding to report to the Board of Directors for acknowledgment.
- (3) The Company requires that the directors, management, and employees holding an management position at the division manager level and above in the Finance and Account Division, and all relevant persons who are assumed to know or possess inside information under the Securities and Exchange Act, or are aware of material inside information that will affect the price or value of the securities, be prohibited from trading, making trade offers to trade the securities, derivatives, and convertibles which depends upon the value of the underlying stock of the Company, soliciting others to trade or make trade offers to trade the securities of the Company

(whether directly or indirectly), during the period prior to the disclosure of the Company's financial statements or information relating to its financial position and status to the public, or the embargo period, being the one month period prior to and including the date on which the Company discloses the operating and financial performance on a quarterly and annual basis. The Company shall inform the directors and executives by notice in writing to suspend trading of the Company's securities at least one month prior to the disclosure of the information to the public and to wait at least 24 hours after the information is disclosed to the public to resume trading. Directors and management are prohibited from disclosing any material inside information to third parties.

- (4) The Company prohibits the directors, management, and employees of the Company and its subsidiaries, as well as other persons who are assumed to know or possess inside information under the Securities and Exchange Act (the "Insiders") from using, whether directly or indirectly, the inside information of the Company and its subsidiaries, which has or may have an impact on the price of the Company's securities and which has not yet been disclosed to the public but was made known to them ("Non-Public Information"), for making trade offers to trade the securities, derivatives, and convertibles which depends upon the value of the underlying stock of the Company, or soliciting others to trade or make trade offers to trade the securities of the Company (whether directly or indirectly). This prohibition shall apply regardless of whether such action is taken for an Insider's personal gain or for the benefit of others. Insiders shall not disclose any Non-Public Information for the purpose of having third parties commit the same acts, regardless of whether or not they gain benefits in return.
- (5) The Company imposes on current and former directors, management, and employees of the Company and its subsidiaries to maintain the confidentiality of all secrets and/or inside information of the Company, its subsidiaries, its business partners, and their subsidiaries, which they have known in the course of their performing duties. The secrets and/or inside information of the Company, its subsidiaries, and its business partners and their subsidiaries shall not be used for the benefit of other companies, and third parties even if the disclosure thereof will not have an adverse impact on the Company, its subsidiaries, or its business partners and their subsidiaries.
- (6) The directors, management, and employees of the Company and its subsidiaries shall not abuse their authority in the Company and its subsidiaries or use any inside knowledge or other information which was made known to them or which they have come to know in the course of their performing duties for the Company and/or its subsidiaries, and which has not been disclosed to the public, to illegally seek benefits, or disclose such inside knowledge or other information to third parties for their personal gain or for the benefit of others, whether directly or indirectly, regardless of whether or not they gain benefits in return.

- (7) The Company imposes on the directors, management, and employees of the Company and its subsidiaries a duty to comply with the guidelines for the use of inside information prescribed by the Securities and Exchange Act and all other relevant rules and regulations.
- (8) Disciplinary measures have been established and disciplinary action including written warnings, deduction of wages, suspension of work without pay, or termination of employment will be taken against management and relevant employees who use inside information in order to seek personal gain. The type of disciplinary action warranted shall be based on the nature and seriousness of the prohibited act.

The company secretary reported the 2021 shareholding of the directors and executives (as defined by the SEC) to the Board of Directors' Meeting totaling 2 times: (1) the Board of Directors' Meeting No. 6/2021 on August 13, 2021, and (2) the Board of Directors' Meeting No. 1/2022 on January 25, 2022. Consequently, there was no change in their shareholding in the previous year. (More details can be seen in **Attachment 1 "Information of Directors, Management Team, Controlling Persons, CFO, Person Supervising Accounting, and Company Secretary, Heading "Changes in TOA Shares Held by Directors and Management Team in 2021"**).

2.4 Interests of Directors

- 1) Directors and management must report their interests and those of their related persons to the Board of Directors for considering the Company's transactions that may cause the conflicts of interest, and for the best interest of the Company. Thus, directors and management who have an interest involved with the transactions of the Company shall not participate in decision-making on that matter according to the procedures or measures of the Company's related party transactions to ensure that such transactions are conducted with fair market price and at arm's length.
- 2) The Board of Directors determines guidelines for considering an agenda item involved with a director who has an interest. Such director shall be absent in the meeting, except the Chairman of the meeting allows the director to be present at the meeting to provide information and have no right to vote on that agenda item.
- 3) The Board of Directors determines the policy on securities trading, and reporting procedures for directors, management, and employees involved with inside information to comply with. Directors and management who hold management positions as specified by the regulations of the Securities and Exchange Commission, and the Stock Exchange of Thailand must report their securities holding to the Board of Directors.

Thus, the Board of Directors determines the policy for the directors and management team to inform the Board of Directors and company secretary of purchasing, trading, transferring, and/or obtaining securities of the Company, including derivatives³ and convertibles⁴, in writing at least 1 day prior conducting the securities' trading.

³ "derivatives" means derivatives under the Law on Derivatives, having all of the following characteristics:

(1) specifying that the counterparty shall gain returns based on the price or the returns from shares issued by the Company;

(2) traded on a licensed derivatives exchange under the Law on Derivatives.

⁴ "convertibles" means securities subject to any of the following rules and conditions;

The Company always emphasizes the importance of shareholder engagement. In 2021, the Company held its annual general meeting of shareholders in line with the Assessment Project of Annual General Meeting of Shareholders (AGM Checklist) by Thai Investors Association, Thai Listed Companies Association, and SEC, as well as in compliance with Covid-19 restrictions of the Centers for Disease Control, Ministry of Public Health as follows:



- The Annual General Meeting of Shareholders was held on April 23, 2021, at 09.30 hrs. at Renaissance Bangkok Ratchaprasong Hotel. For the convenience of attending the meeting, the Company informed the shareholders in the notice about the hotel's map with transportation lines such as routes and BTS stations. Moreover, the Company asked shareholders' cooperation to strictly comply with the Covid-19 restrictions of the Centers for Disease Control, Ministry of Public Health to prevent the risks of such infections. Shareholders were already informed of the restrictions through the website of SET and Company, as well as in the AGM notice.
- The minority shareholders were given an opportunity to propose a meeting agenda and nominate a candidate to serve as a director prior to the meeting date for 2021, during the period of October 1, 2020 – December 31, 2020, by posting the criteria and process on the Company's website, together with the channel of the Stock Exchange of Thailand. Nevertheless, there was neither shareholder proposing any meeting agenda nor nominating any candidate to serve as a director during the specified period, which was also informed to the shareholders of such result through the same channels on January 4, 2021.
- Shareholders were notified of the Board of Directors' resolution to determine the date of the shareholders' meeting for 57 days prior to the meeting date on February 25, 2021, through the channel of the Stock Exchange of Thailand and the Company's website at www.toagroup.com, so as to enable the shareholders to set aside time for attending the meeting.
- The notice together with all relevant documents such as the annual report in both Thai and English, which the shareholders received the same document. The AGM-related documents were released on the Company's website on March 23, 2021, 31 days prior to the meeting date to provide the shareholders with easily accessible channels and sufficient time to consider the agenda items.
- The document sent out to the shareholders consisted of the notice providing details on the rationale for each meeting agenda, together with related opinions by the Board of Directors and the document in support of the voting decision by the shareholders for each meeting agenda. Furthermore, the document also included the annual report, profile of the persons nominated as directors replacing those due to retirement upon term completion, the definition of independent directors, the profiles of independent directors proposed as proxies by the shareholders, the document and evidence required for the shareholders to present at the meeting, Company's Articles of Association regarding the shareholders' meeting, the map of the meeting venue, the registration form, and the proxy form A, form B, and form C.

⁽¹⁾ debt repayment may be converted into settlement of shares issued by the Company;

⁽²⁾ the securities holder shall have the right to buy shares issued by the Company;

⁽³⁾ the right to gain returns shall be based on the price or the returns from shares issued by the Company.

- The notice was sent to the shareholders on April 1, 2021, 22 days prior to the meeting date, more than the legal requirements to send the notice to shareholders.
- The Company also posted the announcement notifying the notice to the shareholders in the newspapers for 3 consecutive days, 23 days prior to the meeting date, during March 31 – April 2, 2021.
- For the registration of the meeting, the Company provided sufficient staffing and proper technology in order to facilitate the checking process of the meeting document for more than 1 hour before the meeting started. Furthermore, the registration process was conducted by the barcode system. The registration number of each shareholder will be printed on the registration form and proxy form to speed up the registration process. The Company applied the registration and voting system of OJ International Company Limited.
- For the shareholders' meeting in 2021, 8 directors attended the meeting presented as 89% of the entire board, including all sub-committees. In addition, the meeting was also attended by the top management, as well as the Company's auditors from PricewaterhouseCoopers ABAS Ltd., so as to provide shareholders with the opportunity to ask questions related to the meeting agenda. The Company also invited a representative from Weerawong, Chinnavat & Partners Limited to act as an inspector of vote counting in each agenda, and also invited 2 shareholders to be the witness of the vote counting; however, there was no volunteer shareholder. Mr. Sakol Sukwanichvichai, a representative from the Thai Investors Association, volunteered to act as such witness, to ensure that the meeting was conducted with transparency, legal requirements, and the Company's Articles of Association.
- Before the meeting started, the company secretary informed the shareholders of the meeting quorum, the voting and vote-counting methods for each meeting agenda according to the applicable laws, and the Company's Articles of Association. In the case where some shareholders joined the meeting after the meeting already started, the Company still allowed the shareholders to vote for the remaining agenda that was not yet considered and voted upon by including them as the meeting quorum.
- During the meeting, The Chairman proceeded with the meeting agenda in such order earlier set forth in the notice without adding any agenda or altering any significant information without prior notice to the shareholders, while allowing equal opportunity for all shareholders to ask questions, comment, or express suggestions for each meeting agenda.
- The resolutions of the shareholders' meeting together with the results of voting on each agenda, both in Thai and English, were disclosed on the channel of the Stock Exchange of Thailand on the meeting day. The Company also prepared the minutes of the meeting with accurate and complete information, voting results ("for", "against", and "abstain", and "void" (if any)) for each meeting agenda (in 2021, there was no void ballot). The minutes of the meeting were submitted to the Stock Exchange of Thailand, and the Securities and Exchange Commission within 14 days subsequent to the meeting, and disclosed on the Company's website, in both Thai and English.
- The video meeting was recorded and posted on the Company's website for shareholders who would like to watch.

In 2021, the Company prepared the evaluation form relating to the 2021 Annual General Meeting of Shareholders in QR Code format to perceive its shareholders' feedback to improve the next meeting to ensure the effectiveness and best practices. The evaluation details are as follows:

Topic	Details
1) Meeting Notice	- The meeting notice was timely provided to enable the exercise of voting rights effectively.
	- The meeting notice contained adequate and readable information regarding agenda items.
	- The annual report provided adequate, readable, and useful information.
2) Meeting Venue	- The convenience of transportation to the meeting venue.
	- Covid-19 screening approaches
	- The quality of meeting room such as audio system, monitor, air-conditioner, seat, etc.
3) Meeting Registration	- The effectiveness of the registration process.
	- Supports provided by the Company's reception staff.
4) Meeting Condition	- The meeting was conducted with clear, understandable, and adequate information.
	- The transparency and timing of voting exercise
	- The opportunity for shareholders to ask questions was sufficient.
	- The responses of directors or executives to questions were clear and understandable.
5) Overall evaluation	- Overall rating of the meeting.

7.2 Performance reports of the Board of Directors and sub-committees

In 2021, the Board of Directors and sub-committees (1. Audit Committee, 2. Nomination and Remuneration Committee, and 3. Executive Committee) prepared the performance reports including the report of the Board of Directors' responsibilities for the financial statements to build confidence and trust in shareholders and investors. (Message from the Board of Directors can be found on page 1).

Audit Committee Report

Dear Shareholders,

The Audit Committee of TOA Paint (Thailand) Public Company Limited consists of directors who possess appropriate qualifications and can perform their duties independently in accordance with the regulations of the Stock Exchange of Thailand.

Throughout 2021, the Audit Committee had arranged the meetings with the management team, the internal audit division, as well as external auditors, and executed their duties stated in the Audit Committee Charter and assigned by the Board of Directors. The Audit Committee had convened 12 meetings as detailed below:

			Attendance/ Number of Meetings (time)
1.	Mrs. Prisana Praharnkhasuk	Chairman of the Audit Committee	12/12
2.	Mrs. Chanatip Weerasubpong	Member of the Audit Committee	12/12
3.	Mr. Veerasak Kositpaisal	Member of the Audit Committee	12/12

The Audit Committee's principal activities and considerations included the following matters:

1. The Audit Committee, cooperating with the external auditors and Chief Financial Officer, reviewed the quarterly and annual financial statements and other related financial reports to ensure that the financial statements were prepared in compliance with the generally accepted accounting principles, accounting standards, and transformation of significant financial reporting policies, and were accurate, adequate, and well-timed. In addition, the Audit Committee and the external auditors had 1 meeting in the absence of the management team. The external auditors assured that they were able to perform their engagement and express opinions independently in line with the auditing scope and standards together with kind cooperation from related parties.
2. The Audit Committee reviewed the related party transactions and transactions that may cause conflicts of interest including disclosing the information in line with the applicable laws, regulations, and relevant rules exercised by governing bodies to ensure that the transactions were conducted appropriately, and for the best interests of the Company.
3. The Audit Committee reviewed the internal control system and internal audit to be subject to appropriateness, transparency, and effectiveness. The committee also periodically monitored the performance of the internal audit division to ensure independence and effectiveness. As a result, the internal control system sufficiency evaluation was in accordance with the standards and regulations of the Office of the Securities and Exchange Commission, and the external auditors considered that the internal control system of the Company and its subsidiaries was sufficient and appropriate. Furthermore, the committee supported the internal audit division to perform an additional role in terms of consulting services in an even-clearer manner in the previous year.
4. The Audit Committee assessed the Company's adequacy of risk management, also had meetings with the relevant executives. The risk management policy was communicated among employees at all levels

to recognize and participate in the risk management. Additionally, the committee monitored the performance of the risk management on a quarterly basis.

5. The Audit Committee reviewed the complete compliance with laws and regulations of the Stock Exchange of Thailand, other regulations in relation to the Company's businesses, and good corporate governance principles by viewing that the Company complied with those requirements properly. In the previous year, the criteria and measures concerning the personal data were prepared and focused subject to the Personal Data Protection Act, B.E. 2562 (2019) taking effect in 2022, as well as other new relevant laws.
6. Whistleblowing procedures were reviewed in which the Company provided whistleblowing channels through its website, email, and postal mail. Whistleblowing issues would be forwarded to an independent unit for further investigation.
7. The Audit Committee reviewed and monitored the implementation of the annual internal audit plan, and the internal audit performance of the internal audit division. The committee also provided recommendations to enhance efficiency and effectiveness on significant matters, reviewed the Internal Audit Charter, annual budget, people development including assessing the resource adequacy, and KPIs. Moreover, the committee was responsible for the appointment and evaluation of the head of the internal audit division.
8. The Audit Committee was responsible for selecting, appointing, and defining remuneration for PricewaterhouseCoopers ABAS Company Limited as an external auditor of the Company for the year 2022. PricewaterhouseCoopers ABAS Company Limited possesses good work standards, auditing experience, capability, and independence.

The Audit Committee had completely performed the duties with full capacity, skills, and carefulness for the best interest of the Company without limitation related to significant information acquisition, and received good cooperation from the management team. Furthermore, the Audit Committee conducted the 2021 self-assessment in order to review its performance and ensure better development, effectiveness, and efficiency.

On behalf of the Audit Committee

-Prisana Praharnkhasuk-

(Mrs. Prisana Praharnkhasuk)

Chairman of the Audit Committee

Nomination and Remuneration Committee Report

Dear Shareholders,

The Nomination and Remuneration Committee has duly performed its duties as assigned by the Board of Directors, and as specified in the Nomination and Remuneration Committee Charter. In 2021, the Committee held 4 meetings. Details of meeting attendance are as follows:

Name	Position	Attendance/ Number of Meetings
Mr. Veerasak Kositpaisal	Chairman of the Nomination and Remuneration Committee	4 / 4
Mrs. Prisana Prahmkhasuk	Member of the Nomination and Remuneration Committee	4 / 4
Mr. Jatuphat Tangkaravakoon	Member of the Nomination and Remuneration Committee	4 / 4

The performance highlights in 2021 are as follows:

1. Nominated and selected qualified candidates in replacement of the directors whose terms of office have come to an end. The candidates must not possess characteristics prohibited by laws, with consideration of board structure, extensive competencies, experiences, skills, gender, and age, based on the board skills matrix for the benefit of the Company. Furthermore, the Company granted minority shareholders an opportunity to nominate candidates to serve as directors from October 1 to December 31, 2021, through the Company's website. However, no shareholder was proposing any candidates to be elected as directors of the Company.
2. Considered the criteria for the performance evaluation and determined the corporate KPIs and business units' KPIs for the year 2021 and presented to the Board of Directors.
3. Reviewed the criteria of annual performance evaluation for the Board of Directors and executives including Executive Vice President of the Office of Chief Executive Officer, and Chief Executive Officer, and then presented to the Board of Directors.
4. Evaluated the annual performance of the executives including Executive Vice President of the Office of Chief Executive Officer, and Chief Executive Officer, and reported to the Board of Directors.
5. Provided suggestions about a salary increase and determined the aggregate amount of annual bonus and salary increase for the employees and executives for the year 2021, also considered the criteria for rewarding employees with high performance in line with the corporate objectives, which was presented to the Board of Directors.
6. Provided suggestions about the development project of the human capital management system.
7. Considered and approved the employee promotion criteria for the year 2021.
8. Provided advice related to the business plans and other human resource management as follows:
 - 8.1 Determination of the corporate and business-unit KPIs by taking into account the current business situation.

- 8.2 Leadership development for manager-line employees to the next step of becoming people manager.
- 8.3 Development of performance evaluation system, determination of KPIs to ensure the appropriateness and actual results.
- 8.4 Development of the employee engagement program for each business unit.
- 8.5 Oversight and suggestions about the program “Talent Management and Succession Planning”.

-Veerasak Kositpaisal-

(Mr. Veerasak Kositpaisal)

Chairman of the Nomination and Remuneration Committee

Report of the Executive Committee

Dear Shareholders,

FY 2021 was another challenging year as the COVID-19 widely impacted the economy and society, which forced businesses to rapidly reshape and adapt. The Executive Committee held 12 meetings and attended meetings with executives from various departments for monitoring business status and performance, providing useful suggestions such as revising strategies and business plans across the corporate group's business cycle to be suitable for changing situations and circumstances, restructuring organization, and improving internal operational efficiencies to fortify the Company's solid foundation and achieve goals. The 2021 performance highlights include as follows:

1. Participated with the management team to set up and revise policies, business strategy, goals, operation plans, financial goals, and annual budgets for the Company and its subsidiaries, which was presented to the Board of Directors for approval.
2. Oversaw and monitored the business operations of the Company in accordance with policies, goals, business plans, financial goals, and budget of the Company, which was approved by the Board of Directors to ensure the business efficiency and benefits for the corporate group's growth.
3. Considered and provided the management team with opinions in relation to the organizational restructuring, guidelines together with methods to designate the annual performance indicators.
4. Explored new business opportunities and studied the possibility of business expansion in consideration of potential growth and business direction, which was presented to the Board of Directors for approval prior to proceeding any further, as well as seeking strategic partnerships to gain more competitive advantage, profitability, and long-term growth in the Company's businesses.
5. Rendered opinions to the management team in relation to cash flow management to generate more return taking into account the acceptable risk. Such investment was in accordance with the investment policy approved by the Board of Directors including risk management pertaining to Thai Baht fluctuation.
6. Approved normal business transactions according to the investment or budget approved by the Board of Directors. The delegation of authority and budget, which was approved by the Board of Directors, defined financial limits for each transaction, including entering into agreements.

-Jatuphat Tangkaravakoon-

(Mr. Jatuphat Tangkaravakoon)

Chairman of the Executive Committee

Report of the Board of Directors' Responsibilities for the Financial Statements

The Board of Directors of TOA Paint (Thailand) Public Company Limited has prepared the Company's financial statements to show its financial status and performance for the year 2021 under the Public Company Limited Act B.E.2535 (1992), financial reporting standards under the Accounting Act B.E. 2543 (2000), the Securities and Exchange Act B.E.2535 (1992), and the notification of Capital Market Supervisory Board Re: Rules, Conditions, and Procedures for Disclosure regarding Financial and Non-financial Information of Securities Issuers.

The Board of Directors places great importance on its duties and responsibilities in supervising the financial statements of the Company and its subsidiaries including financial information shown in the Annual Registration Statements/ Annual Report 2021 (Form 56-1 One Report). The financial statements were prepared under generally accepted accounting standards. In preparing the said financial statements, the Company has adopted accounting practices and standards that are appropriate to its nature of business, due and reasonable discretion exercised in the preparation of financial statements. Adequate significant information has been disclosed in the notes to the financial statements to ensure the transparency of information for the shareholders and investors.

The Board of Directors has established and maintained effective risk management and internal control systems to ensure the completeness, adequacy, and accuracy of accounting records in order to retain the Company's assets and prevent frauds or significant irregularities in operation.

The Board of Directors appointed the Audit Committee consisting of 3 independent directors to review the quality of the financial reports and internal control systems. The Audit Committee's opinions are disclosed in the Annual Report.

The Board of Directors expresses its satisfaction with the internal control system and assures the adequacy, credibility, and reliability of the financial statements of the Company and its subsidiaries ended December 31, 2021, in compliance with the generally accepted accounting standards, laws, and relevant regulations.

-Prachak Tangkaravakoon-

(Mr. Prachak Tangkaravakoon)
Chairman of the Board

-Jatuphat Tangkaravakoon-

(Mr. Jatuphat Tangkaravakoon)
Chief Executive Officer

8. Internal Control and Related Party Transactions

8.1 Internal Control

8.1.1 Board of Directors' Opinion on Internal Control

The Board of Directors emphasizes the importance of the internal control that is efficient, adequate, and appropriate for overseeing and supporting the Company's operations to achieve its objectives, goals, to comply with applicable laws or relevant regulations effectively and efficiently. The Company's property is also protected from damages and loss caused by burglary and corruption. The effective internal control shall build the reliability of complete and accurate financial reports, aiming to drive the sustainable business in all areas and to create value towards customers, employees, and other relevant stakeholders.

The Board of Directors has defined the annual review of the internal control system to ensure the adequacy and suitability of the organization's internal control system, and to build credibility with shareholders and other stakeholders relating to the effective internal control system.

The internal control procedures are conducted under the internal control scope of the Committee of Sponsoring Organizations of the Treadway Commission (COSO), and the internal control assessment of the Securities and Exchange Commission (SEC) to further report the assessment results to the management team, the Audit Committee, and respectively to the Board of Directors as follows:

Control Environment

Regarding the organizational environment control, the Company has defined the organizational structure for the Board of Directors to perform independent roles apart from the management team to ensure the effective monitoring and supervision of the Company's operations. The management structure is formulated suitable for the business nature, including clearly defining the roles and responsibilities for each department in order to drive the effectiveness in operations and competitiveness performance. Furthermore, the head of internal audit was assigned to report directly to the Audit Committee for independent judgment and effective implementation of the head of internal audit.

The Company has formulated the charter of the Board of Directors and sub-committees in order to define the roles and responsibilities and independence from the management team pertaining to overseeing the internal control development. The code of conduct and important policies for the organizational management were also reviewed to emphasize its integrity and virtue and aim to achieve the Company's objectives as appropriate for the employees and officers such as good corporate governance, corporate social responsibility and anti-corruption, related party transactions or connected transactions, conflicts of interest, business operations, domestic and foreign investment, risk management, finance, human resource development, information technology, and whistleblowing of deficiency or fraud conducted by employees or internal and external officers, and so on. Moreover, the review of suitability and amendment of important policies and regulations to reflect the current situation should be conducted at least once a year.

The Company highly prioritizes the selection, development, and retention of all executives and employees; for example, learning and development, scholarship system and education-related program, mentoring program for onboarding, explicit annual performance assessment, employee engagement, etc. Moreover, the succession plan is established for key positions. All employees have been notified to have responsibility for the internal control. If necessary, the procedures shall be amended for better implementation.

Risk Assessment

Regarding the risk management structure, the Company appointed the Risk Management Committee. The committee consists of the top-level managers from each department to manage various risks relating to the achievement of corporate objectives and goals in both internal and external factors. Besides, the committee appointed the risk management working groups to supervise the head office, Samrong branch, Captain Coating Co., Ltd., and international business, which is under the supervision of the responsible executives of each department in an effort to fully participate with the risk management, as well as performing duties to identify strategic risks, financial risks, operational risks, and compliance risks, the likelihood of occurrence relating to corruption, covering every level of the management and operations, including guidelines for risk management to be further defined in the result of the risk assessment in an acceptable level of risk for the organization.

In order to ensure effective risk management, the Risk Management Committee holds monthly meetings to review the risk status and risk management results. The risk management policy was reviewed and communicated to all executives and employees through the Company's internal communication channel, and other risk-related procedures have also been defined properly for greater effectiveness and covering international business units. Besides, risk management has been developed to achieve a continued part of the corporate culture. In 2021, the risk management department arranged training courses on risk assessment and management for each business unit both in Thailand and overseas to ensure in-depth understanding.

Control Activities

The Company places the importance of the control activities to achieve the objectives and goals effectively and efficiently. The control activities designed through policy are for identifying scope and direction in each activity in line with the corporate goals with effectiveness. In addition, the Company has developed the procedures and manual in order to define guidelines and processes for activities for relevant parties to comply with correctly and properly. Examples of control activities presently designed are approval for transactions and expenditure, accounting and financial transactions, procurement, human resource management, production and quality control of products, warehouse management, logistics, information technology, etc.

The employees who are involved in each activity undertake the duties to strictly comply with policies, procedures, and relevant manuals. To this end, the executives in each department are assigned to supervise, review, and develop policies, procedures, and compliance manuals of each activity relying on the proper responsibility and to keep up with current trends and situations, including reflecting the corporate policies effectively. The Company also communicates such compliance and educates its employees through training courses.

The organization's control activities are formulated suitable for the environment and nature of activities such as automatic control under the operating system of information or operating program, semi-automatic control under the operating system of information or operating program together with humans, and activities controlled by humans. In this regard, the general control activities have been developed through technological systems and IT security has been properly controlled to help the Company achieve its objectives.

Information and Communication

The Board of Directors and the executives have prepared the information that is accurate, appropriate, adequate, complete, and up-to-date to support decision-making in business. Information, news, and policies are communicated within the organization for employees to acknowledge and comply with through electronic channels and notice boards where they can access. For external communication, the Company assigns a responsible business unit to provide information to third parties.

In case of whistleblowing or complaint-filing relating to all forms of misconduct such as violation of regulations and laws, and fraud conducted by an individual, both internal and external stakeholders can report and provide information through whistleblowing channels; telephone, letter, email, anonymous letter, and website, etc. Such whistleblowing issues shall be sent to the independent unit, Audit Committee, and Board of Directors for investigation and further disciplinary action.

Monitoring

Implementation of the compliance with regulations, policies, and procedures in each activity shall be audited by both internal and external auditors on a regular basis. The audit results shall be reported to the Audit Committee and the Board of Directors respectively for an acknowledgment to ensure that the internal and external performance is accurate, appropriate, and fair. The Company has appointed the head of internal audit to report directly to the Audit Committee and to serve an independent role from the organizational management structure. The Audit Committee's meetings had been held monthly for reporting the auditing results and progress of other matters. Moreover, the Audit Committee has the authority to appoint an external auditor.

The internal audit division performs its duties under the internal audit charter in alignment with "International Standards for the Professional Practice of Internal Auditing – Standards" by the Institute of Internal Auditors, adheres to enhancing its potential, and complies with the international professional standards consistently. In addition, the internal audit plan is defined in line with the Company's business risks in order to support the objectives and strategies to be achieved effectively and efficiently. The internal audit division shall review, assess, and inform internal control deficiencies to the related management and periodically follow up on actions taken or problems resolved.

8.1.2 Auditor's Observation

PricewaterhouseCoopers ABAS Ltd. ("PwC"), the Company's auditor, audited the financial statements of the fiscal year ended December 31, 2021. The auditor had to assess the risk from the material misstatements from the fraud or error. In the risk assessment, the auditor studied and assessed the efficiency of internal control of the Company relevant to the issue and proposal of financial statements of the business to design the appropriate audit to the situation, and tested the control system to obtain the evidence of audit concerning the effectiveness of implementation. The selected audit method depended on the auditor's consideration. The assessment and test were in accordance with the auditing standard aiming to facilitate the auditor to express an opinion on financial statements, and not aiming to express an opinion on the effectiveness of internal control.

According to the assessment and examination, the auditor did not detect the significant fault of the internal control system.

8.1.3 Head of Internal Audit

The Company appointed the internal audit division under the oversight of the Audit Committee in order to support the monitoring of the internal audit implementation to be independent, efficient, and effective. The Audit Committee's Meeting No. 7/2019 on August 13, 2019, resolved to appoint Mr. Attapol Watjarapairoj to be the head of internal audit because he possesses the appropriate qualifications, education, work experience, and suitable training courses which are sufficient and beneficial for the position.

Thus, the consideration of appointment, transfer, and withdrawal for the position of the head of internal audit must be approved by the Audit Committee. (More details about the head of internal audit are disclosed in Attachment 3. "Information about Head of Internal Audit and Head of Compliance")

Presently, the Company's internal audit division consists of personnel who have knowledge, skills, and expertise to perform internal audit functions, based in Thailand. They are assigned to report directly to the head of internal audit in Thailand.

8.2 Related Party Transactions

Related party transactions between TOA Paint (Thailand) Public Company Limited and its subsidiaries and entities or persons that may have conflicts of interest in the fiscal year 2020 and 2021 ended December 31 are concluded as follows: (2019 related party transactions can be found in 2019 Annual Report on page 117 – 132 at

<https://investor.toagroup.com/en/downloads/annual-report-and-form-56-1>)

Company Name that May Have Conflicts of Interest	Relation to the Company	Details of Transactions	Transaction Size (THB)		Rationale and Necessity	Audit Committee's Opinions
			Fiscal Year Ended December 31, 2020	Fiscal Year Ended December 31, 2021		
1. TOA Performance Coating Corporation Co., Ltd. ("TOAPC")	- TOAGH is the Company's major shareholder indirectly holding a 95.0953% share in TOAPC. - The Company's 3 directors: (1) Mr. Vonnarat Tangkaravakoon, (2) Mr. Jatuphat Tangkaravakoon, and (3) Mr. Nattavuth Tangkaravakoon are the shareholders of TOAPC holding 1.5606%, 1.5605%, and 1.5605% of shares respectively.	1.1 <u>Sales Income</u> - net sales - trade receivables	92,347,410.35 27,450,344.45	103,579,095.22 26,129,576.31	The Company distributed OEM products: resin and chemicals (such as Polyester, Alkyd, Latex), and General Paints (such as spray, etc.) to TOAPC, pricing on cost plus margin, which is comparable to the market price. The Company produced resin as a raw material for its products. The Company distributed resin products to TOAPC because the Company had excess productivity and an increase of productivity which helped minimize the average cost of resin production. Currently, the Company entered into a 2-year sale and purchase agreement with TOAPC started from January 1, 2021 to December 31, 2022.	The transaction was deemed as a normal business transaction. The transaction was appropriate and reasonable at market price and general commercial terms as made with outsiders.

Company Name that May Have Conflicts of Interest	Relation to the Company	Details of Transactions	Transaction Size (THB)		Rationale and Necessity	Audit Committee's Opinions
			Fiscal Year Ended December 31, 2020	Fiscal Year Ended December 31, 2021		
	Mr. Nattavuth Tangkaravakoon is the joint director.					
		1.2 <u>Security Service Income</u> - security service income - trade receivables	2,361,364.32 210,554.99	2,285,861.16 0.00	Since the plant and warehouses of TOAPC are situated in the same area of the Company's plant at Bangna, the Company provided security services to related companies in its area, which may impact its assets, for overall security. The Company entered into a security service agreement for the period of 1 year from January 1, 2021 to December 31, 2021, at the service rate based on the actual service cost subject to the plant area.	The transaction was deemed as an ordinary business support transaction. The security service agreement was made on January 1, 2021, at the service rate based on the actual service cost subject to the plant area. Therefore, the transaction was appropriate and reasonable.
		1.3 <u>IT Service Income</u> - IT service income - trade receivables - service deposit	793,584.00 120,950.66 56,519.00	793,584.00 549,167.72 247,007.43	Since the office and plant of TOAPC are situated in the same area of the Company's plant at Bangna, the Company provided IT services to TOAPC at the service rate agreed with the parties. The Company entered into the IT service agreement for the period of 3 years from May 1, 2019 to April 30,	The transaction was deemed as an ordinary business support transaction. The IT service agreement made on May 1, 2019, was subject to the general commercial rate and conditions as made with outsiders. Therefore, it was

Company Name that May Have Conflicts of Interest	Relation to the Company	Details of Transactions	Transaction Size (THB)		Rationale and Necessity	Audit Committee's Opinions
			Fiscal Year Ended December 31, 2020	Fiscal Year Ended December 31, 2021		
					2022, with the agreed price and conditions specified in the agreement.	deemed appropriate and reasonable.
		1.4 <u>Warehouse rental income</u> - rental income	5,000.00	5,000.00	TOAPC rented the warehouse in the same area of the Company, which is unoccupied from usage, at Bangna with the annual rental rate agreed with the parties. The Company entered into the 1-year rental agreement from January 1, 2021 to December 31, 2021. The rental rate was set according to the appraisal rate from the independent appraiser approved by the SEC.	The transaction was deemed as a real estate rental transaction. The new rental agreement made on January 1, 2021, was subject to the general commercial rate and conditions as made with outsiders. Therefore, it was deemed appropriate and reasonable.
		1.5 <u>Rental Income for Plant and Office</u> - rental income - trade receivables	6,897,600.00 1,149,600.00	6,897,600.00 1,149,600.00	TOAPC rented the areas for the plant, warehouse, and office in the same area of the Company at Bangna, which is unoccupied from usage. The rental rate was agreed with the parties. The Company entered into a 1-year rental agreement for plant and office areas from January 1, 2021 to December 31, 2021. The rental rate was set according to the appraisal rate from the independent appraiser	The transaction was deemed as a real estate rental transaction. The new rental agreement made on January 1, 2021, was subject to the appraisal rate from the independent appraiser approved by the SEC, and the service fee relating to the rented areas to be consistent with actual service and

Company Name that May Have Conflicts of Interest	Relation to the Company	Details of Transactions	Transaction Size (THB)		Rationale and Necessity	Audit Committee's Opinions
			Fiscal Year Ended December 31, 2020	Fiscal Year Ended December 31, 2021		
					approved by the SEC, and the service fee relating to the rented areas to be consistent with actual service and expenses.	expenses. Therefore, it was deemed appropriate and reasonable.
		1.6 <u>Other Income</u> - other income - trade receivables - other receivables	6,950.00 2,112,731.70 965,329.84	25,100.00 2,118,095.53 0.00	Most other income consisted of public utility, antigen test kits (ATKs) at the actual expenses, and truck scaling service as agreed between the parties.	The transaction was deemed as an ordinary business support transaction subject to the actual expenses. Therefore, it was appropriate and reasonable.
		1.7 <u>Purchase of goods</u> - purchase of raw materials - purchase of chemicals - trade payables	208,285,690.00 0.00 38,959,117.30	205,177,617.00 3,012,609.60 42,902,267.39	The Company purchased raw materials from TOAPC for its production. The purchase was agreed with the parties under the rate as made with outsiders. The Company purchased paint-related products from TOAPC such as sandpaper and surface-preparing equipment etc. to distribute to its customers as an inclusive service. The price and conditions are comparable to the market.	The transaction was deemed as an ordinary business support transaction with market price and conditions. Therefore, it was appropriate and reasonable.
		1.8 <u>Other Expenses</u> - other chemical expenses	1,212.50	1,750.00	The Company distributed OEM products to TOAPC; however, its	The transaction was deemed as a normal business

Company Name that May Have Conflicts of Interest	Relation to the Company	Details of Transactions	Transaction Size (THB)		Rationale and Necessity	Audit Committee's Opinions
			Fiscal Year Ended December 31, 2020	Fiscal Year Ended December 31, 2021		
		- claim compensation for damaged goods - maintenance fee	192,264.73 2,610,000.00	0.00 0.00	products could not reach quality. The Company issued a damaged goods claim form for TOAPC. The Company restored concrete road and drainage system subject to the agreement and joint area ratio with TOAPC at the market price and conditions as with outsiders.	transaction at market price and conditions. Therefore, it was appropriate and reasonable.
2 TOA-Union Paint (Thailand) Co., Ltd. ("TUP")	■ TOAGH is the Company's major shareholder indirectly holding 54.9958% of shares in TUP. ■ The Company's 5 directors: (1) Mr. Jatuphat Tangkaravakoon, (2) Mr. Nattavuth Tangkaravakoon, (3) Mr. Prachak Tangkaravakoon, (4) Mrs. Laor Tangkaravakoon, and (5) Mr. Vonnarat Tangkaravakoon are	2.1 <u>Sales Income</u> - net sales - trade receivables	50,100,481.75 18,383,264.20	59,082,842.00 18,041,683.02	The Company distributed mostly OEM products for wood stains (Lacquer Clear, PU, PU Clear) and Union (LQ), to TUP which the pricing was based on cost plus margin. TUP earned gross profit from selling products as same as other companies in the peer industry. Thus, the sale of products was subject to the terms and conditions specified in the joint venture agreement between the Company and TUP. The Company entered into the purchase and sale agreement with TUP for a 2-year term from January 1, 2021 to December 31, 2022, with pricing based on cost plus margin.	The transaction was deemed as a normal business transaction at market price and conditions as made with outsiders, and gross profit margin can be compared with peer industry. Therefore, it was appropriate and reasonable.

Company Name that May Have Conflicts of Interest	Relation to the Company	Details of Transactions	Transaction Size (THB)		Rationale and Necessity	Audit Committee's Opinions
			Fiscal Year Ended December 31, 2020	Fiscal Year Ended December 31, 2021		
	the shareholders of TUP holding 0.0008% of shares each. ■ Mr. Nattavuth Tangkaravakoon is the joint director.					
		2.2 <u>Security Service Income</u> - security service income - trade receivables - service deposit	283,486.68 90,155.19 0.00	266,165.64 23,733.10 22,180.47	The Company provided security services to TUP because the Company uses a major area in Samrong plant for its plants and warehouses where TUP is situated, which may impact the Company's assets, for overall security. The Company entered into a 1-year security service agreement 1 year from January 1, 2021 to December 31, 2021, at the service rate based on the actual service cost subject to the plant area.	The transaction was deemed as a normal business support transaction. The security service agreement was made on January 1, 2021, at the service rate based on the actual service cost subject to the plant area. Therefore, the transaction was appropriate and reasonable.
		2.3 <u>Rental Income</u> - office rental income - rental accounts receivables	1,080,231.60 0.00	1,080,231.60 90,019.30	The Company has provided the plant, warehouse, and office for TUP to rent, which are in the same area where the Company's plant at Samrong is situated, which is unoccupied from	The transaction was deemed as a real estate rental transaction. The rental agreement was made on January 1, 2021, at market

Company Name that May Have Conflicts of Interest	Relation to the Company	Details of Transactions	Transaction Size (THB)		Rationale and Necessity	Audit Committee's Opinions
			Fiscal Year Ended December 31, 2020	Fiscal Year Ended December 31, 2021		
					usage. The rental rate was agreed with the parties. The Company entered into a 1-year rental agreement from January 1, 2021 to December 31, 2021, at the monthly rental rate subject to the actual area at the market price.	price and conditions. Therefore, it was deemed appropriate and reasonable.
		2.4 <u>Other Income</u> - other income	0.00	236,588.05	Most other income consisted of disposal of obsolete raw materials at agreed prices and antigen test kits (ATKs) at the actual expenses.	The transaction was deemed as an ordinary business support transaction with market price and conditions. Therefore, it was appropriate and reasonable.
		2.5 <u>Purchase of goods</u> - Purchase of finished goods for sale - Purchase of chemicals - trade payables	625,812.00 0.00 141,310.62	937,050.00 174,150.00 76,532.82	The Company purchased TOA SPRAY RUST PRO products from TUP for distribution. The price and conditions were as same as the transaction made with the outsiders.	The transaction was deemed as a normal business support transaction at market price and conditions. Therefore, it was appropriate and reasonable.
		2.6 <u>Expenses on outside services</u> - expenses on outside services - other accounts payable	2,411,340.00 0.00	2,411,340.00 215,011.15	TUP was hired by the Company to provide manpower to operate in its plant due to the necessity of professional and special skills. The contractual period was 1 year from	The transaction was deemed as a normal business support transaction that occurred in the past according to

Company Name that May Have Conflicts of Interest	Relation to the Company	Details of Transactions	Transaction Size (THB)		Rationale and Necessity	Audit Committee's Opinions
			Fiscal Year Ended December 31, 2020	Fiscal Year Ended December 31, 2021		
					January 1, 2021 to December 31, 2021.	necessity. Therefore, it was appropriate and reasonable.
3 TOA-Chugoku Paint Co., Ltd. ("TCP")	- TOAGH is the Company's major shareholder indirectly holding 50.9999% of shares in TCP. - The Company's director: Mr. Prachak Tangkaravakoon, is a shareholder of TCP holding 0.0001%. - The two joint directors are (1) Mr. Prachak Tangkaravakoon, and (2) Mr. Nattavuth Tangkaravakoon	3.1 <u>Sales Income</u> - net sales - trade receivables	452,543.63 255,383.46	309,680.14 74,143.59	The Company sold decorative paint and coating products for projects to TCP for distributing the products to customers. The price and conditions were as same as the transaction made with the outsiders.	The transaction was deemed as a normal business transaction at market price and conditions as made with outsiders. Therefore, it was appropriate and reasonable.
		3.2 <u>Purchase of goods</u> - purchase of raw materials - trade payables	534,000.22 0.00	208,052.40 73,199.77	The Company purchased some chemicals from TCP occasionally to distribute to the project customers for the inclusive service. The Company earned profit from the resale.	The transaction was deemed as a normal business support transaction at market price and conditions as made with outsiders, which occurred according to necessity and for inclusive service.

Company Name that May Have Conflicts of Interest	Relation to the Company	Details of Transactions	Transaction Size (THB)		Rationale and Necessity	Audit Committee's Opinions
			Fiscal Year Ended December 31, 2020	Fiscal Year Ended December 31, 2021		
						Therefore, it was appropriate and reasonable.
		3.3 <u>Work under Construction</u> - work under construction	2,762.00	0.00	The Company occasionally purchased UNY MARINE HS RAL which was the special specification for the Project of Tank Dike 4 Renovation from TCP.	The transaction was deemed as a normal business support transaction, which occurred according to necessity. Therefore, it was appropriate and reasonable.
4 Sherwood Corporation (Thailand) PCL. ("SWC")	- TOAGH is the Company's major shareholder indirectly holding 69.4100% of shares in SWC. - The Company's 1 director: Mr. Jatuphat Tangkaravakoon is a shareholder of SWC holding 0.5700% of shares. - The two joint directors are (1) Mr. Prachak Tangkaravakoon, and (2) Mr. Vonnarat Tangkaravakoon.	4.1 <u>Shipping Service Income</u> - shipping service income - other income - trade receivables - accrued discount	78,600.00 1,001,946.75 53,473.58 1,722,055.67	95,500.00 560,800.00 39,935.42 0.00	The Company owns a shipping division and provides import and export services to related companies such as customs clearance, shipping, specification, and so on. Service fees were equivalent to market price including discount offers, at market price and conditions as with outsiders.	The transaction was deemed as a normal business support transaction that occurred in the past. However, the Company amended the service fee policy from January 1, 2017, to be under market price and conditions as made with outsiders. Therefore, it was appropriate and reasonable.

Company Name that May Have Conflicts of Interest	Relation to the Company	Details of Transactions	Transaction Size (THB)		Rationale and Necessity	Audit Committee's Opinions
			Fiscal Year Ended December 31, 2020	Fiscal Year Ended December 31, 2021		
		4.2 <u>Purchase of Goods</u> - purchase of finished goods for sale - trade payables	207,755,602.68 67,779,929.87	266,558,928.78 73,499,839.04	Most of the finished goods to be purchased relating to the Company's products for the inclusive service such as Chaindrite products to prevent and kill insects and termites. The Company distributes products to the dealers. The Company entered into the contract as the dealer of SWC's products at the same price and conditions as made with the outsiders. Moreover, the Company received discounts when reaching the target point.	The transaction was deemed as a normal business support transaction at market price and conditions as made with outsiders. Therefore, it was appropriate and reasonable.
		4.3 <u>Other Expenses</u> - office expenses - contribution expenses - donation - other expenses - other payables	154,468.00 13,950,198.96 0.00 80,713.84 104,064.99	480,546.70 2,883,497.30 2,475,213.17 888,387.24 2,120,125.03	The Company purchased Teepol's liquid hand soap and dishwashing liquid for office supplies and delivered to hospitals, temples, communities, and others in line with the Covid-19 relief program, which was at the same price as made with the outsiders.	The transaction was deemed as a normal business support transaction at market price and conditions as made with outsiders. Therefore, it was appropriate and reasonable.
5 TOA Chemicals Industry Co., Ltd. ("TOAC")	■ TOAGH is the Company's major shareholder directly	5.1 <u>Rental Income</u> - depreciation, leasehold right of land according to the rental agreement	11,808,001.38	11,808,001.39	At Bangna Plant, the Company rented land, factory, warehouse, and office building from TOAC with the rental rate agreed between the parties.	The transaction was deemed as a assets/ services and real estate rental transaction

Company Name that May Have Conflicts of Interest	Relation to the Company	Details of Transactions	Transaction Size (THB)		Rationale and Necessity	Audit Committee's Opinions
			Fiscal Year Ended December 31, 2020	Fiscal Year Ended December 31, 2021		
	holding 30.0000% of shares in TOAC. ■ The Company's four directors: (1) Mr. Vonnarat Tangkaravakoon, (2) Mr. Jatuphat Tangkaravakoon, (3) Mr. Nattavuth Tangkaravakoon, and (4) Mrs. Busatree Wanglee, are the shareholders of TOAC holding 17.5000% of shares each. ■ The six joint directors are: (1) Mr. Prachak Tangkaravakoon, (2) Mrs. Laor Tangkaravakoon, (3) Mr. Vonnarat Tangkaravakoon, (4) Mr. Jatuphat Tangkaravakoon, (5) Mr. Nattavuth	- interest expenses, leasehold right of land according to the rental agreement - depreciation, leasehold right according to building rental agreement - interest expenses, leasehold right according to building rental agreement	2,259,584.25 72,685,377.22 22,883,007.67	1,977,973.68 72,685,377.22 21,056,473.25	The Company rented land, building as factory building and warehouse. The contractual period is 10 years from January 1, 2018 to December 31, 2026, at the rental rate appraised by the independent appraiser approved by the SEC. The Company rented land and office building for a contractual period of 3 years from January 1, 2020 to December 31, 2022, at the rental rate appraised by the independent appraiser approved by the SEC.	for business operations and necessity. The new rental agreement was subject to the rate and conditions under the appraisal rate from the independent appraiser approved by the SEC. Therefore, it was deemed appropriate and reasonable.

Company Name that May Have Conflicts of Interest	Relation to the Company	Details of Transactions	Transaction Size (THB)		Rationale and Necessity	Audit Committee's Opinions
			Fiscal Year Ended December 31, 2020	Fiscal Year Ended December 31, 2021		
	Tangkaravakoon, and (6) Mrs. Busatree Wanglee.					
6 TOA-Shinto (Thailand) Co., Ltd. ("TST")	- TOAGH is the Company's major shareholder indirectly holding 50.9950% of TST's shares. - The Company's four directors: (1) Mr. Nattavuth Tangkaravakoon, (2) Mr. Prachak Tangkaravakoon, (3) Mrs. Laor Tangkaravakoon, and (4) Mr. Vonnarat Tangkaravakoon, are the shareholders of TST, holding 0.0013% of shares each. - Mr. Nattavuth Tangkaravakoon is the joint director.	6.1 <u>Sales Income</u> - net sales - trade receivables	165,587,413.30 52,538,284.26	281,386,364.55 82,585,982.83	The Company sold mostly OEM semi-finished goods that TST used in the production process for its own products. Such sale was in accordance with the OEM agreement between (1) Shinto Paint Co., Ltd., (2) the Company, (3) TOAC, (4) TOAPC, and (5) TST. Pricing is based on cost plus margin. The agreement is renewed automatically for succeeding terms unless otherwise notified.	The transaction was deemed as a normal business transaction at market price and conditions as made with outsiders. Therefore, it was appropriate and reasonable.
		6.2 <u>Security Service Income</u>			As the Company's plant and warehouse are located at Bangna	The transaction was deemed as a normal business support

Company Name that May Have Conflicts of Interest	Relation to the Company	Details of Transactions	Transaction Size (THB)		Rationale and Necessity	Audit Committee's Opinions
			Fiscal Year Ended December 31, 2020	Fiscal Year Ended December 31, 2021		
		- security service income - trade receivables - service deposit	732,438.36 194,367.27 0.00	709,019.16 63,220.88 59,084.93	where TST is located, the Company provides security service to the related companies located in the same area for the collective safety that may affect the Company's assets. The service fee was subject to the agreement. The Company entered into the 1- year security service agreement from January 1, 2021 to December 31, 2021, with a service fee based on the actual service cost subject to the plant area.	transaction. The security service agreement was made on January 1, 2021, at the service rate based on the actual service cost subject to the plant area. Therefore, the transaction was appropriate and reasonable.
		<u>6.3 Shipping Income</u> - shipping income - trade receivables	46,200.00 0.00	61,400.00 24,779.90	The Company owns a shipping division and provides import and export services to related companies such as customs clearance, shipping, and so on. Service fees and conditions were equivalent to market price and discounts were also provided. The Company amended the service fee policy from January 1, 2017, to be under market price and conditions as made with outsiders.	The transaction was deemed as a normal business support transaction, which occurred in the past and charged actual cost. Therefore, the transaction was appropriate and reasonable.

Company Name that May Have Conflicts of Interest	Relation to the Company	Details of Transactions	Transaction Size (THB)		Rationale and Necessity	Audit Committee's Opinions
			Fiscal Year Ended December 31, 2020	Fiscal Year Ended December 31, 2021		
		6.4 <u>Other Income</u> - other income - trade receivables	1,750.00 168,214.05	7,400.00 209,576.56	The income was derived from truck scaling service, paperless corrective services changing to trade receivables from other receivables, and public utility at the actual expenses.	The transaction was deemed as a normal business support transaction, which occurred in the past and charged actual cost. Therefore, the transaction was appropriate and reasonable.
		6.5 <u>Purchase of Goods</u> - purchase of raw materials - trade payables	1,126,415.32 646,641.85	1,687,679.80 542,909.87	The list of purchasing raw materials included chemicals for manufacture from TST at the cost-plus operation fee. However, this does not happen regularly since the Company purchases the chemicals from TST only in the emergency case and the purchase from the outside distributor is impossible. Furthermore, the Company purchases some chemicals from TST for product testing which TST purchases such chemicals to use in its own production.	The transaction was deemed as a normal business support transaction with market price and conditions. Therefore, the transaction was appropriate and reasonable.
		6.6 <u>Material/ Equipment Expenses</u> - material/ equipment expenses	38,349.20	38,688.20	The list of materials and equipment from TST to be used in the plant was for alumite category for production at a cost-plus operation fee.	The transaction was deemed as a normal business support transaction at a cost-plus operation fee. Therefore, the

Company Name that May Have Conflicts of Interest	Relation to the Company	Details of Transactions	Transaction Size (THB)		Rationale and Necessity	Audit Committee's Opinions
			Fiscal Year Ended December 31, 2020	Fiscal Year Ended December 31, 2021		
		- other payables	6,420.00	8,718.79		transaction was appropriate and reasonable.
7 TOA Holding Co., Ltd. ("TOAH")	■ The Company's six directors: (1) Mr. Vonnarat Tangkaravakoon, (2) Jatuphat Tangkaravakoon, (3) Mr. Nattavuth Tangkaravakoon, (4) Mrs. Busatree Wanglee, holding 20.0000% of TOAH's shares each, (5) Mr. Prachak Tangkaravakoon, and (6) Mrs. Laor Tangkaravakoon, holding 15.0000% and 5.0000% of TOAH's shares respectively. Moreover, six of them are TOAH's directors.	7.1 <u>Car Rental</u> - car rental 2,766,301.46 - depreciation, right to use a vehicle 5,419,634.47 - interest expenses, right to use a vehicle 431,262.26 - other payables 0.00		513,600.00 6,224,961.45 431,359.51 563,890.00	The Company entered into the car leasing contract with TOAH for 1 - 5 years as company cars for the management positions of the Company. The rental rate was as same as the annual return of the car rental business of listed companies.	The transaction was deemed as a normal business support transaction, and the rental rate was as same as the annual return of the car rental business of listed companies. Therefore, it was appropriate and reasonable.
8 P.T. Real Estate Co., Ltd.	■ TOAGH is the Company's major	8.2 <u>Land Rental</u>			The Company rented land from P.T. Real Estate Co., Ltd. According to the	The transaction was deemed as a normal business support

Company Name that May Have Conflicts of Interest	Relation to the Company	Details of Transactions	Transaction Size (THB)		Rationale and Necessity	Audit Committee's Opinions
			Fiscal Year Ended December 31, 2020	Fiscal Year Ended December 31, 2021		
	shareholder indirectly holding 73.9796% of shares in P.T. Real Estate Co., Ltd. ■ The Company's six directors: (1) Mr. Prachak Tangkaravakoon (2) Mrs. Laor Tangkaravakoon (3) Mr. Vonnarat Tangkaravakoon, (4) Mr. Jatuphat Tangkaravakoon, (5) Mr. Nattavuth Tangkaravakoon, and (6) Mrs. Busatree Wanglee, are the shareholders of P.T. Real Estate Co., Ltd. holding 5.0000%, 5.0000%, 3.0804%, 3.0804%, 3.0804%, and 3.0804% respectively. ■ The four joint directors are (1) Mr. Prachak Tangkaravakoon (2) Mrs. Laor Tangkaravakoon,	- depreciation, leasehold right of land according to the rental agreement - interest expenses, leasehold right of land according to the rental agreement - other payables	12,939,047.73 2,476,021.80 0.00	15,307,293.39 4,263,415.37 1,795,720.00	conditions, P.T. Real Estate Co., Ltd., a renter, was responsible for land and building tax. The Company reserved tax expenses paid to SAO and charged the actual tax expenses thereafter. The Company rented 2 areas of land from P.T. Real Estate Co., Ltd. which are (1) for the plant at Bangna, and (2) for the plant at Samrong as the Company's plant, warehouse, and office at the agreed rental rate between the parties. The Company entered into a rental agreement for the period of 10 years from January 1, 2017 to December 31, 2026, and another rental agreement for 25 years from September 15, 2021 to September 15, 2046, at the appraisal rental rate from the independent appraiser endorsed by the SEC.	transaction at market price and conditions as with outsiders. Therefore, it was appropriate and reasonable. The transaction was deemed as normal business support, and for business operations and necessity. Therefore, it was deemed appropriate and reasonable.

Company Name that May Have Conflicts of Interest	Relation to the Company	Details of Transactions	Transaction Size (THB)		Rationale and Necessity	Audit Committee's Opinions
			Fiscal Year Ended December 31, 2020	Fiscal Year Ended December 31, 2021		
	(3) Mr. Vonnarat Tangkaravakoon, and (4) Mrs. Busatree Wanglee.					
9 Phelps Dodge International (Thailand) Co., Ltd.	■ The Company's director, Mr. Vonnarat Tangkaravakoon is the major shareholder of Phelps Dodge International (Thailand) Co., Ltd. holding 48.69% of shares in Stark Corporation PCL. which holds 99.2790% of shares in Phelps Dodge International (Thailand) Co., Ltd. ■ The joint director is Mr. Vonnarat Tangkaravakoon.	9.1 <u>Sales Income</u> - net sales - trade receivables	2,121,978.57 524,678.82	2,397,235.30 183,437.52	The Company sold decorative paint and coating and hardware products to Phelps Dodge International (Thailand) Co., Ltd. to use in its business operation at the same price and conditions as made with the outsiders.	The transaction was deemed as a normal business transaction at the market price and conditions as made with the outsiders. Therefore, it was deemed appropriate and reasonable.
		9.2 <u>IT Service Income</u> - IT service income - trade receivables - service deposit	480,000.00 0.00 0.00	528,000.00 47,080.00 44,000.00	The Company entered into the service agreement with Phelps Dodge International (Thailand) Co., Ltd. for Data Center Co-location service and other related services such as	The transaction was deemed as a normal business support transaction. The IT service agreement was made on January 1, 2021 under the

Company Name that May Have Conflicts of Interest	Relation to the Company	Details of Transactions	Transaction Size (THB)		Rationale and Necessity	Audit Committee's Opinions
			Fiscal Year Ended December 31, 2020	Fiscal Year Ended December 31, 2021		
					providing computer programs and equipment, maintenance service at the agreed service fee. The Company entered into the 1-year IT service agreement from January 1, 2021 to December 31, 2021, at market price and conditions as made with the outsiders.	market price and conditions as made with the outsiders.
10 Gypmantech Co., Ltd.	- TOAGH is the Company's major shareholder directly holding 51.0000% of shares in Gypmantech Co., Ltd. - The two joint directors are (1) Mr. Jatuphat Tangkaravakoon, and (2) Mrs. Busatree Wanglee.	10.1 <u>Sales Income</u> - net sales - trade receivables	2,876,379.28 98,085.06	345,702.86 23,041.62	The Company distributed its products such as construction chemicals, industrial paints, and decorative paints and coatings to Gypmantech Co. Ltd. for contract works for Gypmantech Co. Ltd.'s project customers at the same price and conditions as made with the outsiders.	The transaction was deemed as a normal business transaction under the market price and conditions as made with the outsiders. Therefore, it was deemed appropriate and reasonable.
		10.2 <u>Office Rental Income</u> - office rental income - service income - trade receivables - service deposit	674,171.94 1,886,277.91 444,973.88 165,353.65	698,159.88 1,402,646.09 200,692.52 165,353.65	Gypmantech Co., Ltd. rented the office area in the same area of the Company's office at U Chu Liang Building, which is unoccupied from usage, with the rental rate agreed between the parties.	The transaction was deemed as a real estate rental transaction. From January 1, 2021, the new rental agreement was subject to the rate and conditions under the

Company Name that May Have Conflicts of Interest	Relation to the Company	Details of Transactions	Transaction Size (THB)		Rationale and Necessity	Audit Committee's Opinions
			Fiscal Year Ended December 31, 2020	Fiscal Year Ended December 31, 2021		
					The Company entered into the 1-year rental agreement from January 1, 2021 to December 31, 2021. The monthly rental rate was set according to the actual area and market price.	appraisal rate from the independent appraiser approved by the SEC, and the service fee relating to the rented areas to be consistent with actual service and expenses. Therefore, it was deemed appropriate and reasonable.
		10.3 <u>Other Income</u> - other income	5,000,000.00	0.00	The Company joined the loyalty program for the gypsum segment of Gypmantech Co., Ltd. under the agreed conditions.	The transaction was deemed as a normal business support transaction under the market price and conditions as made with the outsiders. Therefore, it was deemed appropriate and reasonable.
		10.4 <u>Purchase of Goods</u> - purchase of finished goods for sale - trade payables	598,083,277.86 45,895,691.01	680,867,454.97 54,860,841.94	The Company purchased all products manufactured by Gypmantech Co., Ltd. for distribution through all distribution channels. The pricing was agreed between the parties under the market price and conditions as made with the outsiders.	The transaction was deemed as a normal business support transaction under the market price and conditions as made with the outsiders. Therefore, it was deemed appropriate and reasonable.

Company Name that May Have Conflicts of Interest	Relation to the Company	Details of Transactions	Transaction Size (THB)		Rationale and Necessity	Audit Committee's Opinions
			Fiscal Year Ended December 31, 2020	Fiscal Year Ended December 31, 2021		
		10.5 <u>Other Expenses</u> - warehouse rental 592,000.00 0.00 - depreciation, leasehold right according to the rental agreement 284,973.32 854,919.95 - interest expenses, leasehold right according to the rental agreement 20,348.97 47,256.20 - logistic expenses 36,792,606.45 24,107,195.50 - service expenses 884,000.00 1,068,000.00 - contribution expenses 809,914.25 814,676.96 - other trade payables 2,974,217.61 1,761,302.45			The Company rented 2 warehouses from Gypmantech Co., Ltd: (1) at Nakhorn Sawan, and (2) at Banplee for using as warehouses, which is unoccupied from usage, under agreed rental rate between the parties. The Company entered into a rental agreement for the period of 3 years from September 1, 2020 to August 31, 2023, at market price. Gypmantech Co., Ltd. is hired by Company to manage warehouses that the Company rented. The term of the warehouse service agreement started from September 1, 2020 to August 31, 2023. Gypmantech Co., Ltd. is also hired for delivering the Company's products to its customers immediately for quick service and lower delivery costs. The service is under the same market price and conditions as general delivery service fees.	The transaction was deemed as a normal business support transaction under the market price and conditions as made with the outsiders. Therefore, it was deemed appropriate and reasonable.
11 Fast-mix Co., Ltd.	■ TOAGH is the Company's major shareholder directly	11.1 <u>Other Income</u> - net sales 0.00 324,358.00 - other income 15,833.00 0.00			The Company distributed its construction chemicals to Fast-mix Co., Ltd., and other income derived	The transaction was deemed as a normal business support transaction under the actual

Company Name that May Have Conflicts of Interest	Relation to the Company	Details of Transactions	Transaction Size (THB)		Rationale and Necessity	Audit Committee's Opinions
			Fiscal Year Ended December 31, 2020	Fiscal Year Ended December 31, 2021		
	holding 80.0000% of shares in Fast-mix Co., Ltd. ■ The two joint directors are (1) Mr. Jatuphat Tangkaravakoon, and (2) Mrs. Busatree Wanglee.	- other receivables	12,840.00	0.00	from registration fees with the department of foreign trade. The fee was charged on actual expenses.	expenses. Therefore, it was deemed appropriate and reasonable.
		11.2 <u>Purchase of Goods</u> - purchase of raw materials - purchase of finished goods of sale - trade payables - rebate accrual	8,564,750.00 127,261,059.00 13,055,449.85 0.00	0.00 190,411,611.60 38,742,077.13 5,000,000.00	Raw materials were sold from Fast-mix Co., Ltd. for manufacture at the agreed price between the parties, and under the market price and conditions as made with the outsiders. The Company purchased cement products for distribution to its customers to target inclusive service at the market price and conditions.	The transaction was deemed as a normal business support transaction under the market price and conditions as made with the outsiders. Therefore, it was deemed appropriate and reasonable.
		11.3 <u>Other Expenses</u> - logistic expenses - warehouse rental - warehouse services - other support materials - other payables	4,956,360.00 26,250.00 105,000.00 4,530.00 751,626.50	6,086,644.40 45,000.00 180,000.00 13,044.00 1,110,097.90	The Company rented warehouses at Nakorn Pathom from Fast-mix Co., Ltd. as warehouses under agreed rental rate between the parties and under the market price and conditions. The contractual period was 3 years from June 1, 2021 to May 31, 2024.	The transaction was deemed as a normal business support transaction under the market price and conditions as made with the outsiders. Therefore, it was deemed appropriate and reasonable.

Company Name that May Have Conflicts of Interest	Relation to the Company	Details of Transactions	Transaction Size (THB)		Rationale and Necessity	Audit Committee's Opinions
			Fiscal Year Ended December 31, 2020	Fiscal Year Ended December 31, 2021		
					Fast-mix Co. Ltd. is hired by Company to manage warehouses that the Company rented. The warehouse service agreement was valid from June 1, 2021 to May 31, 2024. Fast-mix Co. Ltd. is also hired for delivering the Company's products to its customers immediately for quick service and lower delivery costs. The service is under the same market price and conditions as general delivery service fees.	
12. Hokkaido International Franchise Co., Ltd.	- TOAGH is the Company's major shareholder indirectly holding 66.6167% of shares in Hokkaido International Franchise Co., Ltd. - The Company's 2 directors: (1) Mr. Prachak Tangkaravakoon, and (2) Mr. Vonnarat Tangkaravakoon, are the shareholders of Hokkaido	12.1 <u>Other Expenses</u> - contribution expenses - entertainment expenses	2,296,000.00 0.00	0.00 153,813.80	The Company purchased Hokkaido milk and orange juice, for its customers as entertainment and for supplies in a life-saving bag, from Hokkaido International Franchise Co., Ltd. for its Covid-19 relief. The transaction was subject to the market price and conditions as made with the outsiders, which was conducted through the normal procurement process.	The transaction was deemed as a normal business support transaction under the market price and conditions as made with the outsiders. Therefore, it was deemed appropriate and reasonable.

Company Name that May Have Conflicts of Interest	Relation to the Company	Details of Transactions	Transaction Size (THB)		Rationale and Necessity	Audit Committee's Opinions
			Fiscal Year Ended December 31, 2020	Fiscal Year Ended December 31, 2021		
	International Franchise Co., Ltd. holding 0.0001% of shares each. ■ The two joint directors are (1) Mr. Prachak Tangkaravakoon, and (2) Mr. Vonnarat Tangkaravakoon.					
13. Hokkaido Food and Beverage Co., Ltd.	■ TOAGH is the Company's major shareholder indirectly holding 66.6300% of shares in Hokkaido Food and Beverage Co., Ltd. The Company's 2 directors: (1) Mr. Prachak Tangkaravakoon, and (2) Mr. Vonnarat Tangkaravakoon, are the shareholders of Hokkaido Food and Beverage Co., Ltd. holding 0.0001% of shares each.	13.1 <u>Other Expenses</u> - contribution expenses - donation - consumer promotion expenses - entertainment expenses - other payables	183,248.72 0.00 0.00 0.00 101,641.25	131,737.20 102,286.82 69,812.13 751,525.60 640,496.03	The Company purchased drinks under the brand "Super Fight" and peanut snacks under the brand "Marucho" for stores to promote sales and arrange marketing activities, for entertainment, donation, and new-year gift box sets. The transaction was subject to the market price and conditions as made with the outsiders, which was conducted through the normal procurement process.	The transaction was deemed as a normal business support transaction under the market price and conditions as made with the outsiders. Therefore, it was deemed appropriate and reasonable.

Company Name that May Have Conflicts of Interest	Relation to the Company	Details of Transactions	Transaction Size (THB)		Rationale and Necessity	Audit Committee's Opinions
			Fiscal Year Ended December 31, 2020	Fiscal Year Ended December 31, 2021		
	The two joint directors are (1) Mr. Prachak Tangkaravakoon, and (2) Mr. Vonnarat Tangkaravakoon.					
14. Pings Surawong International Co., Ltd.	- The Company's 1 director: (1) Mr. Prachak Tangkaravakoon, is the shareholder of Pings Surawong International Co., Ltd. holding 25.0000% of shares. - Mr. Prachak Tangkaravakoon is the joint director.	14.1 <u>Other Expenses</u> - entertainment expenses	21,143.20	111,108.08	The Company ordered meals from Pings Surawong International Co., Ltd. for its customers as the entertainment under the market price and conditions as made with the outsiders.	The transaction was deemed as a normal business support transaction under the market price and conditions as made with the outsiders. Therefore, it was deemed appropriate and reasonable.
15. Best Auto Sales Co., Ltd.	- TOAGH is the Company's major shareholder indirectly holding 99.9999% of shares in Best Auto Sales Co., Ltd. - The four joint directors: (1) Mr. Vonnarat Tangkaravakoon (2) Mr.	15.1 <u>Other Expenses</u> - contribution expenses - depreciation – right to use a vehicle - interest expenses – right to use vehicle according to car rental agreement - other payables	549,000.00 19,787.57 2,670.14 10,593.00	0.00 361,614.26 39,885.06 32,314.00	The Company entered into the car rental agreement for 5 years from November 1, 2020 to October 31, 2025, and the car rental agreement for 5 years from January 4, 2021 to January 3, 2026, which was under the market price and conditions as made with the outsiders.	The transaction was deemed as a normal business support transaction under the market price and conditions as made with the outsiders. Therefore, it was deemed appropriate and reasonable.

Company Name that May Have Conflicts of Interest	Relation to the Company	Details of Transactions	Transaction Size (THB)		Rationale and Necessity	Audit Committee's Opinions
			Fiscal Year Ended December 31, 2020	Fiscal Year Ended December 31, 2021		
	Jatuphat Tangkaravakoon, (3) Mr. Nattavuth Tangkaravakoon, and (4) Mrs. Busatree Wanglee, are the shareholders of Best Auto Sales Co., Ltd. holding 0.0001% of shares each. ■ The two joint directors are (1) Mr. Vonnarat Tangkaravakoon, and (2) Mr. Nattavuth Tangkaravakoon.					
		15.2 <u>Other Income</u> - other income	0.00	10,000.00	Most other income consisted of antigen test kits (ATKs) charged with actual expenses.	The transaction was deemed as a normal business support transaction under the market price and conditions. Therefore, it was deemed appropriate and reasonable.
16. Primus Autohaus Co., Ltd.	■ TOAGH is the Company's major shareholder indirectly	16.1 <u>Sales Income</u> - net sales	0.00	1,824.00	The Company sold its decorative paints and coatings to Primus Autohaus Co., Ltd.	The transaction was deemed as a normal business transaction under the market

Company Name that May Have Conflicts of Interest	Relation to the Company	Details of Transactions	Transaction Size (THB)		Rationale and Necessity	Audit Committee's Opinions
			Fiscal Year Ended December 31, 2020	Fiscal Year Ended December 31, 2021		
	holding 99.9999% of shares in Primus Autohaus Co., Ltd. ▪ The three joint directors; (1) Mr. Prachak Tangkaravakoon, (2) Mr. Vonnarat Tangkaravakoon, and (3) Mr. Nattavuth Tangkaravakoon, are the shareholders of Primus Autohaus Co., Ltd. holding 0.0001% of shares each. The two joint directors are (1) Mr. Vonnarat Tangkaravakoon, and (2) Mr. Nattavuth Tangkaravakoon.					price and conditions. Therefore, it was deemed appropriate and reasonable.
		16.2 <u>Other Income</u> - other income	0.00	30,000.00	Most other income consisted of antigen test kits (ATKs) charged with actual expenses.	The transaction was deemed as a normal business support transaction under the market price and conditions. Therefore, it was deemed appropriate and reasonable.

Related party transactions between subsidiaries and entities or persons that may have conflicts of interest in the fiscal year 2020 and 2021 ended December 31 are concluded as follows:

Company Name that May Have Conflicts of Interest	Relation to the Company	Details of Transactions	Transaction Size (THB)		Rationale and Necessity	Audit Committee's Opinions
			Fiscal Year Ended December 31, 2020	Fiscal Year Ended December 31, 2021		
1. TOA Performance Coating Corporation Co., Ltd. ("TOAPC")	- TOAGH is the Company's major shareholder indirectly holding 95.0953% of shares in TOAPC. - The Company's 3 directors: (1) Mr. Vonnarat Tangkaravakoon, (2) Mr. Jatuphat Tangkaravakoon, and (3) Mr. Nattavuth Tangkaravakoon are the shareholders of TOAPC holding 1.5606%, 1.5605%, and 1.5605% of shares respectively. - Mr. Nattavuth Tangkaravakoon is the joint director.	<u>1.1 Purchase of Goods</u> - purchase of raw materials - purchase of finished goods - trade payables	3,722,237.99 1,328,400.00 1,406,161.28	5,579,483.29 995,608.40 1,734,836.17	A subsidiary purchased raw materials from TOAPC for its production. The purchase was agreed with the parties under the rate as made with outsiders. The subsidiary purchased paint-related products from TOAPC such as sandpaper, etc. to distribute to its customers as an inclusive service. The price and conditions are comparable to the market.	The transaction was deemed as an ordinary business transaction with market price and conditions as made with outsiders. Therefore, it was appropriate and reasonable.
2. TOA Holding Co., Ltd. ("TOAH")	The Company's six directors: (1) Mr. Vonnarat	<u>2.1 Other Expenses</u>			A subsidiary entered into the 5-year car leasing contract with TOAH to	The transaction was deemed as a normal business support

Company Name that May Have Conflicts of Interest	Relation to the Company	Details of Transactions	Transaction Size (THB)		Rationale and Necessity	Audit Committee's Opinions
			Fiscal Year Ended December 31, 2020	Fiscal Year Ended December 31, 2021		
	Tangkaravakoon, (2) Jatuphat Tangkaravakoon, (3) Mr. Nattavuth Tangkaravakoon, (4) Mrs. Busatree Wanglee, holding 20.0000% of TOAH's shares each, (5) Mr. Prachak Tangkaravakoon, and (6) Mrs. Laor Tangkaravakoon, holding 15.0000% and 5.0000% of TOAH's shares respectively. Moreover, six of them are TOAH's directors.	- depreciation, right to use a vehicle - interest expenses, right to use a vehicle	338,821.65 45,837.33	813,171.96 95,270.64	use for company cars for the management positions. The rental rate was as same as the annual return of the car rental business of listed companies.	transaction, and the rental rate was as same as the annual return of the car rental business of listed companies. Therefore, it was appropriate and reasonable.
3. Gypmantech Co., Ltd.	- TOAGH is the Company's major shareholder directly holding 51.0000% of shares in Gypmantech Co., Ltd. - The two joint directors are (1) Mr. Jatuphat Tangkaravakoon, and (2) Mrs. Busatree Wanglee.	<u>1.1 Purchase of Goods</u> - purchase of raw materials - trade payables	12,585,277.57 4,155,304.28	16,518,247.72 3,130,015.92	A subsidiary purchased gypsum boards from Gypmantech Co., Ltd. for distribution through all distribution channels of the Company. The pricing was agreed between the parties under the market price and conditions as made with the outsiders.	The transaction was deemed as a normal business transaction with market price and conditions as made with outsiders. Therefore, it was appropriate and reasonable.
4. TOA Paint (Malaysia) Sdn Bhd	TOAGH is the Company's major shareholder indirectly holding 72.0000% of shares	<u>4.1 Sales Income</u> - net sales - trade receivables	3,873,062.99 858,998.39	4,537,189.60 1,070,006.66	The Company's subsidiary sold decorative paint and coating products to TOA Paint (Malaysia) Sdn Bhd under the market price and	The transaction was deemed as a normal business transaction under the market price and conditions as made

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Company Name that May Have Conflicts of Interest	Relation to the Company	Details of Transactions	Transaction Size (THB)		Rationale and Necessity	Audit Committee's Opinions
			Fiscal Year Ended December 31, 2020	Fiscal Year Ended December 31, 2021		
	in TOA Paint (Malaysia) Sdn Bhd. ■ Mr. Nattavuth Tangkaravakoon is the joint director.				conditions as made with the outsiders.	with the outsiders. Therefore, it was deemed appropriate and reasonable.
5. TOA Performance Coating (Vietnam) Co., Ltd. ("TOAPC VN")	■ TOAGH is the Company's major shareholder indirectly holding 100.0000% of shares in TOAPC VN.	5.1 <u>Purchase of Goods</u> - purchase of finished for sale - trade payables	3,260,764.00 383,669.00	11,055,739.80 5,674,840.05	The Company's subsidiary purchased sandpaper products from TOAPC VN under the market price and conditions as made with the outsiders.	The transaction was deemed as a normal business support transaction under the market price and conditions as made with the outsiders. Therefore, it was deemed appropriate and reasonable.
		5.2 <u>Rental Income</u> - rental income - other receivables	300,957.59 155,006.05	188,937.41 0.00	TOAPC VN rented the warehouse in the same area of the Company's subsidiary, which is unoccupied from usage, with the monthly rental rate subject to the actual area. The rental rate was under the market price. The rental agreement was made for the period of 1 year from January 1, 2017 to December 31, 2017. The agreement term will automatically continue on a yearly basis until the parties agree to terminate the rental	The transaction was deemed as a normal business support transaction under the market price and conditions as made with the outsiders. Therefore, it was deemed appropriate and reasonable.

Company Name that May Have Conflicts of Interest	Relation to the Company	Details of Transactions	Transaction Size (THB)		Rationale and Necessity	Audit Committee's Opinions
			Fiscal Year Ended December 31, 2020	Fiscal Year Ended December 31, 2021		
					agreement. The agreement was continued on June 1, 2021, because the Company's subsidiary wanted to use the whole warehouse.	
6. TPM Paint (Malaysia) Sdn Bhd	■ TOAGH is the Company's major shareholder indirectly holding 72.0000% of shares in TPM Paint (Malaysia) Sdn. Bhd.	6.1 <u>Sales Income</u> - net sales	46,985.08	21,457.71	The Company's subsidiary sold decorative paint and coating products to TPM Paint (Malaysia) Sdn Bhd with pricing based on cost plus margin. Moreover, the transaction was under the market price and conditions as made with the outsiders.	The transaction was deemed as a normal business transaction under the market price and conditions as made with the outsiders. Therefore, it was deemed appropriate and reasonable.
		6.2 <u>Purchase of Goods</u> - purchase of raw materials - trade payables	1,518,306.55 291,092.78	965,098.24 169,329.34	The list of raw materials was purchased for generating products. The Company purchased chemicals from TPM Paint (Malaysia) Sdn Bhd, which was subject to the market price and conditions as made with the outsiders.	The transaction was deemed as a normal business support transaction under the market price and conditions as with the outsiders. Therefore, it was deemed appropriate and reasonable.
7. Sherwood Corporation (Thailand) PCL. ("SWC")	■ TOAGH is the Company's major shareholder indirectly holding 69.4100% of shares in SWC.	7.1 <u>Other Expenses</u> - entertainment expenses	-	383,952.65	The Company's subsidiary purchased products from SWC for its customers, which was subject to the prices as made with the outsiders.	The transaction was deemed as a normal business support transaction under the market price and conditions as with the outsiders. Therefore, it

Company Name that May Have Conflicts of Interest	Relation to the Company	Details of Transactions	Transaction Size (THB)		Rationale and Necessity	Audit Committee's Opinions
			Fiscal Year Ended December 31, 2020	Fiscal Year Ended December 31, 2021		
	■ The Company's 1 director: Mr. Jatuphat Tangkaravakoon is the shareholder of SWC holding 0.5700% of shares. ■ The two joint directors are (1) Mr. Prachak Tangkaravakoon, and (2) Mr. Vonnarat Tangkaravakoon.					was deemed appropriate and reasonable.

8.2.1 Measures and procedures on approval of related party transactions or connected transactions

The Board of Directors' Meeting No.26/2016 on December 21, 2016 approved the policy on related party transactions or connected transactions, and the criteria on related party transactions or connected transactions on an ordinary course of business and arm's length basis which can be summarized as follows:

The related party transaction or connected transaction between the Company and its subsidiaries shall comply with the regulations prescribed by the Securities and Exchange Act, and relevant legal requirements of the Capital Market Supervisory Board and/or the Securities and Exchange Commission and the Stock Exchange of Thailand. The Company shall also comply with the requirements on the disclosure of related party transactions in the note to financial statements audited by the auditor of the Company, and in the annual registration statement (Form 56-1). Upon entering into such transaction, the Company shall verify and monitor such transaction to ensure that the interested person will not be involved in the decision-making to enter into the related party transaction.

The Board of Directors has established the approval process for related party transactions or connected transactions based on a good ethical framework. The approval process is carefully reviewed by the Audit Committee by taking the interests of the Company and its shareholders into account. The Board of Directors ensures compliance with the approval process in line with the criteria set out by the Capital Market Supervisory Board, Securities and Exchange Commission, and Stock Exchange of Thailand, and also ensures the correctness and completeness of the public disclosure of related party transactions or connected transactions.

In case of ordinary business transactions or ordinary business support transactions which may be ongoing happen until the future, the Company has the policy to define the framework to enter into such transactions as follows: the trading terms must be similar to those terms a reasonable business person would be expected to enter into with other parties in general in similar circumstances with equal bargaining power, free of any undue pressure as a result of a person being a director, management, or related person, and must not constitute a transfer or loss of benefits on the part of the Company and/or it must be able to demonstrate that the prices and conditions for a transaction are fair and reasonable. If the Board of Directors resolves to approve the framework to enter into a transaction in general principle, the management may enter into a transaction that meets the framework without having to seek further approval from the Board of Directors. The Company shall prepare the summary of related party transactions or connected transactions to report to the Audit Committee and the Board of Directors respectively in every quarter in compliance with notifications, announcements, and regulations prescribed by the Securities and Exchange Commission, Capital Market Supervisory Board, and Stock Exchange of Thailand.

With respect to other related party transactions or connected transactions, the Company shall propose a transaction to the Audit Committee for consideration as to whether the proposed transaction is reasonable and the price is appropriate.

In case of the Audit Committee does not have relevant expertise to consider the proposed transaction, the Company shall arrange for an expert, such as the independent auditor or appraiser, to provide an opinion on the proposed transaction for further consideration of the Board of Directors or the shareholders, as the case may be. A person with potential conflicts of interest or who has interests in the proposed transaction shall not be allowed to consider and approve the proposed transaction, in order to ensure that the transaction will not constitute a transfer or loss of benefits on the part of the Company and that it will be primarily in the best interests of the Company and shareholders. The Company shall disclose

the related party transactions in the note to the audited financial statements, in the annual report, and in the annual registration statement (Form 56-1).

8.2.2 Policy on Future Related Party Transactions

In case the Company enters into a related party transaction in the future, the Company shall comply with the Securities and Exchange Act, regulations, notifications, orders, or requirements prescribed by the Capital Market Supervisory Board, Securities and Exchange Commission, and Stock Exchange of Thailand. Thus, entering into such transaction shall not constitute a transfer or loss of benefits on the part of the Company. Generally, a related party transaction must be entered into with regards to the best interests of the Company and shareholders.

For transactions in the ordinary course of business or transactions that support transactions in the ordinary course of business on an ongoing basis, the Company shall determine the criteria and guidelines to conform to the general trading terms based on the prices and conditions that are appropriate, fair, reasonable, and verifiable. The criteria and guidelines shall be proposed to the Audit Committee for consideration, and to the Board of Directors for further approval.

Moreover, in the case of a related party transaction, or connected transaction, or a change to the terms and conditions for a related party transaction between the Company and its major shareholders, directors, management, or persons with a potential conflict of interest or connected person, the directors with interest in the particular issue will not be present at the Board of Directors' meeting when the agenda concerning the approval on such transaction is being discussed.

Part 3

Financial Statements



Part 3: Financial Statements

9. Financial Highlights

9.1 Summary of independent auditor's report

Fiscal Year	Auditor	Summary Report
Consolidated financial statements ended December 31, 2020 and 2021	Ms. Nopanuch Apichatsatien Certified Public Accountant (SEC Accredited CPA) No. 5266, PricewaterhouseCoopers ABAS Ltd.	Auditor audited the accompanying consolidated financial statements of the Company and its subsidiaries, which comprised the consolidated statement of financial position as at 31 December 2020 and 2021, and the related consolidated 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, and also audited the separate financial statements of the Company for the same period. In auditor's opinion, the consolidated financial statements and the separate financial statements present fairly, in all material respects, the consolidated financial position of TOA Paint (Thailand) Public Company Limited (the Company) and its subsidiaries (the Group) and the separate financial position of the Company as at 31 December 2020 and 2021, and its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with Thai Financial Reporting Standards (TFRS).
Consolidated financial statements ended December 31, 2019	Ms. Krongkaew Limkittikul, Certified Public Accountant (SEC Accredited CPA) No. 5874, EY Office Limited	Auditors audited the accompanying consolidated financial statements of the Company and its subsidiaries, which comprised the consolidated statement of financial position as at 31 December 2019, and the related consolidated 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, and also audited the separate financial statements of the Company for the same period. In auditors' opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Company and its subsidiaries and of the Company as at December 31, 2019, their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

9.2 Summary of consolidated financial statements ended December 31, 2019, 2020, and 2021

Consolidated Statements of Financial Position	As at December 31					
	2019		2020		2021	
	THBmm	%	THBmm	%	THBmm	%
Assets						
<u>Current assets</u>						
Cash and cash equivalents	1,590.9	10.1	2,419.8	14.7	3,011.2	16.3
Investments in trading securities/ Financial assets measured at fair value through profit or loss	5,261.9	33.5	4,224.0	25.6	4,610.5	24.9
Trade and other receivables	3,037.4	19.4	2,912.6	17.7	3,237.1	17.5
Current portion of hire purchase receivables	53.4	0.3	51.7	0.3	48.6	0.3
Short-term loans to others	-	-	-	-	9.9	0.1
Inventories	2,212.1	14.1	2,163.0	13.1	2,619.4	14.2
Other current assets	178.6	1.1	215.4	1.3	218.9	1.2
Other long-term investments	12,334.3	78.5	11,986.5	72.7	13,755.5	74.4
<u>Non-current assets</u>						
Long-term hire purchase receivables, net of current portion	117.2	0.7	128.2	0.8	166.6	0.9
Financial assets measured at fair value through other comprehensive income	-	-	5.7	0.0	-	-
Other long-term investments	5.7	0	-	-	-	-
Investment properties	13.5	0.1	12.7	0.1	10.1	0.1
Property, plant and equipment	2,756.6	17.6	2,691.1	16.3	2,704.6	14.6
Right-of-use assets	-	-	1,258.2	7.6	1,343.8	7.3
Intangible assets	315.3	2	197.0	1.2	253.9	1.4
Goodwill	-	-	-	-	49.6	-
Deferred tax assets	105.1	0.7	147.1	0.9	147.7	0.8
Other non-current assets	59.0	0.4	59.8	0.4	64.9	0.4
Total non-current assets	3,372.4	21.5	4,499.8	27.3	4,741.1	25.6
Total assets	15,706.7	100	16,486.3	100	18,496.6	100.0
Liabilities and shareholders' equity						
<u>Current liabilities</u>						
Short-term borrowings from financial institutions	575.0	3.7	200.0	1.2	289.1	1.6
Trade and other payables	3,752.3	23.9	2,975.2	18.1	3,830.7	20.7
Short-term borrowings from others	-	-	-	-	7.6	0.0
Current portion of long-term loans from financial institutions	-	-	-	-	0.1	0.0
Income tax payable	286.9	1.8	272.8	1.7	205.6	1.1
Derivative liabilities	-	-	-	-	6.4	0.0
Current portion of lease liabilities	-	-	152.0	0.9	151.5	0.8

Consolidated Statements of Financial Position	As at December 31					
	2019		2020		2021	
	THBmm	%	THBmm	%	THBmm	%
Other current liabilities	59.9	0.4	90.0	0.5	96.6	0.5
Total current liabilities	4,674.1	29.8	3,690.0	22.4	4,587.6	24.8
<u>Non-current liabilities</u>						
Lease liabilities	-	-	945.5	5.7	1,026.0	5.5
Provision for long-term employee benefits	409.9	2.6	437.6	2.7	417.2	2.3
Deferred tax liabilities	-	-	-	-	7.0	0.0
Other non-current liabilities	9.2	0.1	7.8	0	7.8	0.0
Total non-current liabilities	419.1	2.7	1,390.9	8.4	1,458.0	7.9
Total liabilities	5,093.2	32.4	5,080.9	30.8	6,045.5	32.7
<u>Shareholders' equity</u>						
Share capital						
Registered capital	2,029.0	12.9	2,029.0	12.3	2,029.0	11.0
Registered, issued and fully paid ordinary shares	2,029.0	12.9	2,029.0	12.3	2,029.0	11.0
Premium on paid-up capital	5,761.5	36.7	5,761.5	34.9	5,761.5	31.1
Retained earnings						
Appropriated - legal reserve	202.9	1.3	202.9	1.2	202.9	1.1
Unappropriated	3,444.5	22	4,311.5	26.2	5,110.1	27.6
Other components of shareholders' equity	(748.9)	-4.8	(890.8)	-5.4	(816.7)	-4.4
Equity attributable to owners of the Company	10,689.0	68.1	11,414.1	69.2	12,286.8	66.4
Non-controlling interests of the subsidiaries	(75.5)	-0.5	(8.7)	-0.05	164.3	0.9
Total shareholders' equity	10,613.5	67.6	11,405.4	69.2	12,451.1	67.3
Total liabilities and shareholders' equity	15,706.7	100	16,486.3	100	18,496.6	100.0

Consolidated Statement of comprehensive income	As at December 31					
	2019		2020		2021	
	THBmm	%	THBmm	%	THBmm	%
<u>Revenues</u>						
Sales	16,978.3	99.3	16,296.0	99.1	17,570.5	99.2
Dividend income	12.0	0.1	14.7	0.1	22.7	0.1
Other income	102.2	0.6	127.5	0.8	114.9	0.6
Total revenues	17,092.5	100.0	16,438.2	100.0	17,708.0	100.0
<u>Expenses</u>						
Cost of sales	(11,026.1)	-64.5	(10,286.9)	-62.6	(11,823.3)	-66.8
Selling expenses	(2,223.4)	-13.0	(2,202.8)	-13.4	(2,177.3)	-12.3
Administrative expenses	(1,138.5)	-6.7	(1,307.2)	-8.0	(1,338.2)	-7.6
Net gain (loss) on exchange rates	(64.8)	-0.4	28.0	-0.2	50.8	0.3
Gain (loss) from fair value of investments in trading securities / fair value of financial	90.0	0.5	(35.3)	-0.2	69.2	0.4

Consolidated Statement of comprehensive income	As at December 31					
	2019		2020		2021	
	THBmm	%	THBmm	%	THBmm	%
assets measured at fair value through profit or loss						
Total expenses	(14,362.8)	-84.1	13,804.2	-84.4	(15,218.9)	-85.9
Profit before finance cost and income tax	2,729.7	16.0	2,634.0	16.0	2,489.1	14.1
Finance cost	(18.6)	(0.1)	(38.8)	(0.2)	(34.8)	(0.2)
Profit before income tax	2,711.1	15.9	2,595.2	15.8	2,454.3	13.9
Income tax	(569.9)	(3.3)	(570.5)	(3.5)	(528.0)	(3.0)
Profit for the year	2,141.2	12.5	2,024.7	12.3	1,926.3	10.9
Other comprehensive income:						
Items that will not be reclassified to profit or loss						
Remeasurements of post-employment benefit obligations, net of tax	1.3		(11.1)		(0.03)	
Items that will be reclassified subsequently						
Currency translation differences, net of tax	(61.2)		(28.5)		83.3	
Changes in fair value of financial assets measured at fair value through other comprehensive income, net of tax	-		-		(4.6)	
Total items that will be reclassified subsequently to profit or loss	(61.2)		(28.5)		78.7	
Total comprehensive income for the year	2,081.4		1,985.1		2,004.9	
Profit (loss) attributable to:						
Owners of the parent	2,162.50		2,031.2		1,955.1	
Non-controlling interests	(21.2)		(6.5)		(28.8)	
Profit for the year	2,141.30		2,024.7		1,926.3	
Total comprehensive income attributable to:						
Equity holders of the Company	2,101.60		1,990.7		2,029.2	
Non-controlling interests of the subsidiaries	(20.3)		(5.6)		(24.2)	
Comprehensive income for the year	2,081.30		1,985.1		2,004.9	
Earnings per share						
Basic earnings per share (THB/share)	1.07		1.00		0.96	

Consolidated Cash flow statement	As at December 31		
	2019	2020	2021
	THBmm	THBmm	THBmm
Cash flows from operating activities			
Profit before tax	2,711.2	2,595.2	2,454.3
Adjustments to reconcile profit before tax to net cash			
Depreciation and amortization	368.9	557.5	615.5
Allowance for doubtful accounts (reversal)	14.6	92.8	14.8

Consolidated Cash flow statement	As at December 31		
	2019	2020	2021
	THBmm	THBmm	THBmm
Allowance for diminution in value of inventories (reversal)	37.2	(37.8)	17.5
(Gain) loss on disposals of plant and equipment	(1.0)	(2.1)	10.1
Loss from impairment of property and plant	-	-	6.3
(Gain) loss on sale of intangible assets	-	-	22.4
(Gain) loss from lease cancellation and modification	-	-	(1.1)
Gain on sale of investments in trading securities / financial assets measured at fair value through profit or loss	(42.0)	(75.2)	(22.5)
Employee benefit expenses	126.2	41.1	41.0
(Gain) loss from fair value of financial assets measured at fair value through profit or loss	-	110.4	(46.7)
Gain on disposals of investments in trading securities	(48.0)	-	-
Interest income	(26.7)	(27.3)	(28.6)
Interest expenses	18.6	38.8	34.8
Dividend income	(12.1)	(14.7)	(22.7)
Unrealized loss (gain) on exchange rates	30.0	20.7	(19.8)
Currency translation differences	(19.9)	(48.3)	53.5
Profit from operating activities before changes in operating assets and liabilities	3,157.0	3,251.2	3,129.0
Operating assets (increase) decrease:			
Trade and other receivables	20.1	(43.6)	(286.1)
Hire purchase receivables	18.0	6.6	(22.3)
Inventories	134.5	74.5	(450.4)
Other current assets	(18.9)	(16.0)	(1.7)
Other non-current assets	(9.5)	(7.6)	(4.9)
Operating liabilities increase (decrease):			
Trade and other payables	(321.2)	(658.3)	819.1
Other current liabilities	(7.2)	9.5	2.4
Provision for long-term employee benefits	(29.2)	(26.9)	(63.3)
Other non-current liabilities	(3.2)	(1.4)	(1.0)
Cash flows from operating activities	2,940.4	2,587.9	3,120.7
Cash paid for corporate income tax	(530.3)	(618.5)	(591.1)
Net cash flows from operating activities	2,410.1	1,969.5	2,529.6
Cash flows from financing activities			
Payments for additional investment in subsidiaries	-	-	(91.6)
Payments for purchase of intangible assets	(6.4)	(117.1)	(118.7)
Acquisition of plant and equipment	(745.3)	(355.7)	(269.8)
Payments for purchase of investments in trading securities / Payments for purchase of financial assets measured at fair value through profit or loss	-	(14,659.8)	(13,556.9)
Payments for purchase of investments in trading securities	(13,503.0)	-	-
Payments for short-term loans to related parties	-	-	(9.9)

Consolidated Cash flow statement	As at December 31		
	2019	2020	2021
	THBmm	THBmm	THBmm
Proceeds from sales of property, plant and equipment	-	3.4	28.3
Proceeds from sales of investments in trading securities / financial assets measured at fair value through profit or loss	12,815.1	15,660.7	13,235.8
Proceeds from sales of plant and equipment	6.3	-	-
Cash received from interest income	28.6	14.6	16.3
Cash received from dividend income	12.1	14.9	22.6
Net cash generated from (used in) investing activities	(1,392.6)	561.0	(743.9)
Cash flows from financing activities			
Payments for additional investment in subsidiaries	-	(27.0)	-
Cash received from increase in parent's equity in a subsidiary	-	-	135.0
Payments for lease liabilities	-	(179.0)	(211.0)
Repayments to short-term borrowings from financial institutions	(410.0)	(375.0)	(1,139.5)
Proceed from short-term loans from financial institutions	-	-	1,160.3
Repayments to long-term borrowings from financial institutions	-	-	(4.0)
Payments for interest expense	(18.7)	(6.1)	(5.0)
Payments for dividends	(831.9)	(1,095.7)	(1,161.2)
Net cash used in financing activities	(1,260.6)	(1,682.7)	(1,225.4)
Net increase in cash and cash equivalents	(243.1)	847.8	560.3
Cash and cash equivalents at the beginning of the year	1,866.6	1,590.9	2,419.8
Exchange gain (loss) on cash and cash equivalents	(32.6)	(18.9)	31.1
Cash and cash equivalents at the end of the year	1,590.9	2,419.8	3,011.2

9.3 Financial Ratio

Financial Ratio	Unit	Consolidated financial statements ended		
		December 31		
		2019	2020	2021
Liquidity Ratios				
Current Ratio	times	2.6	3.2	3.0
Quick Ratio	times	2.1	2.6	2.4
Cash Flow Liquidity Ratio	times	0.5	0.5	0.6
Accounts Receivable Turnover	times	5.5	5.2	5.3
Average Collection Period	days	65	69	67
Inventory Turnover	times	10.4	10.7	11.3
Inventory Days	days	35	34	32
Accounts Payable Turnover	times	3.9	4.4	4.9
Accounts Payable Days	days	93	81	74
Cash cycle	days	7	22	25

Financial Ratio	Unit	Consolidated financial statements ended		
		December 31		
		2019	2020	2021
Profitability ratios				
Gross Profit Margin	%	35.1	36.9	32.7
Operating Profit Margin	%	15.3	15.3	12.7
Non-Operating Profit Margin	%	0.8	0.8	1.5
Cash Flow to Income Ratio	%	93.8	80.7	113.4
Net Profit Margin	%	12.7	12.4	11.0
Return on Equity	%	21.4	18.4	16.5
Efficiency Ratios				
Return on Total Assets	%	14.0	12.6	11.0
Return on Fixed Assets	%	99.4	94.8	94.2
Total Assets Turnover	times	1.1	1.0	1.0
Financial Policy Ratios				
Total Liabilities to Equity Ratio	times	0.5	0.4	0.5
Interest Coverage Ratio	times	162.6	67.8	88.8
Debt Service Coverage Ratio – cash basis	times	0.9	2.1	1.4
Dividend Payout Ratio	%	50.0	50.6	51.3
Interest-bearing debt to equity ratio	times	0.1	0.1	0.1

10. Management Discussion and Analysis: MD&A

10.1 Overview

The Company is the leading paint and coating producer and distributor in Thailand. In addition, the Company has a wide manufacturing and distribution footprint across the nation and AEC. The founders of the Company have over 57 years of experience in the paint and coating industry for manufacturing high-quality products. The Company owns recognized brands and offers market-leading technology and customer service, including the research and development of high-quality and innovative products to meet the demand of consumers. The Company believes that it achieved its market-leading position in Thailand as a result of its long-established presence and the economies of scale associated with the incumbency as a large manufacturer, especially with mass-media branding and brand recognition, widespread distribution compared to other operators in Thailand.

In addition, the Company intensifies the competitive advantage and profitability with the commitment of growing beyond colors – continued focus on penetrating the market of non-decorative paints and coatings. To drive full synergy between its wide range of product portfolios, “MEGA Paint Warehouse” provides one-stop service throughout the whole product line of construction materials and services, including in-store displays “Protect & Repair Center” – broadly offering construction materials. Plus, “WHO Service”, a comprehensive online platform, is a solutions builder for home construction and repair services with great care of professional contractors.

10.2 Results of Operations

Results of Operations for the Year 2021

For the year ended December 31, 2020, and 2021, our sales revenue was THB16,296.0 million and THB17,570.5 million, respectively, which increased THB1,274.5 million, or 7.8%. The increase derived primarily from an increase in non-decorative paint and coating products sales revenue due to the increased selling price and sales volume, as well as an increase in decorative paint and coating products sales revenue due mainly to an increased selling price. By distribution channel, the increase in sales revenue derived particularly from the increased selling price and sales volume in both retail dealers and modern trade channels. By customer location, an increased sales revenue of products sold to customers in Thailand due to an increased sales volume and an increased sales revenue in overseas countries derived from the increase in both selling price and sales volume.

Sales by product group	Year ended December 31,			
	2020		2021	
	THB million	%	THB million	%
Decorative Products	10,774.3	66.1	11,078.0	63.0
Non-decorative Products	5,185.2	31.8	5,938.3	33.8
Other Business Products ⁽¹⁾	336.5	2.1	554.2	3.2
Sales	16,296.0	100.0	17,570.5	100.0

Notes “Other Business Products” comprise sales of certain products to the related companies, such as raw materials and semi-finished materials.

Sales by distribution channel	Year ended December 31,			
	2020		2021	
	THB million	%	THB million	%
Retail Dealers	11,923.3	73.2	12,577.3	71.6
Modern Trade	2,861.6	17.6	3,450.0	19.6
Others ⁽¹⁾	1,511.1	9.2	1,543.2	8.8
Sales	16,296.0	100.0	17,570.5	100.0

Note: "Others" primarily comprise sales revenue from distribution through projects, exports, and related companies.

Sales by geography	Year ended December 31,			
	2020		2021	
	THB million	%	THB million	%
Thailand	14,050.4	86.2	14,869.9	84.6
Overseas	2,245.6	13.8	2,700.6	15.4
Vietnam	1,246.5	7.7	1,397.2	8.0
Others ⁽¹⁾	999.1	6.1	1,303.4	7.4
Sales	16,296.0	100.0	17,570.5	100.0

Note: "Others" mainly comprise sales revenue from customers in Laos, Malaysia, Indonesia, Myanmar, and Cambodia.

Cost of sales

Our cost of sales increased THB1,536.4 million, or 14.9%, from THB10,286.9 million for the year ended December 31, 2020 to THB11,823.3 million for the year ended December 31, 2021. This increase was primarily attributable to an increased sales volume and the average cost per unit of main raw materials used in our production process increased.

Gross Profit

For the years ended December 31, 2020 and 2021, gross profit was THB6,009.1 million and THB5,747.2 million, respectively, or as a percentage of sales revenue, 36.9% and 32.7%, respectively. The decrease in gross profit margin was primarily attributable to the average cost per unit of main raw materials used in our production process increased.

Selling expenses

Total selling expenses decreased THB25.5 million, or 1.2%, from THB2,202.8 million for the year ended December 31, 2020 to THB2,177.3 million for the year ended December 31, 2021. This decrease was primarily attributable to the decrease in advertising expenses and sale promotion expenses offset partially by an increase in freight expenses.

Administrative expenses

Total administrative expenses increased THB31.0 million, or 2.4%, from THB1,307.2 million for the year ended December 31, 2020 to THB1,338.2 million for the year ended December 31, 2021. This increase was primarily

attributable to increased depreciation and amortization, as well as an increase in expenses to prevent and take care of employees during the COVID-19 pandemic.

Profit for the year

Our profit for the year decreased THB76.1 million, or 3.7%, from THB2,031.2 million for the year ended December 31, 2020 to THB1,955.1 million for the year ended December 31, 2021. This decrease was primarily attributable to an increased cost of sales due to an increased raw materials price and increased administrative expenses offset partially by decreased selling expenses. Our net profit margin decreased from 12.4% for the year ended December 31, 2020 to 11.0% for the year ended December 31, 2021.

Income statement (THB million)	Year ended December 31,	
	2020	2021
Sales revenue	16,296.0	17,570.5
Total revenues	16,438.2	17,707.9
Cost of sales	10,286.9	11,823.3
Selling and administrative expenses	3,510.0	3,515.5
Losses (gains) on exchange rates and fair value of financial assets measured at fair value through profit or loss	7.3	(120.0)
Profit before finance cost and income tax	2,634.0	2,489.1
Profit (loss) attributable to owners of the parent	2,031.2	1,955.1

10.3 Asset Management Ability

1. Current Assets

(1) Cash and Cash Equivalents

Our cash and cash equivalents consisted of cash and bank deposits. As at December 31, 2020 and 2021, we had cash and cash equivalents of THB2,419.8 million and THB3,011.2 million, respectively. Our cash and cash equivalents were primarily affected by the increases and decreases of our net cash from or used in operating, investing, and financing activities.

(2) Financial Assets Measured at Fair Value through Profit or Loss

As at December 31, 2020 and 2021, we had investments in financial assets measured at fair value through profit or loss of THB4,224.0 million and THB4,610.5 million, respectively. Our investments in financial assets measured at fair value through profit or loss were primarily from the increase in capital and raising funds in public and from the operating profit.

(3) Trade and Other Receivables

Our trade and other receivables primarily consisted of trade receivables from related and unrelated parties and other receivables, including accrued income. As at December 31, 2020

and 2021, we had trade and other receivables of THB2,912.6 million and THB3,237.1 million, respectively. The increase in trade and other receivables was primarily attributable to an increased sales revenue.

AR Aging Analysis

	<u>2020</u>	<u>2021</u>
<u>Trade receivables - related parties</u>		
Within 3 months	117.4	128.1
3 - 6 months	2.9	-
6 - 12 months	32.4	-
Over 12 months	36.4	-
Total	189.1	128.1
<u>Less</u> Loss allowance	(11.9)	-
Trade receivables - related parties - net	177.2	128.1
<u>Trade receivables - others</u>		
Within 3 months	2,451.5	2,655.6
3 - 6 months	101.4	183.3
6 - 12 months	98.6	80.2
Over 12 months	299.3	389.5
Total	2,950.9	3,308.6
<u>Less</u> Loss allowance	(331.6)	(344.6)
Trade receivables – others, net	2,619.3	2,964.0
Total trade receivables - net	2,796.5	3,092.1
<u>Other receivables</u>		
Other receivables - related parties	7.4	6.9
Other receivables – others	49.3	59.1
Accrued income - related parties	-	5.0
Accrued income - others	-	-
Prepaid expenses	50.9	62.8
Others	8.5	11.2
Total other receivables	116.1	145.0
Total trade and other receivables - net	2,912.6	3,237.1

As of December 31, 2020, and 2021, the Company has an expected allowance for the loss according to TFRS 9 amounting to THB343.5 million and THB344.7 million, respectively.

The Group applies the TFRS 9 with the simplified approach in measuring the impairment of trade receivables and hire-purchase receivables, which applies lifetime expected credit loss.

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The expected credit loss rates are based on payment profiles, historical credit losses as well as forward-looking information and factors that may affect the ability of the customers to settle the outstanding balances.

The Group chose to apply the temporary measures to relieve the impact from the COVID-19 announced by TFAC for the reporting periods ended between 1 January 2020 and 31 December 2020 by excluding forward-looking information in assessing the expected credit loss under the simplified approach of trade receivables and hire purchase receivables. As of 31 December 2020, the expected credit loss for trade receivables and hire purchase receivables were assessed based on historical credit loss together with the management's judgment in estimating the expected credit loss.

The average collection period was approximately 69 days and 67 days in 2020 and in 2021, respectively, which was consistent with the credit term of the Company, which is between 30-90 days.

(4) Current Portion of Long-term Hire Purchase Receivables

The current portion of long-term hire purchase receivables comprised hire purchase agreements for the Auto Tinting Machines which are due within one year. As at December 31, 2020, and 2021, our current portion of long-term hire purchase receivables was THB51.7 million and THB48.6 million, respectively.

(5) Inventories

Inventories consisted of finished goods, work in process, raw materials, packing materials, spare parts, and factory supplies, and goods in transit. As at December 31, 2020 and 2021, we had inventories of THB2,163.0 million and THB2,619.4 million, respectively. Inventories increased as at December 31, 2021 primarily due to the increase in the level of finished goods and work in process.

Inventory days in 2020 and 2021 were approximately 34 days and 32 days, respectively.

We have the policy to establish provision for obsolete inventories by taking into the shelf life of each product.

2. Non-current Assets

(1) Long-term Hire Purchase Receivables not due within one year, Net of Current Portion

Long-term hire purchase receivables, net of current portion, comprised hire purchase agreements for the Auto Tinting Machines which are not due within one year. As at December 31, 2020 and 2021, we had long-term hire purchase receivables of THB128.2 million and THB166.6 million, respectively.

(2) Investment Properties

Investment properties relate to investment in real properties comprised a building in Huay Kapi district, Chonburi province. As at December 31, 2020 and 2021, investment properties were THB12.7 million and THB10.1 million, respectively.

(3) Property, Plant and Equipment

Property, plant, and equipment consisted of land, land improvements, buildings and building improvement, machinery and equipment, furniture, fixtures and office equipment, motor vehicles, and assets under installation. As at December 31, 2020, and 2021, we had property, plant and equipment of THB2,691.0 million and THB2,704.6 million, respectively.

(4) Intangible Assets

Intangible assets comprised computer software and leasehold rights. As at December 31, 2020, and 2021, intangible assets were THB197.0 million and THB253.9 million, respectively. The increase in intangible assets was primarily due to the implementation of the new software.

(5) Other non-current assets

Other non-current assets primarily consisted of withholding tax refundable. As at December 31, 2020 and 2021, we had other non-current assets THB59.8 million and THB64.9million, respectively.

3. Current Liabilities**(1) Short-Term Loans from Financial Institutions**

Our short-term loans from financial institutions represent promissory notes.

As at December 31, 2020, and 2021, we had short-term loans from financial institutions of THB200.0 million and THB289.1 million, respectively.

(2) Trade and Other Payables

Our trade and other payables consisted of trade payables to our raw material suppliers and other payables to related and unrelated parties, as well as accrued expenses.

As at December 31, 2020, and 2021, we had trade and other payables of THB2,975.2 million and THB3,830.7 million, respectively. The increase in trade and other payables was primarily due to an increase in purchasing volume. The average days outstanding for trade and other payables were 81 days and 74 days in 2020 and 2021, respectively.

(3) Income Tax Payable

As at December 31, 2020, and 2021, income tax payable, being corporate income tax, was THB272.8 million and THB205.6 million, respectively. The decrease in corporate income tax payable was consistent with the decrease in the Company's profit before tax in 2021.

4. Non-current Liabilities**(1) Provision for Long-term Employee Benefits**

As at December 31, 2020, and 2021, we had provision for long-term employee benefits of THB437.6 million and THB417.2 million, respectively. Provision for long-term employee benefits decreased as at December 31, 2021 primarily due to the employees' retirement.

5. Shareholders' Equity

As at December 31, 2020, and 2021, our shareholders' equity was THB11,405.4 million and THB 12,451.1 million, respectively. As at December 31, 2021, shareholders' equity consisted of paid-up capital of THB2,029.0 million, share premium of THB5,761.5 million, the appropriated-statutory reserve of THB202.9 million, unappropriated retained earnings of THB5,110.1 million less other components of shareholders equity of THB816.7 million, and non-controlling interests of the subsidiaries of THB164.3 million.

As at December 31, 2020, and 2021, the Company's return on equity was 18.4% and 16.1%, respectively. The decrease in the Company's return on equity as at December 31, 2021, was primarily due to the decrease in profit for the period.

10.4 Liquidity and Adequacy of Capital

1. Liquidity

Our principal sources of liquidity are cash generated from our operations and loans from financial institutions. The availability of funding from external sources and the cost of such funding is subject to a number of factors that are beyond our control, including general economic and capital market conditions, interest rates, availability of credit from banks and other lenders, lenders, and/or investor confidence in TOA, tax and securities laws that may be applicable to us, and political and economic conditions in the markets in which we operate and internationally.

Our expectation of cash flow from operating activities, as well as cash and cash equivalents, are adequate for the capital commitments.

2. Cash Flows

The following table sets out certain information from our consolidated condensed statements of cash flows for the periods indicated.

	Year Ended December 31,	
	2020	2021
	THB million	THB million
Cash Flow Data:		
Net cash flows from operating activities	1,969.5	2,529.6
Net cash flows from (used in) investing activities	561.0	(743.9)
Net cash flows used in financing activities	(1,682.7)	(1,225.4)
Net increase in cash and cash equivalents	847.8	560.3
Cash and cash equivalents at the beginning of the year	1,590.9	2,419.8

Exchange gain(loss) on cash and cash equivalents	(18.9)	31.1
Cash and cash equivalents at the end of the year	2,419.8	3,011.2

(1) Operating Activities

Net cash flows from operating activities was THB2,529.6 million for the year ended December 31, 2021 and was primarily from our profit before tax for the period of THB2,454.3 million, as adjusted for reconciliation of net profit in cash receivable (payable) provided by operating activities of THB674.7 million, primarily comprising depreciation and amortization of THB615.5 million, and the increase in operating assets and liabilities of THB8.3 million, primarily comprising an increase of trade payables and other payables of THB819.1 million, partially offset by an increase of trade and other receivables of THB286.1 million and an increase of inventories of THB450.4 million including cash paid for corporate income tax of THB591.1 million.

(2) Investing Activities

Net cash flows from investing activities were THB743.9 million for the year ended December 31, 2021, which was primarily from net cash from financial assets measured at fair value through profit or loss, the acquisition of plant and equipment amounting to THB269.8 million, and the purchase of intangible assets amounting to THB118.7 million.

(3) Financing Activities

Net cash flows used in financing activities was THB1,225.4 million for the year ended December 31, 2021, which was primarily from dividend payment of THB1,161.2 million and the payment for lease liabilities of THB211.0 million.

(4) Capital Expenditures

Capital expenditures for the fiscal year ended 31 December 2020 and 2021 were THB275.6 million and THB288.1 million, respectively. Most of them consisted of machinery, equipment, computer software, building construction, and building improvement.

(5) The ability to liquidate and comply with loan covenants and the ability to acquire additional funding sources.

The Company has a strong financial position and sufficient liquidity to repay both short-term and long-term loans. However, in case of needing additional funding sources, the Company is able to acquire additional funds – loans from financial institutions.

Throughout the years 2020 and 2021, the Company had complied with the terms of the major borrowing facilities. The debt-to-equity ratio must not be greater than 1:1.5.

(6) Commitments and contingent liabilities

The following table summarizes the key components of the Company's obligations and contingent liabilities as of 31 December 2020 and 2021.

	Year Ended December 31,	
	2020	2021
	THB million	THB million
Maturity of financial liabilities		
Short-term borrowings	200.0	289.1
Trade and other payables ⁽¹⁾	2,518.8	3,392.2
Lease liabilities		
Pay within		
Within 1 year	181.2	187.7
1 - 5 years	562.7	287.3
Later than 5 years	508.7	948.0
Total lease liabilities	1,252.6	1,423.0
Total financial liabilities that are not derivatives	3,971.3	5,104.3
Derivatives		
Foreign currency forward contract ⁽²⁾	-	341,344
Total derivatives	-	341,344
Non-cancellable operating leases ⁽³⁾		
Pay within		
Within 1 year	13.2	18.3
1 - 5 years	4.6	10.0
Later than 5 years	-	-
Total	17.8	28.3
Capital expenditure commitments		
Property, plant and equipment	15.7	222.8
Intangible	136.5	28.8
Total	152.2	251.6

Note: ⁽¹⁾ excluding non-financial liabilities.

⁽²⁾ representing contract amounts.

⁽³⁾ From 1 January 2020, the Group has recognized lease liabilities due to the adoption of the new financial reporting standards. Therefore, the commitments as at 31 December 2020 are only commitments for short-term leases.

10.5 Analysis of key financial ratios

Set out below is a discussion of certain key financial ratios.

1. Current Ratio

As at December 31, 2020, and 2021, our current ratio was 3.2 times and 3.0 times, respectively. The decrease in the current ratio as at December 31, 2021, was primarily due to an increase in current liabilities as a result of an increase in trade and other payables.

2. Total Liabilities to Equity Ratio

As at December 31, 2020, and 2021, our total liabilities to equity ratio was 0.4 times and 0.5 times, respectively. The total liabilities to equity ratio increased as at December 31, 2021, primarily due to an increase in liabilities.

3. Interest-Bearing Debt to Equity Ratio

As at December 31, 2020, and 2021, our interest-bearing debt to equity ratio was 0.11 times and 0.12 times, respectively.

10.6 Off-balance sheet obligations and contingent liabilities management

The Company has entered into guarantees to guarantee the bank credit facilities of its associates and subsidiaries. For the years ended December 31, 2021, the Company provided guarantees for loans for its subsidiaries amounting to THB30 million, and USD 3 million (December 31, 2020: THB180 million, and USD 3 million).

As at 31 December 2021, the Group and the Company had outstanding bank guarantees of THB65.42 million and THB64.76 million, respectively (December 31, 2020: THB19 million and THB18 million, respectively) issued by various banks on behalf of the Company and its subsidiaries for guaranteeing the performance of the relevant contracts as required in the normal course of business.

Other than as described above, the Company does not have any material off-balance sheet transactions or other contingent liabilities.

10.7 Factors or events that will affect the financial positions or future operations.

Conducting business in the current situation among the rapidly changing society and economy, the Company highly emphasizes the importance of risk management from both external and internal factors that may affect the financial position and performance in the future, such as the fluctuation of raw materials, change in regulatory requirements and relevant regulations, etc.

TOA PAINT (THAILAND) PUBLIC COMPANY LIMITED

CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

31 DECEMBER 2021

Independent Auditor's Report

To the Shareholders and the Board of Directors of TOA Paint (Thailand) Public Company Limited

My opinion

In my opinion, the consolidated financial statements and the separate financial statements present fairly, in all material respects, the consolidated financial position of TOA Paint (Thailand) Public Company Limited (the Company) and its subsidiaries (the Group) and the separate financial position of the Company as at 31 December 2021, and its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with Thai Financial Reporting Standards (TFRS).

What I have audited

The consolidated financial statements and the separate financial statements comprise:

- the consolidated and separate statements of financial position as at 31 December 2021
- the consolidated and separate statements of comprehensive income for the year then ended;
- the consolidated and separate statements of changes in equity for the year then ended;
- the consolidated and separate statements of cash flows for the year then ended; and
- the notes to the consolidated and separate financial statements, which include significant accounting policies and other explanatory information.

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 consolidated and separate financial statements section of my report. I am independent of the Group and the Company in accordance with the Code of Ethics for Professional Accountants issued by the Federation of Accounting Professions that are relevant to my audit of the consolidated and separate financial statements, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key audit matters

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

Key audit matter	How my audit addressed the key audit matter
Recognition of revenue from sales Refer to Note 4.20 'Accounting policy for revenue recognition', Note 7 'Critical accounting estimates and judgements', Note 21 'Trade and other payables' to the financial statements. The Group's revenue from sales comprises sales transactions with a large number of customers. Revenue is recognised net of rebate, incentive and discount arising from a variety sale promotion schemes given to the customers. Moreover, the Group has obligations for sales returns where the return conditions and period are in accordance with the terms agreed with the customers. The Group's revenue therefore involves the estimate of variable consideration and returns. These characteristics provide the opportunities of revenue being misstated as a result of complexity and variety of calculation of the variable considerations and the estimation made on sale returns. Revenue from sales of goods for the year ended 31 December 2021 in the consolidated and separate financial statements were Baht 17,570 million and Baht	 My key audit procedures included: • Obtaining an understanding and evaluating the effectiveness of the key controls over the revenue cycle and sales promotion. • Validating the key controls over the revenue cycle related to the approval of sales promotion and the approval for issue credit note. • Examining sales transactions against invoices, delivery notes, bills of lading and other related shipping documents. • Performing cut-off testing by examining sales and credit notes within a defined risk period near the end of the period with supporting documentation to verify whether the underlying sales and credit notes were recorded in the appropriate period. • For sales transactions that have not been collected at the end of the period, I selected a sample list of trade account receivables amounts to sending confirmation letter at the end of the year. • Obtaining an understanding of the Group's significant sales promotion schemes in order to determine

14,196 million, respectively. Accrued trade promotions (included in trade and other payables) as at 31 December 2021 in the consolidated and separate financial statements were Baht 438.48 million and Baht 247.56 million, respectively. These balances were significant to the Group's and the Company's financial statements.

I focussed on the audit on accuracy of revenue recognition because the variable considerations and estimated sale returns involved management's significant judgement based on their experience and historical relevant information of each instance.

reasonableness test method used in verifying the balance of accrued trade promotions.

- On a sample basis, selecting items of accrued trade promotions to test by developing expectations based on an understanding of the Company's promotion schemes.
- Assessing the reasonableness regarding the assumption of sale returns including the return rate, reasons, and period of returns.

As a result of the above audit procedures, I did not note significant observations on the revenue recognition. The determination of variable considerations and estimated sale returns were in accordance with the accounting policy and reasonable based on the available supporting evidence.

Key audit matter	How my audit addressed the key audit matter
<i>Impairment assessment of investments in subsidiaries</i> Refer to Note 4.12 'Accounting policy for impairment of assets', Note 7 'Critical accounting estimates and judgements' and Note 14 'Investments in subsidiaries' to the financial statements. According to TAS 36, Impairment of Assets, the Company must test for impairment of investment in subsidiaries if there is any indication of impairment. Where subsidiaries of the Company have a carrying amount of the investments that exceeds the carrying amounts of the subsidiaries' net assets. Management noted that this situation may be an indication of impairment of the investments in these subsidiaries. To determine whether an allowance for impairment is needed, management assessed the recoverable amount of the investments based on its fair value less costs of disposal through the discounted future cash flow forecast of subsidiaries and compared this to the carrying amount. In this regard, the Company recognised an impairment loss on investments in subsidiaries of Baht 34.95 million because the recoverable amount was less than its net book value of investment in subsidiaries. I focussed on this matter because the assessment of recoverable amounts of investment in subsidiaries, requires significant management's judgement about the future operating results of the business and the discount rate applied.	My key audit procedures included: • Tested the reasonableness of management's assumption on sale growth, cost of sales, selling and administrative expenses and discount rate in considering the recoverable amount by comparing to historical data, subsidiaries' business plan and industrial information. • Engaging an auditor's expert in valuation to evaluate the appropriate method used whether it was market practice in the comparable industry and range of discount rate based on the nature of business and inherent risk in the same industry. • Mathematically testing key figures derived from the estimation according to the above assumptions to calculate the recoverable amount and compared this to the net book value. From the procedures performed above, I did not note the significant observations on management's assessment methods and key assumptions. The recoverable amounts were still within the acceptable range.

Key audit matter	How my audit addressed the key audit matter
Business combination Refer to Note 4.2 'Accounting policy for business combination', Note 7 'Critical accounting estimates and judgements' and Note 33 'Business combination'. On 13 February 2021, the Group acquired 52% of shares in Phacha Enterprise Company Limited (PCE) and 52% of shares in Phawatri Intertrade Company Limited (PWT) for Baht 122.07 million. Management assessed and concluded that the acquisition was a business combination in accordance with TFRS 3, Business Combinations. Management recorded Baht 72.50 million for the fair value of net assets acquired and Baht 49.57 million of goodwill from business acquisition. The valuation of identifiable net assets was part of the purchase price allocation conducted by independent valuation experts. I focussed on this matter because the valuation of the acquired net assets required the exercise of significant judgement by management and the independent experts. This affected the recognition of net assets acquired and goodwill recognised from business acquisitions. In addition, the value of the above business acquisition transaction is of material value to the consolidated financial statements.	My key audit procedures included: - Obtained an understanding and evaluating management's judgment process and information used for recognising the transaction, to determine whether this transaction was in accordance with TFRS 3, Business Combinations. - Assessing the qualifications of an independent appraiser as to whether they were competent, independent, and licenced by the Securities and Exchange Commission. - Testing information about the identification and measurement of acquired net assets against the purchase price allocation report. This included consulting with my valuation expert about the appropriateness of the methods and assumptions used to assess the value of the intangible assets recognised in a business combination. Also assessing the reasonableness of common practice methods used in comparable industries. - Testing the calculation of goodwill arising from a business combination, which was the difference between the net consideration transferred and the fair value of net assets acquired. - Assessing the appropriateness of accounting methods and the adequacy of disclosure in the notes to the financial statements. From the above procedures, I did not find any significant remarks regarding the preparation of the purchase price allocation and key assumptions used by management to determine the valuation of the recognised intangible assets.

Other information

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

My opinion on the consolidated and separate 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 consolidated and separate financial statements, my responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate 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 the audit committee.

Responsibilities of the directors for the consolidated and separate financial statements

The directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with TFRS, and for such internal control as the directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, the directors are responsible for assessing the Group's and the Company'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 the directors either intend to liquidate the Group and the Company or to cease operations, or has no realistic alternative but to do so.

The audit committee assists the directors in discharging their responsibilities for overseeing the Group's and the Company's financial reporting process.

Auditor's responsibilities for the audit of the consolidated and separate financial statements

My objectives are to obtain reasonable assurance about whether the consolidated and separate 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 consolidated and separate financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated and separate 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 and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' 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 and the Company'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 and the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate 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 the audit committee 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 the audit committee 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 the audit committee, I determine those matters that were of most significance in the audit of the consolidated and separate 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.

PricewaterhouseCoopers ABAS Ltd.

Nopanuch Apichatsatien

Certified Public Accountant (Thailand) No. 5266

Bangkok

24 February 2022

TOA Paint (Thailand) Public Company Limited
Statements of Financial Position
As at 31 December 2021

		Consolidated financial statements		Separate financial statements	
		2021 Baht	2020 Baht	2021 Baht	2020 Baht
Notes					
Assets					
Current assets					
Cash and cash equivalents	9	3,011,171,933	2,419,777,535	2,001,478,582	1,692,311,452
Financial assets measured at fair value through profit or loss	6,10	4,610,503,790	4,224,011,748	4,354,270,116	3,954,416,802
Trade and other receivables	11	3,237,061,403	2,912,596,308	2,619,445,683	2,773,998,267
Current portion of hire purchase receivables	12	48,574,592	51,710,345	46,166,614	49,703,848
Short-term loans to related parties	31 d)	-	-	44,536,500	3,472,862
Short-term loans to others	10	9,930,886	-	-	-
Inventories	13	2,619,369,960	2,162,988,991	1,607,213,686	1,346,386,047
Other current assets		218,869,461	215,427,467	71,099,290	95,194,009
Total current assets		13,755,482,025	11,986,512,394	10,744,210,471	9,915,483,287
Non-current assets					
Non-current portion of trade receivables	11	-	-	459,494,128	-
Hire purchase receivables	12	166,613,955	128,209,626	162,560,993	125,377,852
Investments in subsidiaries	14	-	-	3,824,356,773	3,595,559,048
Financial assets measured at fair value through other comprehensive income	6,10	-	5,710,000	-	5,710,000
Investment property		10,073,723	12,723,723	10,073,723	12,723,723
Property, plant and equipment	15	2,704,563,785	2,691,052,303	1,147,471,222	1,154,258,126
Right-of-use assets	16	1,343,752,006	1,258,231,010	1,090,392,026	1,029,665,581
Intangible assets	17	253,949,075	196,949,681	218,348,033	196,076,080
Goodwill	18	49,573,303	-	-	-
Deferred tax assets	19	147,692,643	147,092,162	98,889,933	110,654,756
Other non-current assets		64,895,754	59,808,825	3,749,275	3,907,976
Total non-current assets		4,741,114,244	4,499,777,330	7,015,336,106	6,233,933,142
Total assets		18,496,596,269	16,486,289,724	17,759,546,577	16,149,416,429

The accompanying notes are an integral part of these consolidated and separate financial statements.

TOA Paint (Thailand) Public Company Limited
Statements of Financial Position (Cont'd)
As at 31 December 2021

	Notes	Consolidated financial statements		Separate financial statements	
		2021	2020	2021	2020
		Baht	Baht	Baht	Baht
Liabilities and equity					
Current liabilities					
Short-term borrowings					
from financial institutions	20	289,081,892	200,000,000	200,000,000	200,000,000
Trade and other payables	21	3,830,712,715	2,975,251,552	3,053,617,863	2,211,679,577
Short-term borrowings from others	20	7,565,001	-	-	-
Current portion of long-term loans from financial institutions	20	120,704	-	-	-
Income tax payable		205,619,256	272,760,561	174,950,435	249,061,527
Current portion of lease liabilities	20	151,514,429	151,977,200	126,773,310	136,325,001
Derivative liabilities	6	6,395,366	-	6,395,366	-
Other current liabilities		96,559,522	89,993,720	56,672,728	56,562,011
Total current liabilities		4,587,568,885	3,689,983,033	3,618,409,702	2,853,628,116
Non-current liabilities					
Lease liabilities	20	1,025,973,035	945,541,683	980,867,553	922,400,091
Employee benefit obligations	22	417,230,458	437,567,480	350,007,904	379,997,127
Deferred tax liabilities	19	6,956,617	-	-	-
Other non-current liabilities		7,805,950	7,783,057	-	-
Total non-current liabilities		1,457,966,060	1,390,892,220	1,330,875,457	1,302,397,218
Total liabilities		6,045,534,945	5,080,875,253	4,949,285,159	4,156,025,334
Equity					
Share capital	23				
Authorised share capital					
Ordinary shares, 2,029,000,000 shares at par value of Baht 1 each		2,029,000,000	2,029,000,000	2,029,000,000	2,029,000,000
Issued and paid-up share capital					
Ordinary shares, 2,029,000,000 shares paid-up at Baht 1 each		2,029,000,000	2,029,000,000	2,029,000,000	2,029,000,000
Premium on paid-up capital		5,761,532,800	5,761,532,800	5,761,532,800	5,761,532,800
Retained earnings					
Appropriated - legal reserve	24	202,900,000	202,900,000	202,900,000	202,900,000
Unappropriated		5,110,080,329	4,311,538,205	4,896,174,374	4,074,736,051
Other components of equity		(816,725,395)	(890,856,618)	(79,345,756)	(74,777,756)
Equity attributable to owners of the parent		12,286,787,734	11,414,114,387	12,810,261,418	11,993,391,095
Non-controlling interests		164,273,590	(8,699,916)	-	-
Total equity		12,451,061,324	11,405,414,471	12,810,261,418	11,993,391,095
Total liabilities and equity		18,496,596,269	16,486,289,724	17,759,546,577	16,149,416,429

The accompanying notes are an integral part of these consolidated and separate financial statements.

TOA Paint (Thailand) Public Company Limited
Statements of Comprehensive Income
For the year ended 31 December 2021

	Notes	Consolidated financial statements		Separate financial statements	
		2021 Baht	2020 Baht	2021 Baht	2020 Baht
Revenue from sales		17,570,465,716	16,295,996,539	14,195,941,013	13,641,803,033
Cost of sales		(11,823,349,439)	(10,286,865,121)	(9,616,296,249)	(8,680,016,844)
Gross profit		5,747,116,277	6,009,131,418	4,579,644,764	4,961,786,189
Dividend income		22,656,279	14,732,577	22,628,399	14,727,828
Other income	30	114,914,754	127,467,433	112,218,235	123,134,163
Selling expenses		(2,177,348,613)	(2,202,826,467)	(1,387,650,420)	(1,416,124,119)
Administrative expenses		(1,338,212,834)	(1,307,235,992)	(1,064,884,496)	(960,209,743)
Net gain on exchange rates		50,791,498	27,952,376	164,584,305	7,957,125
Gain (loss) from fair value of financial assets measured at fair value through profit or loss		69,206,127	(35,244,196)	68,533,790	(37,714,006)
Finance cost	25	(34,812,466)	(38,763,502)	(31,257,201)	(36,332,712)
Profit before income tax		2,454,311,022	2,595,213,647	2,463,817,376	2,657,224,725
Income tax	27	(528,038,517)	(570,503,735)	(485,867,467)	(531,682,235)
Profit for the year		1,926,272,505	2,024,709,912	1,977,949,909	2,125,542,490
Other comprehensive income (expense):					
Items that will not be reclassified to profit or loss					
Remeasurements of post-employment benefit obligations, net of tax	27	(32,143)	(11,130,211)	-	(10,646,079)
Total items that will not be reclassified to profit or loss		(32,143)	(11,130,211)	-	(10,646,079)
Items that will be reclassified subsequently to profit or loss					
Currency translation differences, net of tax		83,273,386	(28,463,248)	-	-
Changes in fair value of financial assets measured at fair value through other comprehensive income, net of tax		(4,568,000)	-	(4,568,000)	-
Total items that will be reclassified subsequently to profit or loss		78,705,386	(28,463,248)	(4,568,000)	-
Other comprehensive expense for the year, net of tax		78,773,243	(39,593,459)	(4,568,000)	(10,646,079)
Total comprehensive income for the year		2,004,945,748	1,985,116,453	1,973,381,909	2,114,896,411
Profit (loss) attributable to:					
Owners of the parent		1,955,053,710	2,031,164,633	1,977,949,909	2,125,542,490
Non-controlling interests		(28,781,205)	(6,454,721)	-	-
		1,926,272,505	2,024,709,912	1,977,949,909	2,125,542,490
Total comprehensive income (expense) attributable to:					
Owners of the parent		2,029,184,933	1,990,687,868	1,973,381,909	2,114,896,411
Non-controlling interests		(24,239,185)	(5,571,415)	-	-
		2,004,945,748	1,985,116,453	1,973,381,909	2,114,896,411
Earnings per share					
Basic earnings per share (Baht)	28	0.96	1.00	0.97	1.05

The accompanying notes are an integral part of these consolidated and separate financial statements.

TOA Paint (Thailand) Public Company Limited
Statements of Changes in Equity
For the year ended 31 December 2021

Consolidated financial statements													
Attributable to owners of the parent													
Notes	Other components of equity												
	Issued and paid-up share capital	Share premium	Retained earnings		Translation of financial statements	Other comprehensive income		Differences on business combination under common control	Change in ownership interest of the parent in subsidiaries	Total other component of equity	Total owners of the parent	Non-controlling interests	Total equity
			Appropriated - legal reserve	Unappropriated		Remeasurements of post-employment benefit obligations	Changes in fair value of equity investments at fair value through other comprehensive income						
	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht
Opening balance as at 1 January 2020													
- previously reported	2,029,000,000	5,761,532,800	202,900,000	3,444,467,549	(334,875,931)	(67,979,204)	-	(194,893,523)	(151,170,111)	(748,918,769)	10,688,981,580	(75,499,187)	10,613,482,393
Impact of first-time adoption of new financial reporting standards	-	-	-	(60,522,874)	-	-	-	-	-	-	(60,522,874)	(10,045,401)	(70,568,275)
Opening balance as at 1 January 2020													
- restated	2,029,000,000	5,761,532,800	202,900,000	3,383,944,675	(334,875,931)	(67,979,204)	-	(194,893,523)	(151,170,111)	(748,918,769)	10,628,458,706	(85,544,588)	10,542,914,118
Changes in equity for the year													
Change in ownership interest of the parent in subsidiaries	-	-	-	-	-	-	-	-	(109,373,018)	(109,373,018)	(109,373,018)	82,416,087	(26,956,931)
Transfer to retained earnings	-	-	-	(7,911,934)	-	7,911,934	-	-	-	7,911,934	-	-	-
Dividends	29	-	-	(1,095,659,169)	-	-	-	-	-	-	(1,095,659,169)	-	(1,095,659,169)
Comprehensive income (expense) for the year	-	-	-	2,031,164,633	(29,128,395)	(11,348,370)	-	-	-	(40,476,765)	1,990,687,868	(5,571,415)	1,985,116,453
Closing balance as at 31 December 2020	<u>2,029,000,000</u>	<u>5,761,532,800</u>	<u>202,900,000</u>	<u>4,311,538,205</u>	<u>(364,004,326)</u>	<u>(71,415,640)</u>	<u>-</u>	<u>(194,893,523)</u>	<u>(260,543,129)</u>	<u>(890,856,618)</u>	<u>11,414,114,387</u>	<u>(8,699,916)</u>	<u>11,405,414,471</u>
Opening balance as at 1 January 2021	2,029,000,000	5,761,532,800	202,900,000	4,311,538,205	(364,004,326)	(71,415,640)	-	(194,893,523)	(260,543,129)	(890,856,618)	11,414,114,387	(8,699,916)	11,405,414,471
Changes in equity for the year													
Business combination	33	-	-	-	-	-	-	-	-	-	-	66,920,029	66,920,029
Establishment of a subsidiary	-	-	-	-	-	-	-	-	-	-	-	135,000,100	135,000,100
Dividends	29	-	-	(1,156,511,586)	-	-	-	-	-	-	(1,156,511,586)	(4,707,438)	(1,161,219,024)
Comprehensive income (expense) for the year	-	-	-	1,955,053,710	78,729,915	(30,692)	(4,568,000)	-	-	74,131,223	2,029,184,933	(24,239,185)	2,004,945,748
Closing balance as at 31 December 2021	<u>2,029,000,000</u>	<u>5,761,532,800</u>	<u>202,900,000</u>	<u>5,110,080,329</u>	<u>(285,274,411)</u>	<u>(71,446,332)</u>	<u>(4,568,000)</u>	<u>(194,893,523)</u>	<u>(260,543,129)</u>	<u>(816,725,395)</u>	<u>12,286,787,734</u>	<u>164,273,590</u>	<u>12,451,061,324</u>

The accompanying notes are an integral part of these consolidated and separate financial statements.

TOA Paint (Thailand) Public Company Limited
Statements of Changes in Equity (Cont'd)
For the year ended 31 December 2021

Separate financial statements							
Notes	Issued and paid-up share capital Baht	Share premium Baht	Retained earnings		Other components of equity		Total equity Baht
			Appropriated - legal reserve Baht	Unappropriated Baht	Remeasurements of post-employment benefit obligations Baht	Changes in fair value of equity investments at fair value through other comprehensive income Baht	
Opening balance as at 1 January 2020							
- previously reported	2,029,000,000	5,761,532,800	202,900,000	3,072,170,982	(64,131,677)	-	11,001,472,105
Impact of first-time adoption of new financial reporting standards	-	-	-	(27,318,252)	-	-	(27,318,252)
Opening balance as at 1 January 2020							
- restated	2,029,000,000	5,761,532,800	202,900,000	3,044,852,730	(64,131,677)	-	10,974,153,853
Changes in equity for the year							
Dividends	29	-	-	(1,095,659,169)	-	-	(1,095,659,169)
Comprehensive income (expense) for the year		-	-	2,125,542,490	(10,646,079)	-	2,114,896,411
Closing balance as at 31 December 2020	2,029,000,000	5,761,532,800	202,900,000	4,074,736,051	(74,777,756)	-	11,993,391,095
Opening balance as at 1 January 2021	2,029,000,000	5,761,532,800	202,900,000	4,074,736,051	(74,777,756)	-	11,993,391,095
Changes in equity for the year							
Dividends	29	-	-	(1,156,511,586)	-	-	(1,156,511,586)
Comprehensive income (expense) for the year		-	-	1,977,949,909	-	(4,568,000)	1,973,381,909
Closing balance as at 31 December 2021	2,029,000,000	5,761,532,800	202,900,000	4,896,174,374	(74,777,756)	(4,568,000)	12,810,261,418

The accompanying notes are an integral part of these consolidated and separate financial statements.

TOA Paint (Thailand) Public Company Limited
Statements of Cash Flows
For the year ended 31 December 2021

	Notes	Consolidated		Separate	
		financial statements		financial statements	
		2021	2020	2021	2020
		Baht	Baht	Baht	Baht
Profit before income tax		2,454,311,022	2,595,213,647	2,463,817,376	2,657,224,725
Adjustments for:					
Depreciation and amortisation	26	615,477,211	557,480,777	408,228,509	377,747,622
(Reversal) expected credit loss of financial assets		14,807,734	92,800,826	27,301,156	(184,069,709)
Impairment loss on investment in subsidiaries		-	-	34,952,175	233,209,906
(Reversal) loss on decrease in value of inventories		17,538,468	(37,756,896)	5,586,454	(27,826,272)
Gain (loss) on sale of property, plant and equipment		10,070,522	(2,054,053)	11,061,103	(1,513,624)
Loss from impairment of property and plant		6,311,392	-	6,311,392	-
(Gain) loss on sale of intangible assets		22,442,745	(199)	22,442,745	(199)
(Gain) loss from lease cancellation and modification		(1,092,321)	(3,630)	1,087,707	(4,937)
Gain on sale of financial assets measured at					
fair value through profit or loss	10	(22,528,397)	(75,192,453)	(22,388,627)	(68,743,161)
Employee benefit expenses	22	41,005,897	41,083,285	31,483,464	32,170,692
(Gain) loss from fair value of financial assets measured					
at fair value through profit or loss	10	(46,677,730)	110,436,649	(46,145,163)	106,457,166
Interest income		(28,577,364)	(27,273,066)	(28,763,385)	(28,505,783)
Finance costs	25	34,812,466	38,763,502	31,257,200	36,332,712
Dividend income		(22,656,279)	(14,732,577)	(22,628,399)	(14,727,828)
Unrealised loss (gain) on exchange rates		(19,774,523)	20,732,571	(115,333,286)	(30,174,826)
Currency translation differences		53,533,435	(48,291,827)	-	-
Changes in working capital					
Trade and other receivables		(286,127,087)	(43,587,097)	(230,663,989)	(77,559,344)
Hire purchase receivables		(22,324,635)	6,545,057	(20,649,155)	5,748,536
Inventories		(450,442,704)	74,474,011	(268,531,054)	199,564,307
Other current assets		(1,703,022)	(16,026,946)	21,654,162	(10,851,925)
Other non-current assets		(4,930,329)	(7,593,197)	158,700	(5,000)
Trade and other payables		819,144,365	(658,277,648)	825,808,246	(629,575,847)
Other current liabilities		2,372,428	9,522,017	2,551,272	2,569,656
Employee benefit obligations paid	22	(63,277,772)	(26,905,075)	(61,472,688)	(22,599,849)
Other non-current liabilities		(977,049)	(1,434,848)	-	-
Cash generated from operating activities		3,120,738,473	2,587,922,830	3,077,125,915	2,554,867,018
Income tax paid		(591,090,483)	(618,474,799)	(547,071,736)	(584,740,558)
Net cash generated from operating activities		2,529,647,990	1,969,448,031	2,530,054,179	1,970,126,460

The accompanying notes are an integral part of these consolidated and separate financial statements.

TOA Paint (Thailand) Public Company Limited
Statements of Cash Flows (Cont'd)
For the year ended 31 December 2021

	Notes	Consolidated financial statements		Separate financial statements	
		2021	2020	2021	2020
		Baht	Baht	Baht	Baht
Cash flows from investing activities					
Payments for additional investment in subsidiaries	14	-	-	(263,749,900)	(180,656,931)
Payments for acquisition of subsidiaries, net of cash in subsidiaries	33	(91,609,831)	-	-	-
Payments for purchase of intangible assets		(118,725,860)	(117,091,546)	(103,801,435)	(117,074,715)
Payments for purchase of property, plant and equipment		(269,783,926)	(355,686,290)	(189,398,388)	(170,095,645)
Payments for purchase of financial assets measured at fair value through profit or loss		(13,556,890,903)	(14,659,833,334)	(12,355,693,903)	(13,352,851,933)
Payments for short-term loans to related parties		(9,930,886)	-	(54,862,500)	(60,220,000)
Proceeds from short-term loans to related parties		-	-	16,880,769	60,220,000
Proceeds from sales of intangible assets		-	200	-	200
Proceeds from sales of property, plant and equipment		28,317,569	3,443,811	1,803,970	2,704,458
Proceeds from sales of financial assets measured at fair value through profit or loss		13,235,799,395	15,660,691,073	12,020,568,786	14,313,017,929
Interest received		16,254,986	14,554,735	15,657,267	18,335,101
Dividends received		22,640,824	14,944,577	22,612,944	14,939,828
Net cash generated from (used in) investing activities		(743,928,632)	561,023,226	(889,982,390)	528,318,292
Cash flow from financing activities					
Payments for additional investment in subsidiaries		-	(26,956,931)	-	-
Cash received from increase in parent's equity in a subsidiary		135,000,100	-	-	-
Payments for lease liabilities		(211,034,973)	(178,959,382)	(192,238,447)	(162,067,480)
Repayments to long-term borrowings from financial institutions		(3,970,770)	-	-	-
Repayments to short-term borrowings from financial institutions		(1,139,513,940)	(375,000,000)	(900,000,000)	(250,000,000)
Proceed from short-term loans from financial institutions		1,160,275,212	-	900,000,000	-
Payments for interest expense		(4,970,561)	(6,087,666)	(773,151)	(4,999,159)
Payments for dividends	29	(1,161,219,024)	(1,095,659,169)	(1,156,511,585)	(1,095,659,169)
Net cash used in financing activities		(1,225,433,956)	(1,682,663,148)	(1,349,523,183)	(1,512,725,808)
Net increase in cash and cash equivalents		560,285,402	847,808,109	290,548,606	985,718,944
Cash and cash equivalents at the beginning of the year		2,419,777,535	1,590,850,561	1,692,311,452	717,696,495
Exchange gain (loss) on cash and cash equivalents		31,108,996	(18,881,135)	18,618,524	(11,103,987)
Cash and cash equivalents at the end of the year		3,011,171,933	2,419,777,535	2,001,478,582	1,692,311,452
Significant non-cash transactions					
Dividend receivable		38,255	-	-	-
Transfer of inventories to equipment, net		4,399,517	13,142,950	2,116,962	3,621,318
Transfer of equipment to intangible assets, net	17	99,000	3,657,252	99,000	3,657,252
Transfer of other non-current assets to equipment		-	6,722,701	-	-
Payables from purchases of property, plant and equipment and intangible assets		62,871,142	35,940,024	56,871,277	38,367,066
Payables from purchases of financial assets measured at fair value through profit or loss		303,640	3,511,186	303,640	3,511,186
Receivables from sales of financial assets measured at fair value through profit or loss		5,194,820	4,596,774	5,194,820	4,596,774
Acquisition of right-of-use assets under lease contracts	16	264,234,456	56,289,979	219,904,930	42,152,515
Conversion of trade receivables to investment in subsidiary		-	-	-	428,264,000

The accompanying notes are an integral part of these consolidated and separate financial statements.

1 General information

TOA Paint (Thailand) Public Company Limited (“the Company”) is a public limited company which listed on the Stock Exchange of Thailand. The Company is incorporated and domiciled in Thailand. The address of the Company’s registered office is as follows:

31/2 Moo 3, Bangna-Trad Road, Tumbol Bangsaotong, Amphur Bangsaotong, Samutprakarn.

The principal business operations of the Company and its subsidiaries (together “the Group”) are manufacture and distribution of paints and chemicals.

These consolidated and separate financial statements were authorised for issue by the board of directors on 24 February 2022.

2 Basis of preparation

The consolidated and separate financial statements have been prepared in accordance with Thai Financial Reporting Standards (“TFRS”) and the financial reporting requirements issued under the Securities and Exchange Act.

The consolidated and separate financial statements have been prepared under the historical cost convention as explained in Note 4 accounting policies.

The preparation of financial statements in conformity with TFRS requires management to use certain critical accounting estimates and to exercise its judgement in applying the Group’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas that are more likely to be materially adjusted due to changes in estimates and assumptions are disclosed in Note 7.

An English version of the consolidated and separate 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.

3 New and amended financial reporting standards

3.1 New and amended financial reporting standards that are effective for accounting period beginning on or after 1 January 2021 and have no significant impact to the Group

a) Revised Conceptual Framework for Financial Reporting added the following key principals and guidance:

- Measurement basis, including factors in considering difference measurement basis
- Presentation and disclosure, including classification of income and expenses in other comprehensive income
- Definition of a reporting entity, which maybe a legal entity, or a portion of an entity
- Derecognition of assets and liabilities

The amendment also includes the revision to the definition of an asset and liability in the financial statements, and clarification to the prominence of stewardship in the objective of financial reporting.

b) Amendment to TFRS 3, Business combinations amended the definition of a business which requires an acquisition to include an input and a substantive process that together significantly contribute to the ability to create outputs. The definition of the term ‘outputs’ is amended to focus on goods and services provided to customers and to exclude returns in the form of lower costs and other economic benefits.

c) Amendment to TFRS 9, Financial instruments and TFRS 7, Financial instruments: disclosures amended to provide relief from applying specific hedge accounting requirements to the uncertainty arising from interest rate benchmark reform such as IBOR. The amendment also requires disclosure of hedging relationships directly affected by the uncertainty.

d) Amendment to TAS 1, Presentation of financial statements and TAS 8, Accounting policies, changes in accounting estimates and errors amended to definition of materiality. The amendment allows for a consistent definition of materiality throughout the Thai Financial Reporting Standards and the Conceptual Framework for Financial Reporting. It also clarified when information is material and incorporates some of the guidance in TAS 1 about immaterial information.

- e) **Amendment to TFRS 16, Leases** amended to provide a practical expedient where lessees are exempted from having to consider individual lease contracts to determine whether rent concessions occurring as a direct consequence of the COVID-19 pandemic are lease modifications. It applies to rent concessions that reduce the lease payments due by 30 June 2022.

3.2 Amended financial reporting standards that are effective for accounting period beginning or after 1 January 2022

Certain amended TFRSs have been issued that are not mandatory for the current reporting period and have not been early adopted by the Group.

- a) **Interest rate benchmark (IBOR) reform - phase 2, amendments to TFRS 9, TFRS 7, TFRS 16 and TFRS 4, and accounting guidance, financial instruments and disclosures for insurance business** provide relief measures addressing issues that might affect financial reporting during the reform, including the effects of changes to contractual cash flows or hedging relationship arising from the replacement of one benchmark with an alternative benchmark.

Key relief measures of the phase 2 amendments are as follows:

- When changing the basis for determining contractual cash flows for financial assets and financial liabilities (including lease liabilities), changes that are necessary as a direct result of the IBOR reform and which are considered economically equivalent, will not result in an immediate gain or loss in the income statement. TFRS 16 has also been amended to require lessees to use a similar practical expedient when accounting for lease modifications that change the basis for determining future lease payments as a result of the IBOR reform.
- Hedge accounting relief measures will allow most TFRS 9 hedge relationships that are directly affected by the IBOR reform to continue. However, additional ineffectiveness might need to be recorded.

TFRS 7 requires additional disclosure about:

- the nature and extent of risks arising from the IBOR reform to which the entity is exposed to
- how the entity manages those risks
- the entity's progress in transitioning from the IBOR to alternative benchmark rates and how the entity is managing this transition.

The management of the Group is currently assessing the impact of these standards to the Group's financial statements.

4 Accounting policies

4.1 Principles of consolidation and equity accounting

a) Subsidiaries

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are consolidated from the date on which control is transferred to the Group until the date that control ceases.

In the separate financial statements, investments in subsidiaries are accounted for using cost.

b) Changes in ownership interests

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

When the Group loses control, joint control or significant influence over investments, any retained interest in the investment is remeasured to its fair value, with the change in carrying amount recognised in profit or loss. The fair value becomes the initial carrying amount of the retained interest which is reclassified to investment in an associate, or a joint venture or a financial asset accordingly.

c) **Intercompany transactions on consolidation**

Intra-group transactions, balances and unrealised gains on transactions are eliminated. Unrealised losses are also eliminated in the same manner unless the transaction provides evidence of an impairment of the asset transferred.

4.2 Business combination

The Group applies the acquisition method to account for business combinations with an exception on business combination under common control. The consideration transferred for the acquisition of a subsidiary comprises.

- fair value of the assets transferred,
- liabilities incurred to the former owners of the acquiree
- equity interests issued by the Group

Identifiable assets and liabilities acquired and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

On an acquisition-by-acquisition basis, the Group initially recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets.

The excess of the consideration transferred, the amount of any non-controlling interest recognised and the acquisition-date fair value of any previous equity interest in the acquiree (for business combination achieved in stages) over the fair value of the identifiable net assets acquired is recorded as goodwill. In the case of a bargain purchase, the difference is recognised directly in profit or loss.

Acquisition-related cost

Acquisition-related cost are recognised as expenses in consolidated financial statements.

Step-up acquisition

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measured are recognised in profit or loss.

Changes in fair value of contingent consideration paid/received

Subsequent changes to the fair value of the contingent consideration that is an asset or liability is recognised in profit or loss. Contingent consideration that is classified as equity is not re-measured.

Business combination under common control

The Group accounts for business combination under common control by measuring acquired assets and liabilities of the acquiree at their carrying values presented in the highest level of the consolidation. The Group retrospectively adjusted the business combination under common control transactions as if the combination had occurred on the later of the beginning of the preceding comparative period and the date the acquiree has become under common control.

Consideration of business combination under common control are the aggregated amount of fair value of assets transferred, liabilities incurred and equity instruments issued by the acquirer at the date of which the exchange in control occurs.

The difference between consideration under business combination under common control and the acquirer's interests in the carrying value of the acquiree is presented as "surplus arising from business combination under common control" in equity and is derecognised when the investment is disposed of by transferred to retained earnings.

4.3 Foreign currency translation

a) Functional and presentation currency

The financial statements are presented in Thai Baht, which is the Group's and the Company's functional and presentation currency.

b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit or loss.

Any exchange component of gains and losses on a non-monetary item that recognised in profit or loss, or other comprehensive income is recognised following the recognition of a gain or loss on the non-monetary item.

c) Group companies

The operational results and financial position of the Group's entities (none of which has the currency of a hyper-inflationary economy) that have a different functional currency from the Group's presentation currency are translated into the presentation currency as follows.

- Assets and liabilities are translated at the closing rate at the date of respective statement of financial position;
- Income and expenses for statement of comprehensive income are translated at average exchange rates; and
- All resulting exchange differences are recognised in other comprehensive income.

4.4 Cash and cash equivalents

In the statements of cash flows, cash and cash equivalents includes cash on hand, deposits held at call, short-term highly liquid investments with maturities of three months or less from acquisition date and bank overdrafts.

In the statements of financial position, bank overdrafts are shown in current liabilities.

4.5 Trade accounts receivable

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. They are generally due for settlement within 90 days and therefore are all classified as current.

Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, they are recognised at fair value. The Group holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost.

The impairment of trade receivables are disclosed in Note 4.7(f).

4.6 Inventories

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

Cost of inventories is determined by the weighted average method. Cost of raw materials comprise all purchase cost and costs directly attributable to the acquisition of the inventory less all attributable discounts. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and directly attributable costs in bringing the inventories to their present location and condition.

4.7 Financial asset

a) Classification

The Group classifies its debt instrument financial assets in the following measurement categories depending on i) business model for managing the asset and ii) the cash flow characteristics of the asset whether they represent solely payments of principal and interest (SPPI).

- those to be measured subsequently at fair value (either through other comprehensive income or through profit or loss); and
- those to be measured at amortised cost.

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

For investments in equity instruments, the Group has an irrevocable election at the time of initial recognition to account for the equity investment at fair value through profit or loss (FVPL) or at fair value through other comprehensive income (FVOCI) except those that are held for trading, they are measured at FVPL.

b) Recognition and derecognition

Regular way purchases, acquires and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

c) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at FVPL, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether the cash flows are solely payment of principal and interest.

d) Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the financial assets. There are three measurement categories into which the Group classifies its debt instruments:

- Amortised cost: Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in other income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are included in administrative expenses.
- FVOCI: Financial assets that are held for i) collection of contractual cash flows; and ii) for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through other comprehensive income (OCI), except for the recognition of impairment gains or losses, interest income using the effective interest method, and foreign exchange gains and losses which are recognised in profit or loss. When the financial assets is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income is included in other income. Impairment expenses are presented separately in the statement of comprehensive income.
- FVPL: Financial assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss and presented net within other gains/(losses) in the period in which it arises.

e) Equity instruments

The Group measures all equity investments at fair value. Where the Group has elected to present fair value gains and losses on equity instruments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as dividend income when the right to receive payments is established.

Changes in the fair value of financial assets at FVPL are recognised in the statement of comprehensive income.

Impairment losses (and reversal of impairment losses) on equity investments are reported together with changes in fair value.

The Group presents its investments in Property Fund unit trusts / Real Estate Investment Trust units / Infrastructure Fund units / Infrastructure Trust units established and registered in Thailand as equity investments and measures them at FVPL following the TFAC's clarification, *"Interpretation of investments in Property Fund unit trusts, Real Estate Investment Trust units, Infrastructure Fund units, and Infrastructure Trust units established and registered in Thailand"* dated 25 June 2020. The fund / trust is required to distribute benefits of not less than 90% of its adjusted net profit. The Group measures these investments at FVPL.

The Group chose to apply the temporary measures to relieve the impact from COVID-19 announced by TFAC for the reporting periods ended between 1 January 2020 and 31 December 2020 by measuring the fair value of its unquoted equity investments at the end of the reporting period at the same amount as the investments' fair value on 1 January 2020 (the date of initial application of TFRS 9). As a result, the equity investments measured at FVOCI as at 31 December 2020 of Baht 5.71 was presented at their fair value as of 1 January 2020. No gain or loss from changes in fair value was recognised.

f) Impairment

The Group applies the TFRS 9 simplified approach in measuring the impairment of trade receivables and lease receivables, which applies lifetime expected credit loss, from initial recognition, for all trade receivables and lease receivables.

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The expected credit loss rates are based on payment profiles, historical credit losses as well as forward-looking information and factors that may affect the ability of the customers to settle the outstanding balances.

The Group chose to apply the temporary measures to relieve the impact from COVID-19 announced by TFAC for the reporting periods ended between 1 January 2020 and 31 December 2020 by excluding forward-looking information in assessing the expected credit loss under the simplified approach of trade receivables and lease receivables. The Group applied historical credit loss adjusted with the management's judgement in estimating the expected credit loss as disclosed in Notes 5 and 11.

For other financial assets carried at amortised cost and FVOCI, the Group applies TFRS 9 general approach in measuring the impairment of those financial assets. Under the general approach, the 12-month or the lifetime expected credit loss is applied depending on whether there has been a significant increase in credit risk since the initial recognition.

The significant increase in credit risk (from initial recognition) assessment is performed every end of reporting period by comparing i) expected risk of default as of the reporting date and ii) estimated risk of default on the date of initial recognition.

The Group assesses expected credit loss by taking into consideration forward-looking information and past experiences. The expected credit loss is a probability-weighted estimate of credit losses (probability-weighted present value of estimated cash shortfall). The cash shortfall is the difference between all contractual cash flows that are due to the Group and all cash flows expected to receive, discounted at the original effective interest rate.

When measuring expected credit losses, the Group reflects the following:

- probability-weighted estimated uncollectible amounts
- time value of money; and
- supportable and reasonable information as of the reporting date about past experience, current conditions and forecasts of future situations.

Impairment and reversal of impairment losses are recognised in profit or loss and included in administrative expenses.

4.8 Investment property

Investment properties, principally freehold building is held for long-term rental yields or for capital appreciation and are not occupied by the Group.

Investment property is measured initially at cost, including directly attributable costs and borrowing costs.

Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

Subsequently, they are carried at cost less accumulated depreciation and allowance for impairment.

Depreciation on other investment properties is calculated using the straight-line method to allocate their costs to their residual values over their estimated useful lives, as follows:

Buildings	20 years
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4.9 Property, plant and equipment

All other property, plant and equipment are stated at historical cost less accumulated depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount, only when it is probable that future economic benefits associated with the item will flow to the Group. The carrying amount of the replaced part is derecognised.

All other repairs and maintenance are charged to profit or loss when incurred.

Land is not depreciated. Depreciation on other assets is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives, as follows:

Land Improvements	20 years
Buildings and building improvements	5 - 20 years
Machinery and equipment	4 - 10 years
Furniture, fixtures and office equipment	3 - 10 years
Motor vehicles	5 - 8 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Gains or losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in other income or administrative expenses in profit or loss.

4.10 Goodwill

Goodwill is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired. It is carried at cost less accumulated impairment losses. For the purpose of impairment testing, goodwill is allocated to cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The units or groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes, being the operating segments.

4.11 Intangible assets

Acquired intangible assets

Separately acquired intangible assets is measured at cost.

The assets with infinite useful life are subsequently measured at cost less impairment losses.

The assets with limited lives are subsequently carried and cost less accumulated amortisation and impairment losses. The amortisation is calculated using the straight-line method over their estimated useful lives.

Acquired computer software

Acquired computer software is measured at cost. These costs are amortised over their estimated useful lives of 4 - 10 years.

Cost associated with maintaining computer software are recognised as an expense as incurred.

Customer base

Customer base recognised at cost and will be subsequently measured at cost less accumulated amortisation and provisions for impairment loss. Amortisation expense is calculated using the straight-line method over their estimated useful life of 7 years.

4.12 Impairment of assets

Assets that have an indefinite useful life are tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired. Assets that are subject to amortisation are reviewed for impairment whenever there is an indication of impairment. An impairment loss is recognised for the amount by which the carrying amount of the assets exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use.

Where the reasons for previously recognised impairments no longer exist, the impairment losses on the assets concerned other than goodwill is reversed.

4.13 Leases

Leases - where the Group is the lessee

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate
- amounts expected to be payable by the lessee under residual value guarantees
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the lessee's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise [IT-equipment and small items of office furniture.

During the reporting period, the Group received discounts in the lease payments from lessors due to the COVID-19 outbreak. The Group elected not to account for all discounts in the lease payments under the lease modification in accordance with TFRS 16. Instead, the Group has chosen to apply the temporary measures to relieve the impact from COVID-19 announced by TFAC for the reporting periods ended between 1 January 2020 and 31 December 2020 by reducing lease liabilities in the proportion of the reduction to the lease payments throughout the period that the Group has received the reduction. The Group also reversed depreciation charges on the right-of-use assets and interest expenses on the lease liabilities recognised in the same proportion of Baht 1,012,454 and Baht 39,695 respectively. The differences between the reduction of the lease liabilities and the reversal of the expenses of Baht 15,820 are recognised in selling and administrative expenses instead of remeasuring lease liabilities and adjusting the corresponding right-of-use assets from the lease modification.

Leases - where the Group is the lessor

The Group has hire purchase receivables, which are presented as the balance of the outstanding lease less the deferred interest income, undue output value added tax and net of allowance for impairment.

4.14 Financial liabilities

a) Classification

Financial instruments issued by the Group are classified as either financial liabilities or equity securities by considering contractual obligations.

- Where the Group has an unconditional contractual obligation to deliver cash or another financial asset to another entity, it is considered a financial liability unless there is a predetermined or possible settlement for a fixed amount of cash in exchange of a fixed number of the Group's own equity instruments.
- Where the Group has no contractual obligation or has an unconditional right to avoid delivering cash or another financial asset in settlement of the obligation, it is considered an equity instrument.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

b) Measurement

Financial liabilities are initially recognised at fair value and are subsequently measured at amortised cost.

c) Derecognition and modification

Financial liabilities are derecognised when the obligation specified in the contract is discharged, cancelled, or expired.

Where the terms of a financial liability are renegotiated/modified, the Group assesses whether the renegotiation/modification results in the derecognition of that financial liability. Where the modification results in an extinguishment, the new financial liability is recognised based on fair value of its obligation. The remaining carrying amount of financial liability is derecognised. The difference as well as proceed paid is recognised as other gains/(losses) in profit or loss.

Where the modification does not result in the derecognition of the financial liability, the carrying amount of the financial liability is recalculated as the present value of the renegotiated/modified contractual cash flows discounted at its original effective interest rate. The difference is recognised in other gains/(losses) in profit or loss.

4.15 Borrowing costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets are added to the cost of those assets less investment income earned from those specific borrowings. The capitalisation of borrowing costs is ceased when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete.

Other borrowing costs are expensed in the period in which they are incurred.

4.16 Current and deferred income taxes

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current tax

The current income tax is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax

Deferred income tax is recognised on temporary differences arising from differences between the tax base of assets and liabilities and their carrying amounts in the financial statements. However, deferred income tax is not recognised for temporary differences arise from:

- initial recognition of an asset or liability in a transaction other than a business combination that affects neither accounting nor taxable profit or loss is not recognised
- investments in subsidiaries, associates and joint arrangements where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax is measured using tax rates of the period in which temporary difference is expected to be reversed, based on tax rates and laws that have been enacted or substantially enacted by the end of the reporting period.

Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

4.17 Employee benefits

4.17.1) Short-term employee benefits

Liabilities for short-term employee benefits such as wages, salaries and bonus that are expected to be settled wholly within 12 months after the end of the period are recognised in respect of employees' service up to the end of the reporting period. They are measured at the amount expected to be paid.

4.17.2) Defined contribution plan

The Group pays contributions to a separate fund on a contractual basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due.

4.17.3) Defined benefit plans

Amount of retirement benefits is defined by the agreed benefits the employees will receive after the completion of employment. It usually depends on factors such as age, years of service and an employee's latest compensation at retirement.

The defined benefit obligation is calculated annually by an independent actuary using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using market yield of government bonds that matches the terms and currency of the expected cash outflows.

Remeasurement gains and losses are recognised directly to other comprehensive income in the period in which they arise. They are presented as a separate item in statements of changes in equity.

Past-service costs are recognised immediately in profit or loss.

4.17.4) Other long-term benefits

The Group gives money/gold rewards to employees when they have worked for the Group for 5 - 40 years.

These obligations are measured similar to defined benefit plans except remeasurement gains and losses that are charged to profit or loss.

4.17.5) Termination benefits

The Group recognises termination benefits at the earlier of (a) when the Group can no longer withdraw the offer of those benefits; and (b) when the entity recognises costs for the related restructuring. Benefits due more than 12 months are discounted to their present value.

4.18 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation. The increase in the provision due to passage of time is recognised as interest expense.

4.19 Share capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares (net of tax) are shown as a deduction in equity.

4.20 Revenue recognition

Revenue includes all revenues from ordinary business activities. All ancillary income in connection with the delivery of goods and rendering of services in the course of the Group's ordinary activities are also presented as revenue.

Revenue are recorded net of value added tax. They are recognised in accordance with the provision of goods or services, provided that collectability of the consideration is probable.

Multiple element arrangements involving delivery or provision of multiple products or services are separated into individual distinct performance obligations. Total transaction price of the bundled contract is allocated to each performance obligation based on their relative standalone selling prices or estimated standalone selling prices. Each performance obligation is recognised as revenue on fulfillment of the obligation to the customer.

a) Sale of goods

The Group recognised sales when control of the products has transferred, being when the products are delivered, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Group has objective evidence that all criteria for acceptance have been satisfied.

The Group sells products with a loyalty programme for customers. It provides customers with cashback, incentives and discounts. Revenue from sales is recognised at the price stated in the contract, less the estimated amount of incentive, rebates and discounts. This estimated amount is calculated using the expected value method and historical data. Revenue is recognised only when it is highly probable that there will be no significant reversal. The repayment liability is recognised for quantity discounts that are expected to be paid to the customer in relation to sales through to the end of the reporting period. The fair value of the promotional gifts given to the customer is recognised as revenue in the period in which the customer exercises their right to the promotional gift. Part of the transaction price is deferred as a contract liability until the option is exercised or expired. The Group considers the sale of products to not have any significant financial elements because the sales have a payment timeline of 90 days, in line with general market practice.

The Group's policy is to sell its products to the customer with a right of return under the conditions. Therefore, a refund liability and a right to the returned goods are recognised for the products expected to be returned. Accumulated experience is used to estimate such returns at the time of sale at a portfolio level by applying expected value method. The validity of this assumption and the estimated amount of returns are reassessed at each reporting date. The Group obligation to provide a replacement under warranty is recognised as a provision, together with the asset recognition for the right to return products.

A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

4.21 Dividend distribution

Dividend distributed to the Company's shareholders is recognised as a liability when interim dividends are approved by the Board of Directors, and when the annual dividends are approved by the shareholders.

4.22 Derivatives

Embedded derivative and derivatives that do not qualify for hedge accounting

Embedded derivative that is separately accounted for and derivatives that do not qualify for hedge accounting is initially recognised at fair value. Changes in the fair value are included in other gains(losses).

Fair value of derivatives is classified as a current or non-current following its remaining maturity.

4.23 Financial guarantee contracts

Financial guarantee contracts are recognised as a financial liability at the time the guarantee is issued. The liability is initially measured at fair value and subsequently at the higher of:

- the amount determined in accordance with the expected credit loss model under TFRS 9; and
- the amount initially recognised less the cumulative amount of income recognised in accordance with the principles of TFRS 15.

The fair value of financial guarantees is determined based on the present value of the difference in cash flows between a) the contractual payments required under the debt instrument; and b) the payments that would be required without the guarantee, or the estimated amount that would be payable to a third party for assuming the obligations.

Where guarantees in relation to loans or other payables of associates are provided for no compensation, the fair values are accounted for as contributions and recognised as part of the cost of the investment.

As at 31 December 2021, the Group's fair value of financial guarantee contracts was immaterial.

5 Financial risk management

5.1 Financial risk

The Group exposes to a variety of financial risk: market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. The Group uses derivative financial instruments to hedge certain exposures.

Risk management is carried out by the Group Treasury Committee. The Group's policy includes financial risk policy. The framework parameters are approved by the Board of Directors and used as the key communication and control tools for financial management of the group.

5.1.1 Market risk

a) Foreign exchange risk

The Group operates internationally and is exposed to foreign currency risk from trading transactions, purchase of machineries, receivables in foreign currency including financial statement translation of foreign subsidiaries that are denominated in foreign currencies and the exchange rate of foreign subsidiaries. The Group seeks to reduce this risk by entering into forward exchange contracts when it considers appropriate. The Group uses forward contracts, transacted with the financial institutions, to hedge their exposure to foreign currency risk.

TOA Paint (Thailand) Public Company Limited
Notes to the consolidated and separate financial statements
For the year ended 31 December 2021

Exposure

The Group's exposures to foreign currency risk at the end of the reporting period, expressed in Baht are as follows:

Consolidated financial statements											
31 December 2021											
US Dollar	Vietnamese Dong	Euro	Yen	Pound	Singapore Dollar	Riels Cambodia	Won	Ringgit Malaysia	Yuan	Hongkong Dollar	
Baht'000	Baht'000	Baht'000	Baht'000	Baht'000	Baht'000	Baht'000	Baht'000	Baht'000	Baht'000	Baht'000	Baht'000
Cash and cash equivalents	410,260	-	-	-	-	-	33	-	-	-	-
Trade and other receivables	114,923	-	-	-	-	-	-	-	-	-	-
Trade and other payables	264,278	-	21,896	8,048	38	-	-	-	-	-	-
Foreign currency forward	341,344	-	-	-	-	-	-	-	-	-	-

Consolidated financial statements											
31 December 2020											
US Dollar	Vietnamese Dong	Euro	Yen	Pound	Singapore Dollar	Riels Cambodia	Won	Ringgit Malaysia	Yuan	Hongkong Dollar	
Baht'000	Baht'000	Baht'000	Baht'000	Baht'000	Baht'000	Baht'000	Baht'000	Baht'000	Baht'000	Baht'000	Baht'000
Cash and cash equivalents	593,430	-	1	49	-	9	30	52	119	88	3
Trade and other receivables	170,799	-	-	-	-	-	-	-	-	-	-
Trade and other payables	135,290	-	19,834	3,355	23	1,332	-	-	-	-	-

Separate financial statements											
31 December 2021											
US Dollar	Vietnamese Dong	Euro	Yen	Pound	Singapore Dollar	Riels Cambodia	Won	Ringgit Malaysia	Yuan	Hongkong Dollar	
Baht'000	Baht'000	Baht'000	Baht'000	Baht'000	Baht'000	Baht'000	Baht'000	Baht'000	Baht'000	Baht'000	Baht'000
Cash and cash equivalents	341,313	-	-	-	-	-	-	-	-	-	-
Trade and other receivables	1,156,761	-	-	-	-	-	-	-	-	-	-
Short-term loans to related parties	65,104	-	-	-	-	-	-	2,706	-	-	-
Trade and other payables	114,590	-	21,896	8,048	38	-	-	-	-	-	-
Foreign currency forward	338,523	-	-	-	-	-	-	-	-	-	-

Separate financial statements											
31 December 2020											
US Dollar	Vietnamese Dong	Euro	Yen	Pound	Singapore Dollar	Riels Cambodia	Won	Ringgit Malaysia	Yuan	Hongkong Dollar	
Baht'000	Baht'000	Baht'000	Baht'000	Baht'000	Baht'000	Baht'000	Baht'000	Baht'000	Baht'000	Baht'000	Baht'000
Cash and cash equivalents	528,281	-	1	49	-	-	-	52	49	88	3
Trade and other receivables	907,126	2,601	-	-	-	-	-	-	-	-	-
Short-term loans to related parties	21,674	-	-	-	-	-	-	2,706	-	-	-
Trade and other payables	101,704	-	19,834	3,355	23	-	-	-	-	-	-

b) Cash flow and interest rate risk

The Group is exposed to interest rate risk relates primarily to its deposits at financial institutions, loans to related parties, short-term borrowings. Most of the Group's financial assets and liabilities bear fixed interest rates or the interest rate which are close to the market rate. The Group assesses that the interest rate risk is insignificant as the interests are not significantly different. However, the Group will use interest rate swap to management the risk when necessary.

The Group does not apply hedge accounting.

c) Price risk

Exposure

The Group's and the Company's exposures to equity securities price risk arises from debt and equity investments held by the Group which are classified either as at fair value through other comprehensive income (FVOCI) or at fair value through profit or loss (FVPL).

To manage its price risk arising from investments in det and equity securities, the Group diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Group.

5.1.2 Credit risk

Credit risk arises from cash and cash equivalents, accounts receivable, short-term loan to related parties, debt investments carried at fair value through profit or loss (FVPL) as well as credit exposures to customers, including outstanding receivables.

a) Risk management

Credit risk is managed on a group basis. For banks and financial institutions, only independently rated parties with a minimum rating at high level.

If customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on tips assessments in accordance with limits set by the board. The compliance with credit limits by customers is regularly monitored by line management.

Sales to retail customers are required to be settled by bank transfer or cheque to mitigate credit risk. There are no significant concentrations of credit risk, whether through exposure to individual customers or specific industry sectors.

The Group's and the Company's investments in debt instruments are considered to be low risk investments. The Group regularly monitors the credit ratings of the investments for credit deterioration.

b) Security

For some trade receivables the Group may obtain security in the form of guarantees or letters of credit which can be called upon if the counterparty is in default under the terms of the agreement.

c) Impairment of financial assets

The Group has financial assets, the identified amount was material that are subject to the expected credit loss model: trade receivables.

While cash and cash equivalents are also subject to the impairment requirements of TFRS 9, the identified impairment loss was immaterial.

Trade receivables

The Group applies the TFRS 9 simplified approach to measure expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

To measure the expected credit losses, trade receivables has been grouped based on shared credit risk characteristics and the days past due.

On that basis, the loss allowance as at 31 December 2021 was determined as follows for trade receivables:

	Consolidated financial statements				
	Up to 3 months Baht'000	3 - 6 months Baht'000	6 - 12 months Baht'000	Over 12 months Baht'000	Total Baht'000
As of 31 December 2021					
Gross carrying amount - trade receivables	2,783,700	183,307	80,238	389,519	3,436,764
Loss allowance	12,160	11,130	17,331	304,045	344,666
	Separate financial statements				
	Up to 3 months Baht'000	3 - 6 months Baht'000	6 - 12 months Baht'000	Over 12 months Baht'000	Total Baht'000
As of 31 December 2021					
Gross carrying amount - trade receivables	2,071,501	134,673	154,257	856,699	3,217,130
Loss allowance	8,201	2,520	9,172	200,439	220,332

The loss allowances for trade receivables as at 31 December reconcile to the opening loss allowances as follows:

	Consolidated financial statements		Separate financial statements	
	2021 Thousand Baht	2020 Thousand Baht	2021 Thousand Baht	2020 Thousand Baht
Opening loss allowance at 1 January	343,518	277,061	205,393	405,985
Acquisition of subsidiaries	1,206	-	-	-
Increase in loss allowance recognised in profit or loss during the year	16,793	97,133	25,101	52,203
Receivables written off during the year as uncollectible	(19,451)	(29,260)	(10,162)	(19,585)
Reversal of loss allowance	-	-	-	(233,210)
Currency translation differences	2,600	(1,416)	-	-
Closing loss allowance at 31 December	344,666	343,518	220,332	205,393

In 2020, the Company reversed an allowance for impairment of trade receivables - related parties amounting to Baht 233.21 million due to debt-to-equity conversion of PT TOA Paint Indonesia.

The Group write-off trade receivables when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the group, and a failure to make contractual payments or cannot be contacted for a period greater than 120 days past due.

Impairment losses on trade receivables are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

5.1.3 Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. At the end of the reporting period the Group held deposits at call of Baht 3,011 million (2020: Baht 2,420 million) that are expected to readily generate cash inflows for managing liquidity risk. Due to the dynamic nature of the underlying businesses, the Group Treasury maintains flexibility in funding by maintaining availability under committed credit lines.

Management monitors i) rolling forecasts of the Group's liquidity reserve (comprising the undrawn borrowing facilities below); and ii) cash and cash equivalents on the basis of expected cash flows.

a) Financing arrangements

The Group has access to the following undrawn credit facilities as at 31 December as follows:

	Consolidated financial statements		Separate financial statements	
	2021 Baht'000	2020 Baht'000	2021 Baht'000	2020 Baht'000
Bank overdraft	95,000	95,000	75,000	75,000
Loans	4,358,418	4,781,837	3,950,000	4,350,000
	4,453,418	4,876,837	4,025,000	4,425,000

b) Maturity of financial liabilities

The tables below analyse the maturity of financial liabilities grouping based on their contractual maturities. The amounts disclosed are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

	Consolidated financial statements				Book value of liabilities Baht'000
	Within 1 year Baht'000	1 - 5 years Baht'000	Later than 5 years Baht'000	Total Baht'000	
Maturity of financial liabilities as at 31 December 2021					
Short-term borrowings					
from financial institutions	289,082	-	-	289,082	289,082
Trade and other payables*	3,392,231	-	-	3,392,231	3,392,231
Lease liabilities	187,716	287,321	947,940	1,422,977	1,177,487
Total financial liabilities that are not derivatives	3,869,029	287,321	947,940	5,104,290	4,858,800
Derivatives					
Foreign currency forward contract**	341,344	-	-	341,344	341,344
Total derivatives	341,344	-	-	341,344	341,344
	Consolidated financial statements				Book value of liabilities Baht'000
	Within 1 year Baht'000	1 - 5 years Baht'000	Later than 5 years Baht'000	Total Baht'000	
Maturity of financial liabilities as at 31 December 2020					
Short-term borrowings					
from financial institutions	200,000	-	-	200,000	200,000
Trade and other payables*	2,518,737	-	-	2,518,737	2,518,737
Lease liabilities	181,188	562,749	508,664	1,252,601	1,097,519
Total financial liabilities that are not derivatives	2,899,925	562,749	508,664	3,971,338	3,816,256
	Separate financial statements				Book value of liabilities Baht'000
	Within 1 year Baht'000	1 - 5 years Baht'000	Later than 5 years Baht'000	Total Baht'000	
Maturity of financial liabilities as at 31 December 2021					
Short-term borrowings					
from financial institutions	200,000	-	-	200,000	200,000
Trade and other payables*	2,806,056	-	-	2,806,056	2,806,056
Lease liabilities	158,858	244,293	935,957	1,339,108	1,107,641
Total financial liabilities that are not derivatives	3,164,914	244,293	935,957	4,345,164	4,113,697
Derivatives					
Foreign currency forward contract**	329,465	-	-	329,465	329,465
Total derivatives	329,465	-	-	329,465	329,465

	Separate financial statements				Book value of liabilities Baht'000
	Within 1 year Baht'000	1 - 5 years Baht'000	Later than 5 years Baht'000	Total Baht'000	
Maturity of financial liabilities as at 31 December 2020					
Short-term borrowings					
from financial institutions	200,000	-	-	200,000	200,000
Trade and other payables*	1,968,123	-	-	1,968,123	1,968,123
Lease liabilities	164,523	539,192	507,943	1,211,658	1,058,725
Total financial liabilities that are not derivatives	2,332,646	539,192	507,943	3,379,781	3,226,848

* excluding non-financial liabilities

** representing contract amounts

5.2 Capital management

5.2.1 Risk management

The objectives when managing capital are to:

- safeguard their ability to continue as a going concern, to provide returns for shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the Group monitors capital based on debt-to-equity ratio which is determined by dividing debt with equity.

As at 31 December 2021, the Group's debt-to-equity ratio was 0.49:1 (2020: 0.45:1) and the Company's was 0.39:1 (2020: 0.35:1).

Loan covenants

Under the terms of the major borrowing facilities, the Group is required to comply with the ratio of debt to equity must be not more than 1:1.5.

The Group has complied with these covenants throughout the reporting period.

6 Fair value

The following table presents financial assets and liabilities that are measured at fair value, excluding where its fair value is approximating the carrying amount.

	Consolidated financial information							
	Level 1		Level 2		Level 3		Total	
	2021 Baht'000	2020 Baht'000	2021 Baht'000	2020 Baht'000	2021 Baht'000	2020 Baht'000	2021 Baht'000	2020 Baht'000
Financial assets								
Financial assets measured at fair value through profit or loss								
Investments in debt and equity securities	471,729	236,313	4,138,775	3,987,699	-	-	4,610,504	4,224,012
Financial assets measured at fair value through other comprehensive income								
Investment in equity securities	-	-	-	-	-	5,710	-	5,710
Total financial assets	471,729	236,313	4,138,775	3,987,699	-	5,710	4,610,504	4,229,722
Financial liabilities								

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Derivative liabilities								
Foreign exchange forward contract	-	-	6,395	-	-	-	6,395	-
Total financial liabilities	-	-	6,395	-	-	-	6,395	-
Separate financial information								
	Level 1		Level 2		Level 3		Total	
	2021	2020	2021	2020	2021	2020	2021	2020
	Baht'000	Baht'000	Baht'000	Baht'000	Baht'000	Baht'000	Baht'000	Baht'000
Financial assets								
Financial assets measured at fair value through profit or loss								
Investments in debt and equity securities	469,499	234,169	3,884,771	3,720,248	-	-	4,354,270	3,954,417
Financial assets measured at fair value through other comprehensive income								
Investment in equity securities	-	-	-	-	-	5,710	-	5,710
Total financial assets	469,499	234,169	3,884,771	3,720,248	-	5,710	4,354,270	3,960,127
Financial liabilities								
Derivative liabilities								
Foreign exchange forward contract	-	-	6,395	-	-	-	6,395	-
Total financial liabilities	-	-	6,395	-	-	-	6,395	-

There were no transfers between levels of fair value hierarchy during the year.

The fair value of financial instruments in level 1 is based on current bid price by reference to the Stock Exchange of Thailand and Foreign Stock Exchange.

The fair value of financial instruments in level 2, the fair value of foreign exchange forward contract is based on the net asset value (NAV) disclosed by the asset management company.

The fair value of financial instruments in level 3, the fair value of financial instruments is not based on observable market data. Management uses forecast discounted cash flows method.

After the end of reporting period, the outbreak of Coronavirus Disease 2019 ("COVID-19") might have effects on fluctuation in market price of securities held by the Group. The Group has risk management plans and relevant policies which will be considered based on the situation and impact. The Group will take proactive actions to reduce this exposure.

7 Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

a) Determination of transaction price in contracts with customers

For products sold to customers during the year, the customer has the right to return the products under the conditions set by the Group. Management believes that the return rate is assessed appropriately and ensure that there will be not a reversal of revenue in the future.

b) Allocation of transaction price in contracts with customers

The customer loyalty programme provides a material right to customers to redeem the compliments. The promise to provide goal or tour to the customer is a separate performance obligation. Therefore, the transaction price is allocated to the original product sold and the gold or program tour on a relative stand-alone selling price basis. Management estimates stand-alone selling price per gold or tour on the basis of the value of gold or program tour and the likelihood of the redemption, based on past experience.

c) Defined retirement benefit obligations

The present value of the retirement benefit obligations depends on a number of assumptions. Key assumptions used and impacts from possible changes in key assumptions are disclosed in Note 22.

d) Determination of lease terms

Critical judgement in determining the lease term, the Group considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or terminated).

For leases of properties, the most relevant factors are historical lease durations, the costs and conditions of leased assets.

Most extension options on vehicles leases have not been included in the lease liability, because the Group considers i) the underlying asset condition and/or ii) insignificant cost to replace the leased assets.

The lease term is reassessed if an option is actually exercised (or not exercised) or the Group becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstance affecting this assessment occur, and that it is within the control of the Group.

e) Determination of discount rate applied to leases

The Group determines the incremental borrowing rate as follows:

- Where possible, use recent third-party financing received by the individual lessee as a starting point, adjusting to reflect changes in its financing conditions.
- Make adjustments specific to the lease, e.g. term, country, currency and security.

f) Impairment of financial assets

The loss allowances for financial assets are based on assumptions about default risk and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs used in the impairment calculation, based on the Group's past history and existing market conditions, as well as forward-looking estimates at the end of each reporting period.

g) Impairment of investment in subsidiaries

The Group assessed impairment of investment in subsidiaries and management estimated expected returns which the estimated amount is calculated referred from the future operation plan of subsidiaries and proper discount rate.

h) Litigation

The Group has contingent liabilities as a result of litigation. Management made judgments in assessing the outcome of the litigation and was confident that no damages will be incurred, and therefore didn't record a provision for litigation at the end of the reporting period.

i) Fair value estimation of business combination

The Group estimation on business combination The Group estimates fair value of net assets acquired under business combination by engaging professional valuer, applying appropriate valuation method based on financial assumptions to derive fair value of net assets acquired. These calculations require the use of management judgment on the inputs and assumptions in the valuation model.

j) Goodwill impairment

The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. The calculations use cash flow projections based on financial budget approved by management covering a five-year period.

8 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 Chief executive officer.

The Group is principally engaged in the manufacture and distribution of paints and chemical. Its operations are carried on in Thailand and Southeast Asia. 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.

		Consolidated financial statements	
		2021	2020
		Baht'000	Baht'000
Revenue from external customers (determined by customer's location)			
Thailand		14,869,896	14,050,422
Overseas		2,700,570	2,245,575
Total		17,570,466	16,295,997
		Consolidated financial statements	
		2021	2020
		Baht'000	Baht'000
Non-current assets (other than financial instruments and deferred tax assets)			
Thailand		2,785,389	2,534,038
Overseas		1,591,634	1,637,848
Total		4,377,023	4,171,886
Financial assets		216,398	180,799
Deferred tax assets		147,693	147,092
		4,741,114	4,499,777

For the years 2021 and 2020, the Group has no major customer with revenue of 10 percent or more of an entity's revenues.

Revenue is recognised when the goods are delivered as this is the point in time.

9 Cash and cash equivalents

		Consolidated financial statements		Separate financial statements	
		2021	2020	2021	2020
		Baht'000	Baht'000	Baht'000	Baht'000
Cash at bank and on hand		4,851	6,585	1,055	1,256
Short-term bank deposits		3,006,321	2,413,193	2,000,424	1,691,055
Total		3,011,172	2,419,778	2,001,479	1,692,311

10 Financial assets and financial liabilities

As at 31 December 2021, the Group has financial assets as at amortised cost, at fair value through other comprehensive income and at fair value through profit or loss and financial liabilities as at amortised cost and derivative financial instruments.

10.1 Other financial assets at amortised cost

a) Classification of financial assets at amortised cost

Financial assets at amortised cost other than cash and cash equivalents and trade receivables include debt investments, which their book values are as follows:

		Consolidated financial statements				
		2021			2020	
		Current Baht'000	Non-current Baht'000	Total Baht'000	Current Baht'000	Non-current Baht'000
Other receivables		65,991	-	65,991	56,679	-
Hire purchase receivables		52,264	167,629	219,893	55,098	129,628

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Short-term loans to others	9,931	-	9,931	-	-	-
	128,186	167,629	295,815	111,777	129,628	241,405
<u>Less</u> Allowance for expected credit loss						
- Hire purchase receivables	(3,689)	(1,015)	(4,704)	(3,388)	(1,419)	(4,807)
Total	124,497	166,614	291,111	108,389	128,209	236,598

Separate financial statements

	2021			2020		
	Current Baht'000	Non-current Baht'000	Total Baht'000	Current Baht'000	Non-current Baht'000	Total Baht'000
Other receivables	53,990	-	53,990	47,548	-	47,548
Hire purchase receivables	49,856	162,844	212,700	53,091	126,118	179,209
Short-term loans to related parties	67,809	-	67,809	24,380	-	24,380
	171,655	162,844	334,499	125,019	126,118	251,137
<u>Less</u> Allowance for expected credit loss	(26,962)	(283)	(27,245)	(24,295)	(740)	(25,035)
Total	144,693	162,561	307,254	100,724	125,378	226,102

10.2 Financial assets at fair value through profit or loss

a) Classification of financial assets at FVPL

Financial assets measured at financial assets at fair value through profit or loss include the following:

	Consolidated financial statements		Separate financial statements	
	2021 Fair value Baht'000	2020 Fair value Baht'000	2021 Fair value Baht'000	2020 Fair value Baht'000
Current assets				
Debt securities	4,073,188	3,936,568	3,819,185	3,669,117
Listed equity securities	537,316	287,444	535,085	285,300
	4,610,504	4,224,012	4,354,270	3,954,417

b) Amounts recognised in profit or loss

The following gains (losses) were recognised in profit or loss during the year as follows:

	Consolidated financial statements		Separate financial statements	
	2021 Baht'000	2020 Baht'000	2021 Baht'000	2020 Baht'000
Fair value gains (losses) on equity securities at FVPL	36,383	(15,837)	36,295	(14,553)
Fair value gains (losses) on Debt securities at FVPL	10,295	(94,600)	9,850	(91,904)
Gains on sale of equity and debt securities	22,528	75,193	22,389	68,743
	69,206	(35,244)	68,534	(37,714)

10.3 Financial assets at FVOCI

a) Classification of financial assets at FVOCI

Financial assets at fair value through other comprehensive income comprise the following investments:

	Consolidated and separate financial statements	
	2021 Baht'000	2020 Baht'000
Non-current assets		
Investments in equity securities		
- Unlisted debt securities	-	5,710
Total	-	5,710

b) Amounts recognised in profit or loss and other comprehensive income

There were loss amounts recognised in profit or loss and other comprehensive income during the year.

	Consolidated and separate financial statements	
	2021 Baht'000	2020 Baht'000
Non-current assets		
Loss recognised in other comprehensive income	5,710	-
Total	5,710	-

11 Trade and other receivables

	Consolidated financial statements		Separate financial statements	
	2021 Baht'000	2020 Baht'000	2021 Baht'000	2020 Baht'000
Current				
Trade receivables - related parties (Note 31 c)	128,108	100,109	766,858	970,524
Trade receivables - others	2,963,990	2,696,360	1,770,446	1,737,226
Total current trade receivables - net	3,092,098	2,796,469	2,537,304	2,707,750
Other receivables - related parties (Note 31 c)	6,911	7,408	9,234	11,334
Other receivables - others	59,080	49,271	44,756	36,214
Accrued income - related parties (Note 31 c)	5,000	-	5,000	2,601
Prepaid expenses	62,839	50,922	19,669	12,285
Others	11,133	8,526	3,483	3,814
Total other receivables - net	144,963	116,127	82,142	66,248
Total current trade and other receivables - net	3,237,061	2,912,596	2,619,446	2,773,998
Non-current				
Non-current portion of trade receivables				
Trade receivables - related parties (Note 31 c)	-	-	459,494	-
Total non-current trade receivables - net	-	-	459,494	-
Total	3,237,061	2,912,596	3,078,940	2,773,998

Fair values of trade receivables

Since the nature of trade receivables is a current asset, their carrying amount is considered to be approximate their fair value.

Fair value of long-term receivables is calculated from discounted future cash flow at the discount rate of 4.39% - 9.49%.

Impairment of trade receivables

Information about the expected loss of trade receivables is disclosed in Note 5.1.2.

Trade receivables can be analysed by aging as follows:

	Consolidated financial statements		Separate financial statements	
	2021 Baht'000	2020 Baht'000	2021 Baht'000	2020 Baht'000
<u>Trade receivables - related parties</u>				
Within 3 months	128,108	100,018	390,192	362,992
3 - 6 months	-	91	115,807	92,916
6 - 12 months	-	-	142,739	82,505
Over 12 months	-	-	645,424	483,389
Total	128,108	100,109	1,294,162	1,021,802
<u>Less</u> Loss allowance	-	-	(67,810)	(51,278)
Total trade receivables - related parties, net	128,108	100,109	1,226,352	970,524
<u>Trade receivables - others</u>				
Within 3 months	2,655,592	2,468,936	1,681,309	1,608,802
3 - 6 months	183,307	104,209	18,866	25,328
6 - 12 months	80,238	131,068	11,518	103,089
Over 12 months	389,519	335,664	211,275	154,122
Total	3,308,656	3,039,877	1,922,968	1,819,341
<u>Less</u> Loss allowance	(344,666)	(343,517)	(152,522)	(154,115)
Total trade receivables - others, net	2,963,990	2,696,360	1,770,446	1,737,226
Total trade receivables - net	3,092,098	2,796,469	2,996,798	2,707,750

12 Hire purchase receivables

Hire purchase receivables as at 31 December 2021 include the following:

	Consolidated financial statements		Separate financial statements	
	2021 Baht'000	2020 Baht'000	2021 Baht'000	2020 Baht'000
Minimum lease receivables of hire purchase receivables:				
Not later than one year	69,818	69,560	67,270	67,435
Later than 1 year but not later than 5 years	171,530	136,153	167,193	133,123
Later than 5 years	36,374	25,553	36,347	25,528
	277,722	231,266	270,810	226,086
<u>Less</u> Unearned interest income	(41,114)	(32,910)	(41,108)	(32,904)
<u>Less</u> Undue input VAT	(17,419)	(14,283)	(17,001)	(13,972)
<u>Less</u> Allowance for doubtful	(4,000)	(4,153)	(3,973)	(4,128)
Present value of hire purchase receivables	215,189	179,920	208,728	175,082
Hire purchase receivables				
- Current	48,575	51,710	46,167	49,704
- Non-current	166,614	128,210	162,561	125,378

13 Inventories

	Consolidated financial statements		Separate financial statements	
	2021 Baht'000	2020 Baht'000	2021 Baht'000	2020 Baht'000
Raw material	1,021,034	944,078	671,509	643,096
Work in progress	235,931	153,451	213,637	136,396
Finished goods	1,261,416	948,815	638,696	494,085
Packing materials	91,437	86,625	32,667	34,403
Spare parts and factory supplies	33,988	40,363	33,988	34,702
Goods in transit	65,550	58,534	56,727	38,128
	2,709,356	2,231,866	1,647,224	1,380,810
Less: Allowance for net realisable value	(89,986)	(68,877)	(40,010)	(34,424)
Total	2,619,370	2,162,989	1,607,214	1,346,386

Cost of sales recognised in statements of comprehensive income during the year 2021 amount of Baht 9,616.30 million (2020: Baht 8,680.02 million) and Baht 11,823.35 million (2020: Baht 10,286.87 million) in the separate financial statements and consolidated financial statements, respectively.

Movements in the allowance for net realisable value account are summarised below.

	Consolidated financial statements		Separate financial statements	
	2021 Baht'000	2020 Baht'000	2021 Baht'000	2020 Baht'000
Beginning balance	68,877	107,408	34,424	62,250
Add: Increase during the year	63,727	25,856	40,010	17,483
Less: Reversed during the year	(46,188)	(63,613)	(34,424)	(45,309)
Currency translation differences	3,570	(774)	-	-
Ending balance	89,986	68,877	40,010	34,424

The Group sold inventories that were previously wrote-down to a customer at original cost. Therefore, the Group reversed the allowance for net realisable value during the year.

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14 Investments in subsidiaries

As at 31 December 2021, the subsidiaries included in consolidated financial statement are listed below. The subsidiaries have only ordinary shares in which the Group directly holds those shares. The proportion of ownership interests held by the Group is equal to voting rights in subsidiaries held by the Group.

Entity name	Country of incorporation	Nature of business	Proportion of ordinary shares directly held by Company and Group		Proportion of ordinary shares held by non-controlling interests		Separate financial statement Investment at cost method	
			2021	2020	2021	2020	2021	2020
			%	%	%	%	Baht'000	Baht'000
Subsidiaries directly owned by the Company								
Captain Coating Company Limited	Thailand	Manufacture and distribution of decorative paint and chemicals	100	100	-	-	300,000	300,000
British Paints Company Limited	Thailand	Distribution of decorative paint	100	100	-	-	374,998	374,998
Mega Paint and Home Co., Ltd. (Former: Professional PC Service Co., Ltd.)	Thailand	Investment in related companies	100	100	-	-	103,750	5,000
Imagica Company Limited	Thailand	Trading of architectural paints (Discontinued in year 2020)	-	100	-	-	-	5,000
Incosource Company Limited	Thailand	Engaging in business of hardware products and tools	55	-	45	-	165,000	-
TOA Paint (Vietnam) Company Limited	Vietnam	Manufacture, import and distribution of decorative paint and chemicals	100	100	-	-	876,383	876,383
TOA Coating Sdn. Bhd.	Malaysia	Import and distribution of decorative paint and chemicals	100	100	-	-	57,592	57,592
TOA Paint Products Sdn. Bhd.	Malaysia	Manufacture and distribution of decorative paint and chemicals	100	100	-	-	218,582	218,582
PT TOA Paint Indonesia	Indonesia	Import and distribution of decorative and other	99.95	99.95	0.05	0.05	533,842	533,842
PT TOA Coating Indonesia	Indonesia	Manufacture and distribution of decorative and other	99.49	99.49	0.51	0.51	865,268	865,268
TOA Paint (Laos) Sole Company Limited	Laos	Manufacture and distribution of decorative and other	100	100	-	-	80,302	80,302
TOA Skim Coat (Cambodia) Company Limited	Cambodia	Manufacture and distribution of skim coat products	65	65	35	35	234	234
TOA Paint (Cambodia) Company Limited	Cambodia	Manufacture and distribution of decorative and other	100	100	-	-	349	349
TOA Coating (Cambodia) Company Limited	Cambodia	Manufacture and distribution of decorative and other	100	100	-	-	470,724	470,724
TOA Paint (Myanmar) Company Limited	Myanmar	Manufacture and distribution of decorative and other	65	65	35	35	26,473	26,473
TOA Coating (Myanmar) Company Limited	Myanmar	Manufacture and distribution of decorative and other	99.29	99.29	0.71	0.71	558,753	558,753
Subsidiaries held by Mega Paint and Home Co., Ltd.								
Phacha Enterprise Co., Ltd.	Thailand	Import and distribution tiles	52	-	48	-	-	-
Phawatri Intertrade Co., Ltd.	Thailand	Import and distribution tiles	52	-	48	-	-	-
Less: Allowance for impairment							(807,893)	(777,941)
Total							3,824,357	3,595,559

Movements of investments in subsidiaries for the year ended 31 December 2021 are as follows:

	Separate financial statements Baht'000
Opening book value - net	3,595,559
Increase in investment	263,750
Increase in impairments	(34,952)
Closing book value - net	3,824,357

The significant movements of investments in subsidiaries are as follow:

Mega Paint and Home Co., Ltd.

The Company's Board of Directors meeting No.10/2020 on 15 December 2020 passed a resolution to approve the change of the name of Professional PC Service Co., Ltd. to Mega Paint and Home Co., Ltd., which has been changed with the Ministry of Commerce on 21 January 2021.

The Company's Board of Directors meeting No.1/2021 on 28 January 2021 passed a resolution to approve the capital increase in Mega Paint and Home Co., Ltd. in the amount of Baht 395 million. After the capital increase, the registered capital increased from Baht 5 million to Baht 400 million.

On 10 February 2021, the Company invested in the newly issued ordinary shares of Mega Paint and Home Co., Ltd. at Baht 25 per share for 3,950,000 shares, totalling Baht 98.75 million. There was no change in ownership interest in Mega Paint and Home Co., Ltd.

On 13 February 2021, Mega Paint and Home Co., Ltd. entered into a share sale and purchase agreement with Phacha Enterprise Co., Ltd. for 26,000 common shares and Phawatri Intertrade Co., Ltd. for 5,200 common shares which were at 52% of the total issued shares of the two companies. The total investment value is Baht 122.07 million (Note 33).

Imagica Company Limited

On 18 November 2020, Imagica Company Limited registered the dissolution application with the Department of Business Development and registered for the completeness of liquidation on 26 October 2021. On 26 October 2021, the Company received the returned capital amounting to Baht 137,724.

Incosource Company Limited

On 25 October 2021, the Company has established a new company, Incosource Company Limited, with 3,000,000 common shares of par Baht 100 each and paid-up capital of 3,000,000 shares, at Bath 25 each, engaging in business of hardware products and tools. The Company holds 1,649,999 shares, equivalent to 55% of the registered shares. As a result, Incosource Company Limited is a subsidiary of the Group.

On 26 October 2021, Incosource Company Limited's Board of Directors meeting No.1/2021 has a resolution to approve the increase of paid-up capital of the Company to existing shareholders of 3,000,000 shares by Baht 75 per share from a par value of Baht 25 per share to totaling Baht 100 per share.

TOA Paint (Indonesia) Company Limited

During 2021, the Company recognised impairment loss on investment in a subsidiary, TOA Paint (Indonesia) Company Limited, amounting to Baht 34.95 million. The recoverable amount was calculated by fair value less costs of disposal. The calculation was considered from the discounted future cash flow of manufacture and distribution of paints and chemicals segment. The growth rate of subsidiaries referred to the past operation performance of subsidiaries together with the expected growth of industry discounted by credit risk of the industry of subsidiaries. The discount rate was 13.5%.

Summarised of financial information of the subsidiaries that have material non-controlling interests

The summary financial information of each subsidiary that non-controlling interests are significant to the Group are summarised below. The amounts disclosed for each subsidiary is shown by the amount before the inter-company elimination.

a) *Summarised statement of financial position*

	As at 31 December 2021
	Incosource
	Company Limited
	Baht'000
Current assets	299,283
Current liabilities	959
Total net current assets	298,324
Non-current assets	187
Non-current liabilities	-
Total net non-current assets	187
Net assets	298,511
Non-controlling interests	134,330

b) *Summarised statement of comprehensive income*

	For the year ended
	31 December 2021
	Incosource
	Company Limited
	Baht'000
Revenues	887
Loss for the year	(1,489)
Other comprehensive income	(1,489)
Total comprehensive income	(1,489)
Loss attributable to non-controlling interests	(670)

c) *Summarised statement of cash flows*

	For the year ended
	31 December 2021
	Incosource
	Company Limited
	Baht'000
Net cash flows from operating activities	(1,415)
Net cash flows from investing activities	(154)
Net cash flows from financing activities	-
Net decrease in cash and cash equivalents	(1,569)

15 Property, plant and equipment

	Consolidated financial statements							
	Land Baht'000	Land improvements Baht'000	Buildings and building improvements Baht'000	Machinery and equipment Baht'000	Furniture, fixtures and office equipment Baht'000	Motor vehicles Baht'000	Assets under installation and construction in progress Baht'000	Total Baht'000
At 1 January 2020								
Cost	190,290	7,286	1,857,207	3,160,158	357,326	204,258	616,406	6,392,931
<u>Less</u> Accumulated depreciation	-	(2,015)	(759,248)	(2,458,287)	(265,860)	(150,921)	-	(3,636,331)
Net book amount	190,290	5,271	1,097,959	701,871	91,466	53,337	616,406	2,756,600
For the year ended 31 December 2020								
Opening net book amount	190,290	5,271	1,097,959	701,871	91,466	53,337	616,406	2,756,600
Exchange differences	(6,147)	-	(16,311)	(8,681)	(697)	(63)	43,630	11,731
Additions	-	-	1,704	32,325	19,583	13,310	208,661	275,583
Transfer in (out)	-	-	554,206	236,705	12,545	(4,088)	(799,368)	-
Transfer from inventories, intangible assets and other non-current assets	-	-	-	13,143	4,270	-	6,110	23,523
Disposals	-	-	(14)	(211)	(106)	(2)	(1,057)	(1,390)
Depreciation charge	-	(364)	(98,773)	(228,029)	(33,764)	(14,065)	-	(374,995)
Closing net book amount	184,143	4,907	1,538,771	747,123	93,297	48,429	74,382	2,691,052
At 31 December 2020								
Cost	184,143	7,286	2,387,932	3,374,518	369,568	163,470	74,382	6,561,299
<u>Less</u> Accumulated depreciation	-	(2,379)	(849,161)	(2,627,395)	(276,271)	(115,041)	-	(3,870,247)
Net book amount	184,143	4,907	1,538,771	747,123	93,297	48,429	74,382	2,691,052

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	Consolidated financial statements							Total Baht'000
	Land Baht'000	Land improvements Baht'000	Buildings and building improvements Baht'000	Machinery and equipment Baht'000	Furniture, fixtures and office equipment Baht'000	Motor vehicles Baht'000	Assets under installation and construction in progress Baht'000	
For the year ended 31 December 2021								
Opening net book amount	184,143	4,907	1,538,771	747,123	93,297	48,429	74,382	2,691,052
Exchange differences	12,295	-	2,354	14,055	(101)	127	1,052	29,782
Acquisition of subsidiaries (Note 33)	24,435	2,206	69,281	1,667	1,768	3,117	1,097	103,571
Additions	-	-	4,924	64,830	13,454	7,135	197,709	288,052
Transfer in (out)	-	-	5,229	102,805	16,705	(14)	(124,725)	-
Transfer from inventories and intangible assets	-	-	-	7,770	-	-	(99)	7,671
Disposals	-	-	(13,789)	(22,912)	(935)	(302)	(451)	(38,389)
Depreciation charge	-	(364)	(128,048)	(189,751)	(37,254)	(15,447)	-	(370,864)
Impairment	-	-	(1,269)	(4,524)	(479)	-	(39)	(6,311)
Closing net book amount	220,873	6,749	1,477,453	721,063	86,455	43,045	148,926	2,704,564
At 31 December 2021								
Cost	220,873	9,493	2,464,451	3,512,788	398,986	167,853	148,965	6,923,409
<u>Less</u> Accumulated depreciation	-	(2,744)	(985,729)	(2,787,201)	(312,052)	(124,808)	-	(4,212,534)
<u>Less</u> Provision for impairment loss	-	-	(1,269)	(4,524)	(479)	-	(39)	(6,311)
Net book amount	220,873	6,749	1,477,453	721,063	86,455	43,045	148,926	2,704,564

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Separate financial statements							
	Land improvements Baht'000	Buildings and building improvements Baht'000	Machinery and equipment Baht'000	Furniture, fixtures and office equipment Baht'000	Motor vehicles Baht'000	Assets under installation and construction in progress Baht'000	Total Baht'000
At 1 January 2020							
Cost	7,286	1,101,335	2,281,535	299,685	175,360	175,269	4,040,470
<u>Less</u> Accumulated depreciation	(2,015)	(632,470)	(1,850,510)	(229,614)	(127,246)	-	(2,841,855)
Net book amount	5,271	468,865	431,025	70,071	48,114	175,269	1,198,615
For the year ended 31 December 2020							
Opening net book amount	5,271	468,865	431,025	70,071	48,114	175,269	1,198,615
Additions	-	54	7,593	7,524	12,803	139,761	167,735
Transfer in (out)	-	203,252	51,336	8,671	(4,088)	(259,171)	-
Transfer from inventories and intangible assets	-	-	3,621	4,270	-	(612)	7,279
Disposals	-	(14)	(210)	(6)	(1)	(960)	(1,191)
Depreciation charge	(365)	(45,819)	(133,486)	(25,939)	(12,571)	-	(218,180)
Closing net book amount	4,906	626,338	359,879	64,591	44,257	54,287	1,154,258
At 31 December 2020							
Cost	7,286	1,299,147	2,289,074	303,098	135,538	54,287	4,088,430
<u>Less</u> Accumulated depreciation	(2,380)	(672,809)	(1,929,195)	(238,507)	(91,281)	-	(2,934,172)
Net book amount	4,906	626,338	359,879	64,591	44,257	54,287	1,154,258

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	Separate financial statements						
	Land improvements Baht'000	Buildings and building improvements Baht'000	Machinery and equipment Baht'000	Furniture, fixtures and office equipment Baht'000	Motor vehicles Baht'000	Assets under installation and construction in progress Baht'000	Total Baht'000
For the year ended 31 December 2021							
Opening net book amount	4,906	626,338	359,879	64,591	44,257	54,287	1,154,258
Additions	-	-	11,777	3,580	4,648	185,980	205,985
Transfer in (out)	-	19,978	65,207	16,602	-	(101,787)	-
Transfer from inventories and intangible assets	-	-	2,117	-	-	(99)	2,018
Disposals	-	(12,517)	(29)	(25)	-	(296)	(12,867)
Depreciation charge	(364)	(71,178)	(83,374)	(27,600)	(13,096)	-	(195,612)
Impairment	-	(1,269)	(4,524)	(479)	-	(39)	(6,311)
Closing net book amount	4,542	561,352	351,053	56,669	35,809	138,046	1,147,471
At 31 December 2021							
Cost	7,286	1,303,828	2,328,392	321,755	139,515	138,085	4,238,861
<u>Less</u> Accumulated depreciation	(2,744)	(741,207)	(1,972,815)	(264,607)	(103,706)	-	(3,085,079)
<u>Less</u> Provision for impairment loss	-	(1,269)	(4,524)	(479)	-	(39)	(6,311)
Net book amount	4,542	561,352	351,053	56,669	35,809	138,046	1,147,471

Short-term borrowings from financial institutions are secured on land, buildings and machinery of a subsidiary to the value of Baht 162 million (2020: Baht 94 million) (Note 20).

16 Right-of-use assets

As at 31 December, the carrying values of right-of-use assets are as follows:

	Consolidated financial statements		Separate financial statements	
	2021 Baht'000	2020 Baht'000	2021 Baht'000	2020 Baht'000
Land	550,429	379,661	356,642	187,901
Properties	701,553	772,325	661,943	757,862
Motor vehicles	91,770	106,245	71,807	83,903
Total	1,343,752	1,258,231	1,090,392	1,029,666

For the year ended 31 December, amounts charged to profit or loss and cash flows relating to leases are as follows:

	Consolidated financial statements		Separate financial statements	
	2021 Baht'000	2020 Baht'000	2021 Baht'000	2020 Baht'000
Depreciation charge of right-of-use assets:				
Land	33,373	31,780	29,300	27,134
Properties	102,391	101,809	87,858	91,309
Motor vehicles	41,512	35,175	31,705	28,129
Total	177,276	168,764	148,863	146,572
Addition to the right-of-use assets during the year	264,234	56,290	219,905	42,153
Total cash outflow for leases	250,006	237,216	216,378	194,863
Expense relating to short-term leases	27,252	43,625	13,847	19,899
Expense relating to leases of low-value assets	11,720	14,632	10,293	12,897

17 Intangible assets

	Consolidated financial statements				
	Computer software Baht'000	Computer software under installation Baht'000	Leasehold rights Baht'000	Customer base Baht'000	Total Baht'000
At 1 January 2020					
Cost	197,128	80,707	225,611	-	503,446
Less Accumulated amortisation	(162,561)	-	(25,551)	-	(188,112)
Net book amount	34,567	80,707	200,060	-	315,334
For the year ended 31 December 2020					
Opening net book amount	34,567	80,707	200,060	-	315,334
Adjustments from adoption of the new financial reporting standards	-	-	(200,060)	-	(200,060)
Exchange differences	(20)	-	-	-	(20)
Additions	192	98,074	-	-	98,266
Transfer in (out)	2,363	(2,363)	-	-	-
Transfer to equipment	-	(3,657)	-	-	(3,657)
Amortisation charge	(12,913)	-	-	-	(12,913)
Closing net book amount	24,189	172,761	-	-	196,950

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Cost	199,234	172,761	-	-	371,995
<u>Less</u> Accumulated amortisation	(175,045)	-	-	-	(175,045)
Net book amount	24,189	172,761	-	-	196,950

For the year ended 31 December 2021

Opening net book amount	24,189	172,761	-	-	196,950
Exchange differences	88	-	-	-	88
Acquisition of subsidiaries (Note 33)	22	-	-	23,252	23,274
Additions	622	120,044	-	-	120,666
Transfer in (out)	243,796	(243,796)	-	-	-
Transfer from equipment	99	-	-	-	99
Write-off	-	(22,443)	-	-	(22,443)
Amortisation charge	(61,755)	-	-	(2,930)	(64,685)
Closing net book amount	207,061	26,566	-	20,322	253,949
At 31 December 2021					
Cost	444,509	26,566	-	23,252	494,327
<u>Less</u> Accumulated amortisation	(237,448)	-	-	(2,930)	(240,378)
Net book amount	207,061	26,566	-	20,322	253,949

Separate financial statements

	Computer software Baht'000	Computer software under installation Baht'000	Leasehold rights Baht'000	Total Baht'000
At 1 January 2020				
Cost	192,052	80,707	10,548	283,307
<u>Less</u> Accumulated amortisation	(159,086)	-	(1,353)	(160,439)
Net book amount	32,966	80,707	9,195	122,868
For the year ended 31 December 2020				
Opening net book amount	32,966	80,707	9,195	122,868
Adjustments from adoption of the new financial reporting standards	-	-	(9,195)	(9,195)
Additions	175	98,074	-	98,249
Transfer in (out)	2,363	(2,363)	-	-
Transfer to equipment	-	(3,657)	-	(3,657)
Amortisation charge	(12,189)	-	-	(12,189)
Closing net book amount	23,315	172,761	-	196,076
At 31 December 2020				
Cost	194,231	172,761	-	366,992
<u>Less</u> Accumulated amortisation	(170,916)	-	-	(170,916)
Net book amount	23,315	172,761	-	196,076
For the year ended 31 December 2021				
Opening net book amount	23,315	172,761	-	196,076
Additions	285	105,435	-	105,720
Transfer in (out)	243,796	(243,796)	-	-
Transfer from equipment	99	-	-	99
Write-off	-	(22,443)	-	(22,443)
Amortisation charge	(61,104)	-	-	(61,104)
Closing net book amount	206,391	11,957	-	218,348

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Cost	438,411	11,957	-	450,368
<u>Less</u> Accumulated amortisation	<u>(232,020)</u>	<u>-</u>	<u>-</u>	<u>(232,020)</u>
Net book amount	206,391	11,957	-	218,348

Amortisation recognised in profit and loss that are related to intangible assets are as follows:

	Consolidated financial statements		Separate financial statements	
	2021 Baht'000	2020 Baht'000	2021 Baht'000	2020 Baht'000
Cost of goods sold	2,168	2,186	2,157	2,175
Selling expense	1,278	1,814	1,173	1,455
Administrative expense	61,239	8,913	57,774	8,558

18 Goodwill

	Consolidated financial statements	
	2021 Baht'000	2020 Baht'000
For the year ended 31 December		
Opening net book amount	-	-
Acquisition of subsidiaries (Note 33)	49,573	-
Closing net book amount	49,573	-

19 Deferred income taxes

The analysis of deferred tax assets and deferred tax liabilities is as follows:

	Consolidated financial statements		Separate financial statements	
	2021 Baht'000	2020 Baht'000	2021 Baht'000	2020 Baht'000
Deferred tax assets	393,684	384,912	342,782	345,890
Deferred tax liabilities	252,948	237,820	243,892	235,235
Deferred tax asset - net	140,736	147,092	98,890	110,655

The movements in deferred tax assets and liabilities during the year are as follows:

	Consolidated financial statements				
	Loss allowance - trade receivables Baht'000	Employee benefit obligations Baht'000	Lease liabilities Baht'000	Others Baht'000	Total Baht'000
Deferred tax assets					
At 1 January 2020	28,871	75,595	-	37,785	142,251
Adjustments from adoption of the new financial reporting standards	5,743	-	232,321	-	238,064
Charged (credited) to profit or loss	6,600	2,939	(17,954)	10,455	2,040
Charged to other comprehensive income	-	2,521	-	-	2,521
Exchange differences	-	33	-	3	36
At 31 December 2020	41,214	81,088	214,367	48,243	384,912
At 1 January 2021	41,214	81,088	214,367	48,243	384,912
Acquisition of subsidiaries (Note 33)	242	90	-	-	332

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Charged (credited) to profit or loss	(1,584)	(5,050)	9,314	949	3,629
Charged to other comprehensive income	-	7	-	1,144	1,151
Exchange differences	1,156	106	-	2,398	3,660
At 31 December 2021	41,028	76,241	223,681	52,734	393,684

Consolidated financial statements			
	Right-of-use assets Baht'000	Depreciation Baht'000	Total Baht'000
Deferred tax liabilities			
At 1 January 2020	-	37,198	37,198
Adjustments from adoption of the new financial reporting standards	227,841	-	227,841
Charged (credited) to profit or loss	(21,081)	(6,138)	(27,219)
At 31 December 2020	206,760	31,060	237,820
At 1 January 2021	206,760	31,060	237,820
Acquisition of subsidiaries (Note 33)	-	7,960	7,960
Charged to profit or loss	6,566	602	7,168
At 31 December 2021	213,326	39,622	252,948

Separate financial statements					
	Loss allowance - trade receivables Baht'000	Employee benefit obligations Baht'000	Lease liabilities Baht'000	Others Baht'000	Total Baht'000
Deferred tax assets					
At 1 January 2020	16,145	67,697	-	23,030	106,872
Adjustments from adoption of the new financial reporting standards	5,068	-	230,534	-	235,602
Charged (credited) to profit or loss	7,231	1,914	(18,789)	10,398	754
Charged to other comprehensive income	-	2,662	-	-	2,662
At 31 December 2020	28,444	72,273	211,745	33,428	345,890
At 1 January 2021	28,444	72,273	211,745	33,428	345,890
Charged (credited) to profit or loss	(2,500)	(5,998)	9,783	(5,535)	(4,250)
Charged to other comprehensive income	-	-	-	1,142	1,142
At 31 December 2021	25,944	66,275	221,528	29,035	342,782

Separate financial statements			
	Right-of-use assets Baht'000	Depreciation Baht'000	Total Baht'000
Deferred tax liabilities			
At 1 January 2020	-	37,198	37,198
Adjustments from adoption of the new financial reporting standards	226,054	-	226,054
Charged (credited) to profit or loss	(21,879)	(6,138)	(28,017)
At 31 December 2020	204,175	31,060	235,235
At 1 January 2021	204,175	31,060	235,235
Charged to profit or loss	7,035	1,604	8,657
At 31 December 2021	211,210	32,664	243,892

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Deferred income tax assets are recognised for tax loss and carried forwards only to the extent that realisation of the related tax benefit through the future taxable profits is probable. The Group has not recognised deferred tax asset of Baht 110.56 million (2020: Baht 111.55 million) (from tax losses of Baht 473.86 million (2020: Baht 436.09 million)), to carry forward against future taxable income; these tax losses of Baht 473.86 million (2020: Baht 436.09 million) will expire during 2026 to 2028.

20 Borrowings

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	Baht'000	Baht'000	Baht'000	Baht'000
Current				
Short-term borrowings from financial institutions	289,082	200,000	200,000	200,000
Short-term borrowings from others	7,565	-	-	-
Current portion of long-term loans from financial institutions	121	-	-	-
Lease liabilities	151,514	151,977	126,773	136,325
Total current borrowings	448,282	351,977	326,773	336,325
Non-current				
Lease liabilities	1,025,973	945,542	980,868	922,400
Total non-current borrowings	1,025,973	945,542	980,868	922,400
Total borrowings	1,474,255	1,297,519	1,307,641	1,258,725

As at 31 December 2021, the Company has promissory notes as short-term borrowings from financial institutions which interest rate was ranging between 0.80% to 3.00% per annum (2020: 1.10% to 1.30% per annum).

As at 31 December 2021, subsidiaries have short-term borrowings from financial institutions which are secured over a part of land, buildings and equipment of subsidiaries (Note 15) and are due for repayment in 2022.

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	Baht'000	Baht'000	Baht'000	Baht'000
Minimum lease payments of finance lease liabilities:				
Not later than one year	187,716	181,188	158,858	164,523
Later than 1 year but not later than 5 years	287,321	562,749	244,293	539,192
Later than 5 years	947,940	508,664	935,957	507,943
	1,422,977	1,252,601	1,339,108	1,211,658
Less Future finance charges on finance leases	(245,490)	(155,082)	(231,467)	(152,933)
Present value of finance lease liabilities	1,177,487	1,097,519	1,107,641	1,058,725
Finance lease liabilities				
- Current	151,514	151,977	126,773	136,325
- Non-current	1,025,973	945,542	980,868	922,400
Present value of finance lease liabilities:				
Not later than one year	151,514	151,977	126,773	136,325
Later than 1 year but not later than 5 years	269,909	481,630	231,775	459,202
Later than 5 years	756,064	463,912	749,093	463,198
	1,171,487	1,097,519	1,107,641	1,058,725

21 Trade and other payables

	Consolidated financial statements		Separate financial statements	
	2021 Baht'000	2020 Baht'000	2021 Baht'000	2020 Baht'000
Trade payables	2,606,393	1,848,910	2,186,499	1,492,380
Trade payables - related parties (Note 31 c)	221,623	172,715	231,586	168,301
Other payables - related parties (Note 31 c)	9,169	5,498	8,828	4,170
Other payables - other parties	254,334	158,783	192,464	128,431
Accrued expenses - related parties (Note 31 c)	-	285	-	-
Accrued expenses - other parties	739,194	789,061	434,241	418,398
Total	3,830,713	2,975,252	3,053,618	2,211,680

22 Employee benefit obligations

	Consolidated financial statements		Separate financial statements	
	2021 Baht'000	2020 Baht'000	2021 Baht'000	2020 Baht'000
Statements of Financial Position:				
Retirement benefits	409,222	429,371	343,448	373,149
Other long-term benefits	8,008	8,196	6,560	6,848
Liability in the statement of financial position	417,230	437,567	350,008	379,997
Profit or loss charge included in operating profit for:				
Retirement benefits	39,958	39,916	30,663	31,245
Other long-term benefits	1,047	1,167	820	925
Profit or loss	41,005	41,083	31,483	32,170
Remeasurement	40	13,651	-	13,308

The movements in the defined benefit obligation which comprise of retirement benefits and other long-term benefits for the years are as follows:

	Consolidated financial statements		Separate financial statements	
	2021 Baht'000	2020 Baht'000	2021 Baht'000	2020 Baht'000
At 1 January	437,567	409,945	379,997	357,119
Current service cost	34,307	34,638	26,217	26,973
Interest expense	6,699	6,445	5,267	5,197
	478,573	451,028	411,481	389,289
Remeasurements:				
Gain from change in demographic assumptions	-	(23,376)	-	(21,131)
Loss from change in financial assumptions	-	35,171	-	32,900
Experience loss	40	1,856	-	1,539
	40	13,651	-	13,308
Acquisition of subsidiaries (Note 33)	453	-	-	-
Exchange differences	1,442	(207)	-	-
Payment from plans:				
Benefit payment	(63,278)	(26,905)	(61,473)	(22,600)
At 31 December	417,230	437,567	350,008	379,997

The significant actuarial assumptions used of retirement benefits were as follows:

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Discount rate	1.69 - 10.37	1.69 - 10.37	1.69	1.69
Salary growth rate	4.00 - 12.00	4.00 - 12.00	6.00	6.00

Sensitivity analysis for each significant assumption used of retirement benefits is as follows:

	Consolidated financial statements					
	Change in assumption		Impact on defined benefit obligation			
			Increase in assumption		Decrease in assumption	
	2021	2020	2021	2020	2021	2020
Discount rate	1%	1%	Decrease by 0.88%	Decrease by 1.11%	Increase by 1.04%	Increase by 1.29%
Salary growth rate	1%	1%	Increase by 1.05%	Increase by 1.29%	Decrease by 0.87%	Decrease by 1.11%

	Separate financial statements					
	Change in assumption		Impact on defined benefit obligation			
			Increase in assumption		Decrease in assumption	
	2021	2020	2021	2020	2021	2020
Discount rate	1%	1%	Decrease by 0.88%	Decrease by 1.15%	Increase by 1.03%	Increase by 1.31%
Salary growth rate	1%	1%	Increase by 1.04%	Increase by 1.32%	Decrease by 0.87%	Decrease by 1.14%

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method has been applied as when calculating the retirement benefits recognised in the statement of financial position.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous period.

The weighted average duration of the defined benefit obligation is 12 - 23 years (2020: 12 - 23 years).

Expected maturity analysis of undiscounted retirement benefits are as follows:

	Consolidated financial statements				
	Less than 1 year Baht'000	Between 1-2 years Baht'000	Between 2-5 years Baht'000	Over 5 years Baht'000	Total Baht'000
At 31 December 2021					
Retirement benefits	31,295	70,778	112,146	758,126	972,345
At 31 December 2020					
Retirement benefits	26,925	69,635	114,021	792,143	1,002,724
	Separate financial statements				
	Less than 1 year Baht'000	Between 1-2 years Baht'000	Between 2-5 years Baht'000	Over 5 years Baht'000	Total Baht'000
At 31 December 2021					
Retirement benefits	28,385	62,415	82,970	582,175	755,945
At 31 December 2020					
Retirement benefits	25,823	58,974	93,001	603,969	781,767

23 Share capital and premium on share capital

	Number of Shares Shares	Ordinary Shares Baht	Share Premium Baht	Total Baht
At 31 December 2020 and 2021	2,029,000,000	2,029,000,000	5,761,532,800	7,790,532,800

The total number of authorised ordinary shares is 2,090,000,000 shares (2020: 2,029,000,000 shares) with a par value of Baht 1 per share (2020: Baht 1 per share). All issued shares are fully paid.

24 Legal reserve

Under the Public Companies Act., B.E. 2535, the Company is required to set aside as statutory reserve at least 5 percent of its net profit after accumulated deficit brought forward (if any) until the reserve is not less than 10 percent of the registered capital. This reserve is not available for dividend distribution. The statutory minimum amount has been appropriated to the legal reserve.

25 Finance costs

	Consolidated financial statements		Separate financial statements	
	2021 Baht'000	2020 Baht'000	2021 Baht'000	2020 Baht'000
Short-term borrowings	5,175	5,927	3,441	4,882
Short-term borrowings from others	54	-	-	-
Lease liabilities	29,583	32,837	27,816	31,451
Total finance costs	34,812	38,764	31,257	36,333

26 Expenses by nature

	Consolidated financial statements		Separate financial statements	
	2021 Baht'000	2020 Baht'000	2021 Baht'000	2020 Baht'000
Raw materials and consumables used	8,425,687	7,113,319	6,938,666	5,891,049
Changes in inventories of finished goods and work in process	(317,769)	198,339	(221,851)	245,576
Advertising and promotion expenses	497,624	590,011	313,472	394,899
Salary and wages and other employee benefits	2,602,230	2,448,916	1,804,296	1,733,371
Depreciation and amortisation	615,477	557,481	408,229	377,748
Subcontractor costs	31,261	55,120	15,770	42,653
Rental expenses	51,442	58,257	26,752	32,796
Impairment loss on investment in a subsidiary	-	-	34,952	-

27 Income tax

Income tax for the year comprises the following:

	Consolidated financial statements		Separate financial statements	
	2021 Baht'000	2020 Baht'000	2021 Baht'000	2020 Baht'000
Current tax:				

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Current tax on profits for the year	524,500	604,243	472,961	564,933
Total current tax	524,500	604,243	472,961	564,933
Deferred income tax:				
(Increase) Decrease in deferred tax assets (Note 19)	(3,629)	(234,361)	4,250	(231,288)
Increase in deferred tax liabilities (Note 19)	7,168	200,622	8,657	198,037
Total deferred income tax	3,539	(33,739)	12,907	(33,251)
Total income tax expense	528,039	570,504	485,868	531,682

The tax on profit before tax of the Group and the Company differ from the theoretical amount that would arise using the basic tax rate of the Group and the Company as follows:

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	Baht'000	Baht'000	Baht'000	Baht'000
Profit before tax	2,454,311	2,595,214	2,463,817	2,657,225
Tax rate	15% - 25%	15% - 25%	20%	20%
Accounting profit before tax multiplied by applicable tax rate	476,463	506,803	492,763	531,445
Tax effect of:				
Adjustment to income tax assets for taxable loss from previous year	(12,198)	-	(12,198)	-
Income which is not taxable	(23,648)	(2,952)	(22,628)	(2,945)
Expenses not deductible for tax purpose	39,607	38,698	36,415	31,510
Additional expense deductions allowed	(9,560)	(30,208)	(8,484)	(28,328)
Tax losses for which no deferred income tax asset was recognised	57,749	58,163	-	-
Others	(374)	-	-	-
Tax charge	528,039	570,504	485,868	531,682

The tax (charge)/credit relating to component of other comprehensive income is as follows:

	Consolidated financial statements					
	2021			2020		
	Before tax	Tax charge	After tax	Before tax	Tax charge	After tax
	Baht'000	Baht'000	Baht'000	Baht'000	Baht'000	Baht'000
Remeasurement on defined benefit obligation	(40)	8	(32)	(13,651)	2,521	(11,130)
Other comprehensive income	(40)	8	(32)	(13,651)	2,521	(11,130)

	Separate financial statements					
	2021			2020		
	Before tax	Tax charge	After tax	Before tax	Tax charge	After tax
	Baht'000	Baht'000	Baht'000	Baht'000	Baht'000	Baht'000
Remeasurement on defined benefit obligation	-	-	-	(13,308)	2,662	(10,646)
Other comprehensive income	-	-	-	(13,308)	2,662	(10,646)

28 Earnings per share

Basic earnings per share is calculated by dividing profit (loss) for the year attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year.

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Basic earnings per share				
Profit attributable to the ordinary equity holders of the Company (Baht'000)	1,955,054	2,031,165	1,977,950	2,125,542
Weighted average number of ordinary shares (Thousand shares)	2,029,000	2,029,000	2,029,000	2,029,000
Earnings per share (Baht per share)	0.96	1.00	0.97	1.05

There are no potential dilutive ordinary shares in issue during 2021 and 2020.

29 Dividends

The Company

The Company's Board of Directors meeting No.6/2021 on 13 August 2021 has a resolution to approve the payment of interim dividends from the operating results of January to June 2021 at Baht 0.31 per share for 2,029,000,000 shares, totaling Baht 628.97 million. The dividends were paid on 10 September 2021.

The Company's 2021 Annual General meeting of Shareholders on 23 April 2021 has a resolution to approve the payment of dividends from the operating results of July to December 2020 at Baht 0.26 per share for 2,029,000,000 shares, totaling Baht 527.54 million. The dividends were paid on 21 May 2021.

The Company's Board of Directors meeting No.7/2020 on 13 August 2020 has a resolution to approve the payment of interim dividends from net profit for the operating results of January to September 2020 at Baht 0.27 per share for 2,029,000,000 shares, totaling Baht 547.83 million. The dividends were paid on 11 September 2020.

The Company's Board of Directors meeting No.3/2020 on 24 March 2020 has a resolution to approve the payment of interim dividends from net profit for the year ended 31 December 2019 at Baht 0.27 per share for 2,029,000,000 shares, totaling Baht 547.83 million. The dividends were paid on 23 April 2020.

Phawatri Intertrade Co., Ltd.

Phawatri Intertrade Co., Ltd.'s General meeting of Shareholders No.3/2021 on 23 July 2021 has a resolution to approve the payment of dividends from the operating results for the years of 2019 and 2020 at Baht 980.72 per share for 10,000 shares, totaling Baht 9.81 million. The dividends were paid on 9 August 2021.

30 Other income

	Consolidated financial statements		Separate financial statements	
	2021 Baht'000	2020 Baht'000	2021 Baht'000	2020 Baht'000
Interest income	28,577	27,273	28,763	28,506
Service income	36,946	36,757	51,270	50,694
Rental income	9,517	9,114	12,007	13,894
Others	39,875	54,323	20,178	30,040
Total	114,915	127,467	112,218	123,134

31 Related party transactions

a) Sales of goods and services and other income

	Consolidated financial statements		Separate financial statements		Pricing policies
	2021 Baht'000	2020 Baht'000	2021 Baht'000	2020 Baht'000	
Sales of goods					
Subsidiaries	-	-	809,752	760,192	Reference to market price
Other related parties	451,986	400,321	447,427	363,075	Reference to market price
Revenue from services					
Subsidiaries	-	-	14,323	13,856	Contract price
Other related parties	6,155	8,790	6,155	8,790	Contract price
Rental income					
Subsidiaries	-	-	3,130	5,097	Contract price
Other related parties	8,870	8,958	8,681	8,657	Contract price
Other income					
Subsidiaries	-	-	3,852	5,127	Contract price
Other related parties	857	6,666	857	6,666	Contract price
Interest income					
Subsidiaries	-	-	1,332	2,346	3.00% - 3.50% per annum

b) Purchases of goods and services

	Consolidated financial statements		Separate financial statements		Pricing policies
	2021 Baht'000	2020 Baht'000	2021 Baht'000	2020 Baht'000	
Purchases of goods					
Subsidiaries	-	-	54,775	2,524	Reference to market price
Other related parties	1,384,149	1,229,838	1,349,035	1,207,420	Reference to market price
Subcontractor expenses					
Other related parties	2,411	2,411	2,411	2,411	Contract price
Rental expenses					
Subsidiaries	-	-	63	-	Contract price
Other related parties	559	3,385	559	3,385	Contract price
Payments on lease liabilities					
Other related parties	120,827	89,461	120,049	89,202	Contract price
Interest expense					
Other related parties	27,912	28,119	27,816	28,073	Reference to market price

c) Outstanding balances arising from sales and purchases of goods and services

The outstanding balances at the end of the reporting period in relation to transactions with related parties are as follows:

	Consolidated financial statements		Separate financial statements	
	2021 Baht'000	2020 Baht'000	2021 Baht'000	2020 Baht'000
Receivables				
Subsidiaries	-	-	1,101,643	877,964
Other related parties	140,019	107,517	138,943	106,495
Payables				
Subsidiaries	-	-	20,931	1,823
Other related parties	230,792	178,498	219,483	170,648
Lease liabilities				
Other related parties	1,024,064	939,497	1,021,036	935,691

d) Short-term loans to related parties

The movements of short-term loans to related parties are as follow:

	Separate financial statements	
	2021 Baht'000	2020 Baht'000
Opening book value, net	3,473	6,021
Additions of loans and interest income during the period	53,830	62,566
Repayments received of principal and interest during the period	(17,429)	(65,114)
Exchange differences	4,663	-
Closing book value, net	44,537	3,473

The short-term loans to related parties were unguaranteed loans in US Dollars and Malaysian Ringgit currencies. The loans are due for repayment at call and carry interest at the rates ranging from 3.00% to 3.50% per annum (2020: 3.00% to 3.50% per annum).

e) Key management compensation

Key management includes directors and members of the executive committee. The compensation paid or payable to key are as follow:

	Consolidated financial statements		Separate financial statements	
	2021 Baht'000	2020 Baht'000	2021 Baht'000	2020 Baht'000
Salaries and other short-term employee benefits	78,798	95,867	78,798	95,867
Post-employment benefits	1,229	1,312	1,229	1,312
Total	80,027	97,179	80,027	97,179

32 Commitments and contingencies

a) Capital expenditure commitments

Capital expenditure contracted as at the statement of financial position date but not recognised as liabilities is as follows:

	Consolidated financial statements		Separate financial statements	
	2021 Baht'000	2020 Baht'000	2021 Baht'000	2020 Baht'000
Property, plant and equipment	222,773	15,752	222,773	15,752
Intangible assets	28,819	136,465	20,506	136,465
Total	251,592	152,217	243,279	152,217

b) Non-cancellable operating leases

The Group leases land, building, motor vehicles and equipment under non-cancellable lease agreements.

As at 31 December 2021 and 2020 commitments for minimum payments in relation to non-cancellable leases are payable as follows:

	Consolidated financial statements		Separate financial statements	
	2021 Baht'000	2020 Baht'000	2021 Baht'000	2020 Baht'000
Within 1 year	18,301	13,156	9,778	5,348
Later than 1 year but not later than 5 years	10,021	4,594	7,713	3,104
Later than 5 years	-	-	-	-
Total	28,322	17,750	17,491	8,452

c) Guarantees

As at 31 December 2021, the Company has guaranteed bank credit facilities of subsidiaries approximately Baht 30 million and USD 3 million (31 December 2020: Baht 180 million and USD 3 million).

As at 31 December 2021, the Group and the Company have outstanding bank guarantees of approximately Baht 65.42 million and Baht 64.76 million, respectively. (31 December 2020: Baht 19 million and Baht 18 million, respectively) in respect of certain performance bonds as required in the normal course of business.

d) Litigation

The Company was sued for compensation, relating to breaches of hire of work contracts, recall assets and claim damages for 2 cases totalling approximately Baht 108.23 million.

- The first case which has claim damage totalling Baht 77.87 million is still being considered by the trial court. The court will hold hearing of defendant's witnesses on 5 - 7 July 2022. The management and the legal advisor of the Company considered the matter to not materially impact the Company. Thus, there was no set up of contingent liabilities.
- The second case has claim damage totalling Baht 30.36 million. The trial court has judged the Company to pay compensation at full claim amount, in October 2020. On 8 July 2021, the Company pledged bank guarantees totalling Baht 43.89 million to court. However, the provisional full claim does not materially impact the Company. On 2 February 2022, the court of appeal judged the Company guilty. Currently, the Company is preparing to file an appeal to the Supreme Court. The Company's management and the legal advisors believe that the outcome of these cases will not result any significant damages to the Company and therefore no provision for liability has been set aside in the accounts.

33 Business combination

On 13 February 2021, the Group acquired 52% of the share capital of Phacha Enterprise Co., Ltd. ("PCE") and Phawatri Intertrade Co., Ltd. ("PWT") for a total consideration of Baht 122.07 million. As a result, PCE and PWT are subsidiaries of the Group. The Group expects that these investments will be able to expand the Group's business into the tiles product and promote the growth of the Group's business.

The following table summarises the consideration paid and the amounts of acquired assets and liabilities recognised on 13 February 2021, an acquisition date.

	PCE Baht'000	PWT Baht'000	Total Baht'000
Consideration net transferred - Cash	89,884	32,186	122,070

Recognised amounts of identifiable acquired assets and liabilities are as follows:

	PCE Baht'000	PWT Baht'000	Total Baht'000
Cash and cash equivalents	19,940	10,520	30,460
Trade and other receivables	23,588	21,297	44,885
Inventories	29,462	1,986	31,448
Other current assets	1,195	621	1,816
Property, plant and equipment	101,393	2,178	103,571
Intangible assets	2,764	20,510	23,274
Other non-current assets	156	-	156
Short-term borrowings from financial institutions	43,425	24,325	67,750
Trade and other payables	2,454	2,499	4,953
Short-term borrowings from related party	7,600	-	7,600
Current portion of long-term loans from financial institutions	4,091	-	4,091
Income tax payable	1,505	969	2,474
Other current liabilities	1,016	228	1,244
Deferred tax liabilities	3,492	4,136	7,628
Employee benefit obligations	445	8	453
Identifiable net assets (100%)	114,470	24,947	139,417
<u>Less</u> Non-controlling interests (48%)	(54,946)	(11,974)	(66,920)
Net assets acquired	59,524	12,973	72,497
<u>Add</u> Goodwill	30,360	19,213	49,573
	89,884	32,186	122,070

Purchase consideration - Cash outflow

	PCE Baht'000	PWT Baht'000	Total Baht'000
Outflow of cash to acquire subsidiary, net of cash acquired			
Cash consideration	89,884	32,186	122,070
<u>Less</u> Balances acquired - Cash	(19,940)	(10,520)	(30,460)
Net outflow of cash - Investing activities	69,944	21,666	91,610

Acquired identifiable intangible assets - Customer base

The fair value of the customer base of PCE and PWT of Baht 2.75 million and Baht 20.50 million, respectively, was estimated by discounted cash flow.

The fair value estimates are based on discount rates of 9.75% to 11.45%, gross profit margin of 17% to 19%, and growth rate of 1% to 5%. This profit is based on management's forecast at the date of acquisition and to date there has been no change in this forecast. The Group has chosen to recognise the non-controlling interest at its net identifiable assets of subsidiaries for this acquisition according to the proportion of ownership interest.

Had PCE and PWT been consolidated from 1 January 2021, the consolidated income statement for the year ended 31 December 2021 would be increased by not exceeding 5% and the profit for the period would not be materially different.

34 Significant contract

On 19 October 2021, the Board of Directors' Meeting No. 8/2564 approved and agreed to propose the Extraordinary General Meeting of Shareholders No. 1/2564 on 16 December 2021 to consider and approve the acquisition of 2,626,500 ordinary shares. These represent 51% of the issued and paid-up shares in Gypmantech Co., Ltd. (GMT) from TOA Group Holding Co., Ltd. (TOAGH) at a par value of Baht 100 per share and a price of Baht 304.59 per share, totaling Baht 800 million. GMT's main business operations include producing, importing, exporting, repacking and distributing gypsum powder and board, as well as purchasing and selling all types of equipment used to install gypsum board. However, the share sales and purchase agreement won't be effective until both parties have complied with the agreement's preliminary conditions. Important conditions are as follows:

- a) As of the transaction's completion date, no reason or action has occurred, or is reasonably expected to occur, which could have a material adverse effect on financial position.
- b) The buyer is satisfied with GMT's due diligence results - it has been operating legally, and taxes and accounts have been fully paid in accordance with accounting standards.
- c) There are no applicable laws of government agencies that have been promulgated or are being promulgated. Laws will take effect after the trading completion date. The trading of traded shares is prohibited. Buyers are prohibited from buying traded shares, and sellers are prohibited from selling or transferring the ownership of traded shares.

As of 31 December 2021, there are some preliminary conditions of seller side that still incomplete.

35 Events occurring after the reporting period

- 1) The Company's Board of Directors meeting No.2/2022 on 24 February 2022 has a resolution to approve the payment of dividends from the operating results of July to December 2021 at Baht 0.19 per share for 2,029,000,000 shares, totalling Baht 385.51 million.
- 2) The Company's Board of Directors meeting No.2/2022 on 24 February 2022 has a resolution to dissolve its wholly owned subsidiary named TOA Paint (Cambodia) Co., Ltd. (TOAPK).

The dissolution of TOAPK has no impact on the Company's operations and financial position. The process of liquidating and dissolving the subsidiary shall be carried out according to legal and regulatory requirements.

Attachments



Attachment 1: Information about Directors, Management Team, Controlling Persons, CFO, Person Supervising Accounting, and Company Secretary

1. Information about Directors, Management Team, Controlling Persons, and Company Secretary



1. Mr. Prachak Tangkaravakoon

Position: Chairman/ Member of the Executive Committee

Appointment Date: December 6, 2016

Age: 77 years old

Education/Training	Shares held ⁽¹⁾	Family relationship between directors/management	Work Experience			
			Past 5 Years - Present (as at December 31, 2021)			
			Period	Position	Company	Nature of Business
- Honorary Doctorate Degree of Science (Chemistry), Rajamangala University of Technology Krungthep - Mini MBA, Thammasat University - Bachelor's degree, Bangkok Thonburi University - Director Accreditation Program (DAP) 21/2004, Thai Institute of Directors (IOD)	21.0% -Directly held 4.5%, Indirectly held through TOAGH 6.0% - Held by spouse 4.5%, held indirectly through TOAGH 6.0%	- Spouse of Mrs. Laor Tangkaravakoon - Father of: 1) Mr. Vonnarat Tangkaravakoon 2) Mr. Jatuphat Tangkaravakoon 3) Mr. Nattavuth Tangkaravakoon and 4) Mrs. Busatree Wanglee	Position in the Company & Subsidiaries:			
			2016 - Present	Chairman/ Member of the Executive Committee	TOA Paint (Thailand) PCL.	Manufacture and distribution of decorative and other related products.
			Present	Director	TOA Paint (Vietnam) Co., Ltd.	Manufacture, import, and distribution of decorative paint and coating products and chemicals.
			Present	President of the Commissioners	PT TOA Paint Indonesia	Import and distribution of decorative and non-decorative paint and coating products.
			Present	President of the Commissioners	PT TOA Coating Indonesia	Manufacture and distribution of decorative and non-decorative paint and coating products.
			Position in Listed Companies:			
			1996 – Present	Director	Sherwood Corporation (Thailand) PCL.	Manufacture and distribution of household chemical products.
			Position in Non-Listed Companies: 15 companies			
			Competitive Position related to Company's Business: None			
			Past Experience:			
			1977 – 2016	Advisory Chairman	TOA Paint (Thailand) PCL.	Manufacture and distribution of decorative and other related products.

Note: ⁽¹⁾ Including shares, both directly and indirectly, held by spouse and minor child as at December 31, 2021.



2. Mrs. Laor Tangkaravakoon

Position: Vice Chairman/ Member of the Executive Committee
Appointment Date: December 6, 2016
Age: 74 years old

Education/Training	Shares held ⁽¹⁾	Family relationship between directors/management	Work Experience			
			Past 5 Years - Present (as at December 31, 2021)			
			Period	Position	Company	Nature of Business
- Bachelor's degree in Political Science, Ramkhamhaeng University	21.0% - Directly held 4.5%, Indirectly held through TOAGH 6.0% - Held by spouse 4.5%, held indirectly through TOAGH 6.0%	- Spouse of Mr. Prachak Tangkaravakoon - Mother of: 1) Mr. Vonnarat Tangkaravakoon 2) Mr. Jatuphat Tangkaravakoon 3) Mr. Nattavuth Tangkaravakoon and 4) Mrs. Busatree Wanglee	Position in the Company & Subsidiaries:			
			2016 – Present	Vice Chairman/ Member of the Executive Committee	TOA Paint (Thailand) PCL.	Manufacture and distribution of decorative and other related products.
			Position in Listed Companies: None			
			Position in Non-Listed Companies: 5 companies			
			Competitive Position related to Company's Business: None			
			Past Experience:			
			2011 – 2016	Advisory Vice-Chairman	TOA Paint (Thailand) PCL.	Manufacture and distribution of decorative and other related products.

Note: ⁽¹⁾ Including shares, both directly and indirectly, held by spouse and minor child as at December 31, 2021.



3. Mr. Vonnarat Tangkaravakoon

Position: Director/ Member of the Executive Committee/ Authorized Director

Appointment Date: February 1, 1998

Age: 49 years old

Education/Training	Shares held ⁽¹⁾	Family relationship between directors/management	Work Experience			
			Past 5 Years - Present (as at December 31, 2021)			
			Period	Position	Company	Nature of Business
			Position in the Company & Subsidiaries:			
- Bachelor's degree in Managerial Accounting, Chulalongkorn University - Director Accreditation Program (DAP) SEC/2013, Thai Institute of Directors (IOD)	13.5% Directly held 9.0%, Indirectly held through TOAGH 4.5%	- Son of Mr. Prachak Tangkaravakoon and Mrs. Laor Tangkaravakoon - Brother of: 1) Mr. Jatuphat Tangkaravakoon 2) Mr. Nattavuth Tangkaravakoon and 3) Mrs. Busatree Wanglee	1998 - Present	Director/ Member of the Executive Committee	TOA Paint (Thailand) PCL.	Manufacture and distribution of decorative and other related products.
			Present	Director	British Paints Co., Ltd.	Distribution of decorative paint and coating products.
			Present	Director	TOA Paint (Vietnam) Co., Ltd.	Manufacture, import, and distribution of decorative paint and coating products and chemicals.
			Position in Listed Companies:			
			2011 - Present	Director	Sherwood Corporation (Thailand) PCL.	Manufacture and distribution of household chemical products.
			2019 - Present	Director	Stark Corporation PCL.	Holding company.
			Position in Non-Listed Companies: 57 companies			
			Competitive Position related to Company's Business: None			

Note: ⁽¹⁾ Including shares, both directly and indirectly, held by spouse and minor child as at December 31, 2021.



4. Mr. Jatuphat Tangkaravakoon

Position: Director/ Chairman of the Executive Committee/ Member of the Nomination and Remuneration Committee/
Chief Executive Officer/ Authorized Director/ Acting Managing Director Thailand & Laos

Appointment Date: February 1, 2001

Age: 48 years old

Education/Training	Shares held ⁽¹⁾	Family relationship between directors/management	Work Experience			
			Past 5 Years - Present (as at December 31, 2021)			
			Period	Position	Company	Nature of Business
- Master's degree in Management, Purdue University, USA - Bachelor's degree in Business Administration, Chulalongkorn University - Director Accreditation Program (DAP) 14/2014, Thai Institute of Directors (IOD)	13.5% Directly held 9.0%, Indirectly held through TOAGH 4.5%	- Son of Mr. Prachak Tangkaravakoon and Mrs. Laor Tangkaravakoon - Brother of: 1) Mr. Vonnarat Tangkaravakoon 2) Mr. Nattavuth Tangkaravakoon and 3) Mrs. Busatree Wanglee	Position in the Company & Subsidiaries:			
			2001 – Present	Director/ Chairman of the Executive Committee/ Member of the Nomination and Remuneration Committee/ Chief Executive Officer/ Acting Managing Director Thailand & Laos	TOA Paint (Thailand) PCL.	Manufacture and distribution of decorative and other related products.
			Present	Director	Captain Coating Co., Ltd.	Manufacture and distribution of decorative paint and coating products and chemicals.
			Present	Director	British Paints Co., Ltd.	Distribution of decorative paint and coating products.
			Present	Director	Mega Paint and Home Co., Ltd.	Investing in related companies.
			Present	Director	Phacha Enterprise Co., Ltd.	Retail and wholesale distribution of granito tiles, ceramic tiles, sanitary wares, and related products.
			Present	Director	Phawatri Intertrade Co., Ltd.	Retail and wholesale distribution and import of tiles.
			Present	Director	Incosource Co., Ltd.	Procuring, importing, and exporting the paints and construction chemicals, construction materials, electricals, ceramics, sanitary ware, plumbing, tools, and hardware.
			Present	Director	TOA Paint (Vietnam) Co., Ltd.	Manufacture, import, and distribution of decorative paint and coating products and chemicals.
			Present	Director	TOA Paint Products Sdn. Bhd.	Manufacture and distribution of decorative paint and coating products and chemicals.

Education/Training	Shares held ⁽¹⁾	Family relationship between directors/management	Work Experience			
			Past 5 Years - Present (as at December 31, 2021)			
			Period	Position	Company	Nature of Business
			Present	Director	TOA Coating Sdn. Bhd.	Import and distribution of decorative paint and coating products and chemicals.
			Present	Chairman of the Board of Directors	TOA Paint (Myanmar) Co., Ltd.	Manufacture and distribution of decorative and non-decorative paint and coating products.
			Present	Chairman of the Board of Directors	TOA Coating (Myanmar) Co., Ltd.	Manufacture and distribution of decorative and non-decorative paint and coating products.
			Present	Chairman of the Board of Directors	TOA Paint (Cambodia) Co., Ltd.	Manufacture and distribution of decorative and non-decorative paint and coating products.
			Present	Chairman of the Board of Directors	TOA Skim Coat (Cambodia) Co., Ltd.	Manufacture and distribution of skim coat products.
			Present	Chairman of the Board of Directors	TOA Paint (Laos) Sole Co., Ltd.	Manufacture and distribution of decorative and non-decorative paint and coating products.
			Present	Director	TOA Coating (Cambodia) Co., Ltd.	Manufacture and distribution of decorative and non-decorative paint and coating products.
			Present	Chairman of the Board of Directors	PT TOA Paint Indonesia	Import and distribution of decorative and non-decorative paint and coating products.
			Present	Chairman of the Board of Directors	PT TOA Coating Indonesia	Manufacture and distribution of decorative and non-decorative paint and coating products.
			Position in Listed Companies: None			
			Position in Non-Listed Companies: 25 companies			
			Competitive Position related to Company's Business: None			

Note: ⁽¹⁾ Including shares, both directly and indirectly, held by spouse and minor child as at December 31, 2021.



5. Mr. Nattavuth Tangkaravakoon

Position:

Director/ Authorized Director

Appointment Date:

August 1, 2002

Age:

47 years old

Education/Training	Shares held ⁽¹⁾	Family relationship between directors/management	Work Experience			
			Past 5 Years - Present (as at December 31, 2021)			
			Period	Position	Company	Nature of Business
- Master of Science in Engineering Management, University of Southern California, USA -Bachelor's degree in Engineering, Chulalongkorn University - Director Accreditation Program (DAP), 19/2004 Thai Institute of Directors (IOD)	13.5% Directly held 9.0%, Indirectly held through TOAGH 4.5%	- Son of Mr. Prachak Tangkaravakoon and Mrs. Laor Tangkaravakoon - Brother of: 1) Mr. Vonnarat Tangkaravakoon 2) Mr. Jatuphat Tangkaravakoon and 3) Mrs. Busatree Wanglee	Position in the Company & Subsidiaries:			
			2002 – Present	Director	TOA Paint (Thailand) PCL.	Manufacture and distribution of decorative and other related products.
			Present	Director	British Paints Co., Ltd.	Distribution of decorative paint and coating products.
			Present	Director	TOA Paint (Vietnam) Co., Ltd.	Manufacture, import, and distribution of decorative paint and coating products and chemicals.
			Position in Listed Companies: None			
			Position in Non-Listed Companies: 21 companies			
			Competitive Position related to Company's Business: None			

Note: ⁽¹⁾ Including shares, both directly and indirectly, held by spouse and minor child as at December 31, 2021.



6. Mrs. Busatree Wanglee

Position: Executive Director/ Executive Vice President - Office of the Chief Executive Officer/ Authorized Director

Appointment Date: June 1, 2001

Age: 43 years old

Education/Training	Shares held ⁽¹⁾	Family relationship between directors/management	Work Experience			
			Past 5 Years - Present (as at December 31, 2021)			
			Period	Position	Company	Nature of Business
- Master's degree in Business Administration, University of Virginia, USA - Bachelor's degree in Accounting, Chulalongkorn University - Director Accreditation Program (DAP) 67/2007, Thai Institute of Directors (IOD)	13.5% Directly held 9.0%, Indirectly held through TOAGH 4.5%	- Daughter of Mr. Prachak Tangkaravakoon and Mrs. Laor Tangkaravakoon - Sister of: 1) Mr. Vonnarat Tangkaravakoon 2) Mr. Jatuphat Tangkaravakoon and 3) Mr. Nattavuth Tangkaravakoon	Position in the Company & Subsidiaries:			
			2001 – Present	Director/ Executive Director/ Executive Vice President - Office of the Chief Executive Officer	TOA Paint (Thailand) PCL.	Manufacture and distribution of decorative and other related products.
			Present	Director	Captain Coating Co., Ltd.	Manufacture and distribution of decorative paint and coating products and chemicals.
			Present	Director	British Paints Co., Ltd.	Distribution of decorative paint and coating products.
			Present	Director	Mega Paint and Home Co., Ltd.	Investing in related companies.
			Present	Director	TOA Paint (Vietnam) Co., Ltd.	Manufacture, import, and distribution of decorative paint and coating products and chemicals.
			Position in Listed Companies: None			
			Position in Non-Listed Companies: 29 companies			
			Competitive Position related to Company's Business: None			

Note: ⁽¹⁾ Including shares, both directly and indirectly, held by spouse and minor child as at December 31, 2021.



7. Mrs. Prisana Praharnkhasuk **Position:** **Independent Director/ Chairman of the Audit Committee/ Member of the Nomination and Remuneration Committee**
Appointment Date: **December 29, 2016**
Age: **67 years old**

Education/Training	Shares held ⁽¹⁾	Family relationship between directors/management	Work Experience			
			Past 5 Years - Present (as at December 31, 2021)			
			Period	Position	Company	Nature of Business
- Master's degree in Business Administration, Tarleton State University, USA - Bachelor's degree in Accounting, Faculty of Commerce and Accountancy, Chulalongkorn University - Bachelor's degree in Business Administration (Accounting), Kirk University - Advance Audit Committee Program (AACP 25/2017), Thai Institute of Directors (IOD) - The Board's Role in Mergers and Acquisitions (M&A 1/2011), Thai Institute of Directors (IOD) - Director Certification Program (DCP 119/2009), Thai Institute of Directors (IOD) - Financial and Fiscal Management Program for Senior Executive, Class 1, 2014, Personnel Management and Development, the Comptroller General's Department - PTT Executive Leadership Development GE Crotonville, USA - Capital Market Academy, Class 14, Capital Market Academy - Certificate of NIDA-Wharton Executive Leadership	None	None	Position in the Company & Subsidiaries:			
			2016 – Present	Independent Director/ Chairman of the Audit Committee/ Member of the Nomination and Remuneration Committee	TOA Paint (Thailand) PCL.	Manufacture and distribution of decorative and other related products.
			Position in Listed Companies:			
			2016 – Present	Independent Director	Bangchak Corporation PCL.	Oil refinery and distribution of refined products (retail and wholesale).
			2017 – Present	Independent Director, and Chairman of the Audit Committee	Siamese Asset PCL.	Property development.
			Position in Non-Listed Companies: None			
			Competitive Position related to Company's Business: None			
			Past Experience:			
			2019 – 2021	Director	OKEA ASA [listed in the Oslo Stock Exchange (OSE)]	Oil and gas exploration and production industry.
			2016 – 2020	Director, and Chairman of the Audit Committee	Thai Credit Guarantee Corporation	State-owned specialized financial institution.
			2018 – 2020	Director, and Chairman of the Audit Committee	Industrial Estate Authority of Thailand	State enterprise under the control of the Ministry of Industry of Thailand.
			2009 – 2020	Advisor to the Chairman, and Member of the Investment Committee	Dhipaya Insurance PCL.	Insurance
			2014 – 2015	Deputy Managing Director of Finance and Accounting	Thai Oil PCL.	Refinery and supplier of petroleum products, and related businesses.

Education/Training	Shares held ⁽¹⁾	Family relationship between directors/management	Work Experience			
			Past 5 Years - Present (as at December 31, 2021)			
			Period	Position	Company	Nature of Business
Program, Wharton University of Pennsylvania, USA - Certificate of Completion CFO Certification Program (Class 2), Federation of Accounting Professions under the Royal Patronage of His Majesty the King - Sasin Senior Executive Program (SEP13), Sasin Graduate Institute of Business Administration of Chulalongkorn University - Certificate of Insurance College of Insurance, London, UK			2006 – 2013	Assistant Managing Director Corporate Accounts	PTT PCL.	Operating petroleum and petrochemical complex covering the full spectrum of natural gas businesses.

Note: ⁽¹⁾ Including shares, both directly and indirectly, held by spouse and minor child as at December 31, 2021.



8. Mrs. Chanatip Weerasubpong

Position: Independent Director/ Member of the Audit Committee

Appointment Date: December 6, 2016

Age: 66 years old

Education/Training	Shares held ⁽¹⁾	Family relationship between directors/management	Work Experience			
			Past 5 Years - Present (as at December 31, 2021)			
			Period	Position	Company	Nature of Business
- Master's degree in Political Science, Thammasat University - Master's degree in Accounting, Thammasat University - Bachelor's degree in Law, Ramkhamheang University - Bachelor's degree in Accounting, Thammasat University - The Joint State-Private Course (Class 20), Thailand National Defence College - Risk Management Program for Corporate Leaders (RCL 13/2018), Thai Institute of Directors Association - Board Nomination and Compensation Program (BNCP 5/2018), Thai Institute of Directors Association - Anti-Corruption for Executive Program (ACEP14/2015), Thai Institute of Directors Association - Corporate Governance for Capital Market	None	None	Position in the Company & Subsidiaries:			
			2016 – Present	Independent Director/ and Member of the Audit Committee	TOA Paint (Thailand) PCL.	Manufacture and distribution of decorative and other related products.
			Position in Listed Companies:			
			2018 – Present	Independent Director, Member of the Audit Committee, and Chairman of the Nomination and Remuneration Committee	North East Rubber PCL.	Manufacture and distribution of ribbed smoked sheets, rubber products for manufacturers in the automotive industry and traders.
			Position in Non-Listed Companies: None			
			Competitive Position related to Company's Business: None			
			Past Experience:			
			2016 – 2019	Independent Director, and Member of the Audit Committee	AJ Advance Technology PCL.	Import and distribution of electric appliances under brand "AJ".
			2014 – 2015	Tax Base Development Consultant (Advisory Level 10)	Revenue Department	State agency
			2012 – 2014	Deputy Director-General	Revenue Department	State agency
			2008 – 2011	Deputy Director Tax Administration	Revenue Department	State agency
			2004 – 2008	Deputy Director of the Bureau of Large Business Tax Administration	Revenue Department	State agency

Education/Training	Shares held ⁽¹⁾	Family relationship between directors/management	Work Experience			
			Past 5 Years - Present (as at December 31, 2021)			
			Period	Position	Company	Nature of Business
Intermediaries (CGI 6/2015), Thai Institute of Directors Association - Advanced Audit Committee Program (AAP 14/2014), Thai Institute of Directors Association - Director Certification Program (DCP 176/2013), Thai Institute of Directors Association - Top Executives in the Energy Education Program (Class 6), Thailand Energy Academy - Executive Program (Class 19), Capital Market Academy (CMA) - Executive Program, Advanced Justice Process (Class 18), Judicial Training Institute - Governance for Directors and Executives of Enterprises and Public Organizations, Class 12, Public Directors Institute - Executive Finance Management Program, Fiscal Policy Research Institute Foundation - HR Management Program, University of California, Berkeley, USA - Strategic Advisor Program, Kellogg School of Management, USA						

Note: ⁽¹⁾ Including shares, both directly and indirectly, held by spouse and minor child as at December 31, 2021.



9. Mr. Veerasak Kositpaisal

Position: Independent Director/ Member of the Audit Committee/ Chairman of the Nomination and Remuneration Committee

Appointment Date: December 29, 2016

Age: 67 years old

Education/Training	Shares held ⁽¹⁾	Family relationship between directors/management	Work Experience			
			Past 5 Years - Present (as at December 31, 2021)			
			Period	Position	Company	Nature of Business
- Master's degree in Mechanical Engineering, Texas A&I University, USA - Bachelor's degree in Mechanical Engineering, Chulalongkorn University - Director Certification Program (DCP 82/2006), Thai Institute of Directors Association - Finance for Non-Finance Directors Program (FND 30/2006), Thai Institute of Directors Association - Top Executive Program in Commerce and Trade (TEPCoT 2/2009), Commerce Academy, University of the Thai Chamber of Commerce - Executive Program, Energy Education, Class 5, Thailand Energy Academy - Leadership Development Program "Enhancing Competitiveness", International Institute for Management Development (IMD) - Executive Program (Class 11), Capital Market Academy (CMA)	None	None	Position in the Company & Subsidiaries:			
			2016 – Present	Independent Director/ Member of the Audit Committee/ Chairman of the Nomination and Remuneration Committee	TOA Paint (Thailand) PCL.	Manufacture and distribution of decorative and other related products.
			Position in Listed Companies:			
			2018 – Present	Independent Director, and Chairman of the Board of Directors	Eastern Water Resources Development and Management PCL.	Development and management of main water pipeline systems in the Eastern Seaboard by supplying raw water to industrial estates, factories, and waterworks.
			Position in Non-Listed Companies: 10 companies			
			Competitive Position related to Company's Business: None			
			Past Experience:			
			2021 – Present	Director	Thai Institute of Directors Association (IOD)	An organization to improve director professionalism and corporate governance in Thailand.
			2016 – Present	Specialist in Good Corporate Governance and Corporate Social Responsibility	Stock Exchange of Thailand	Stock Exchange of Thailand
			2015 – 2019	Independent Director, Chairman of the Corporate Governance Committee, and Member of the Risk Management Committee	MCOT PCL.	Operating various multi-media businesses such as television, radio, news service, and electronic media.
			2018 – 2019	Director	Tobacco Authority of Thailand	State enterprise and the sole legal entity permitted to produce tobacco products.

Education/Training	Shares held ⁽¹⁾	Family relationship between directors/management	Work Experience			
			Past 5 Years - Present (as at December 31, 2021)			
			Period	Position	Company	Nature of Business
			2010 – 2018	Chief Executive Officer	Institute of Industrial Energy, Federation of Thai Industries	Non-profit organization.
			2014 – 2018	Chairman	HMC Polymers Co., Ltd.	Manufacture of polypropylene (PP).
			2012 – 2014	Chief Executive Officer	Thai Oil PCL.	Refinery and supplier of petroleum products, and related businesses.
			2011 – 2012	Chief Executive Officer	PTT Global Chemical PCL.	The chemical flagship of PTT Group.

Note: ⁽¹⁾ Including shares, both directly and indirectly, held by spouse and minor child as at December 31, 2021.



10. Miss Taweeporn Patanakitraung

Position: Member of the Executive Committee/ Chief Financial Officer/ Person Supervising the Accounting

Appointment Date: June 1, 1993

Age: 55 years old

Education/Training	Shares held ⁽¹⁾	Family relationship between directors/management	Work Experience			
			Past 5 Years - Present (as at December 31, 2021)			
			Period	Position	Company	Nature of Business
- Master's degree in Business Administration, Ramkhamhaeng University - Bachelor of Accounting, Kasetsart University - CFO Refresher Course 2020 about economic conditions, strategically well-placed financial instruments for acquiring capital and growth, Class 1 -Capital Market Academy Leadership Program, Capital Market Academy, (CMA) Year 2019, Class 28 -Strategic CFO in Capital Markets Program Class 6/2018	None	None	Position in the Company & Subsidiaries:			
			2017 – Present	Member of the Executive Committee/ Chief Financial Officer/ Person Supervising the Accounting	TOA Paint (Thailand) PCL.	Manufacture and distribution of decorative and other related products.
			Present	Director	Phacha Enterprise Co., Ltd.	Retail and wholesale distribution of granito tiles, ceramic tiles, sanitary wares, and related products.
			Present	Director	Phawatri Intertrade Co., Ltd.	Retail and wholesale distribution and import of tiles.
			Present	Director	Incosource Co., Ltd.	Procuring, importing, and exporting the paints and construction chemicals, construction materials, electricals, ceramics, sanitary ware, plumbing, tools, and hardware.
			Present	Director	TOA Paint (Myanmar) Co., Ltd.	Manufacture and distribution of decorative and non-decorative paint and coating products.
			Present	Director	TOA Coating (Myanmar) Co., Ltd.	Manufacture and distribution of decorative and non-decorative paint and coating products.
			Present	Vice President of the Commissioners	PT TOA Paint Indonesia	Import and distribution of decorative and non-decorative paint and coating products.
			Present	Vice President of the Commissioners	PT TOA Coating Indonesia	Manufacture and distribution of decorative and non-decorative paint and coating products.
			Position in Listed Companies: None			
			Position in Non-Listed Companies: None			
			Competitive Position related to Company's Business: None			
			Past Experience:			
			2011 – 2016	Assistant Vice President, Finance and Account Division	TOA Paint (Thailand) PCL.	Manufacture and distribution of decorative and other related products.
			2008 – 2011	Senior Manager, Budget and Financial Analysis Department, Finance and Account Division		

Education/Training	Shares held ⁽¹⁾	Family relationship between directors/management	Work Experience			
			Past 5 Years - Present (as at December 31, 2021)			
			Period	Position	Company	Nature of Business
			2001 – 2008	Manager, Budgeting and Financial Analysis Department, Finance and Account Division		
			1999 – 2001	Manager, Financial Management Department		
			1995 – 1999	Assistant Manager, Financial Management Department		
			1993 – 1995	Cost Accounting Controller		

Note: ⁽¹⁾ Including shares, both directly and indirectly, held by spouse and minor child as at December 31, 2021.



11. Mr. Nantapon Boonlua

Position: Vice President, Marketing Division

Appointment Date: February 16, 2021

Age: 40 years old

Education/Training	Shares held ⁽¹⁾	Family relationship between directors/management	Work Experience			
			Past 5 Years - Present (as at December 31, 2021)			
- Master's Degree in Business, Department of Marketing, Faculty of Commerce and Accountancy, Thammasat University	None	None	Period	Position	Company	Nature of Business
			Position in the Company & Subsidiaries:			
			2020 – Present	Vice President, Marketing Division	TOA Paint (Thailand) PCL.	Manufacture and distribution of decorative and other related products.
			Position in Listed Companies: None			
			Position in Non-Listed Companies: None			
			Competitive Position related to Company's Business: None			
			Past Experience:			
			2019 – 2020	Assistant Vice President, Modern Trade Division	TOA Paint (Thailand) PCL.	Manufacture and distribution of decorative and other related products.
			2013 – 2018	Mondelez International (Thailand) Co., Ltd.	National Sales Manager - TT	Fast-moving consumer goods - Food (FMCG)

Note: ⁽¹⁾ Including shares, both directly and indirectly, held by spouse and minor child as at December 31, 2021.



12. Mr. Winai Chaiburanont

Position: Senior Vice President, Operations Division / Vice President, Innovation and R&D (Technical Director)

Appointment Date: July 19, 2021

Age: 51 years old

Education/Training	Shares held ⁽¹⁾	Family relationship between directors/management	Work Experience			
			Past 5 Years - Present (as at December 31, 2021)			
			Period	Position	Company	Nature of Business
- Master of Business Administration (Executive MBA), Graduate School of Commerce, Burapha University - Master of Engineering, Chemical Engineering, Faculty of Engineering, Chulalongkorn University - Bachelor of Engineering, Chemical Engineering, Faculty of Engineering, Chulalongkorn University	None	None	Position in the Company & Subsidiaries:			
			2021 – Present	Senior Vice President, Operations Division/ Vice President, Innovation and R&D (Technical Director)	TOA Paint (Thailand) PCL.	Manufacture and distribution of decorative and other related products.
			Position in Listed Companies: None			
			Position in Non-Listed Companies: None			
			Competitive Position related to Company's Business: None			
			Past Experience:			
			2013 – 2018	Deputy Managing Director	Thai Vegetable Oil PCL.	Manufacture of vegetable oil.
			2009 – 2013	Vice President	Nobel NC Co., Ltd.	Manufacture of nitrocellulose.
			2000 – 2008	Manufacturing Manager	Aditya Birla Co., Ltd. (Epoxy)	Manufacture of epoxy resins.

Note: ⁽¹⁾ Including shares, both directly and indirectly, held by spouse and minor child as at December 31, 2021.



13. Mr. Chatchawat Rungthong

Position: Vice President, Digital Transformation

Appointment Date: August 1, 2021

Age: 54 years old

Education/Training	Shares held ⁽¹⁾	Family relationship between directors/management	Work Experience Past 5 Years - Present (as at December 31, 2021)			
			Period	Position	Company	Nature of Business
- MBA, International Business, Eastern Asia University - Bachelor of Computer Science, The University of the Thai Chamber of Commerce	None	None	Position in the Company & Subsidiaries:			
			2021 – Present	Vice President, Digital Transformation	TOA Paint (Thailand) PCL.	Manufacture and distribution of decorative and other related products.
			Position in Listed Companies: None			
			Position in Non-Listed Companies: None			
			Competitive Position related to Company's Business: None			
			Past Experience:			
			2019 – 2021	Client Partner	Tata Consultancy Services	IT/ Business Consults
			2013 – 2019	Account General Manager	Hewlett Packard Enterprise Services	IT & System Services Integrator

Note: ⁽¹⁾ Including shares, both directly and indirectly, held by spouse and minor child as at December 31, 2021.



14. Miss Srikanlaya Pensri

Position: Company Secretary/ Senior Investor Relations Manager

Appointment Date: July 23, 2018

Age: 44 years old

Education/Training	Shares held ⁽¹⁾	Family relationship between directors/management	Work Experience			
			Past 5 Years - Present (as at December 31, 2021)			
			Period	Position	Company	Nature of Business
- Master of Business Administration (Accounting), Ramkhumkhang University - Bachelor of Business Administration (Accounting), Rajamangala University of Technology Thunyaburi - Fundamentals for Corporate Secretaries 2018, Thai Listed Companies Association - Company Secretary Program (CSP) 2017, Thai Institute of Directors - Effective Minutes Taking (EMT) 2014, Thai Institute of Directors - Board Reporting Program (BRP) 2014, Thai Institute of Directors - Business Analysis Program 2016, Academic Service and Continuing Education Center, The Faculty of Economics, Chulalongkorn University - Management of Foreign Exchange Risk, 2016, Dharmniti Seminar & Training Services Co., Ltd. - Feasibility Study, 2016 Thammasat Consulting Networking and Coaching Center – CONC - Auditor No. TA000832 (2004 – Present) - Other relevant training courses in 2021 1. AGM Checklist 2021	None	None	Position in the Company & Subsidiaries:			
			2018 – Present	Senior Manager of the Company Secretary and Investor Relations Division	TOA Paint (Thailand) PCL.	Manufacture and distribution of decorative and other related products.
			Position in Listed Companies: None			
			Position in Non-Listed Companies: None			
			Competitive Position related to Company's Business: None			
			Past Experience:			
			2017 – 2018	Secretary to the Board of Directors	TOA Paint (Thailand) PCL.	Manufacture and distribution of decorative and other related products.
			2012 – 2016	Accounting & Finance Strategic and Analysis Manager	Erawan Sugar Co., Ltd.	Production and distribution of white sugar, brown sugar, raw sugar, syrup, and by-products.
			2007 – 2012	Assistant Accounting Manager and Assistant Internal Audit & Investor Relations Manager	SE-Education PCL.	Bookstores, publication, and distribution.

Education/Training	Shares held ⁽¹⁾	Family relationship between directors/management	Work Experience			
			Past 5 Years - Present (as at December 31, 2021)			
			Period	Position	Company	Nature of Business
2. E-AGM Guidelines 3. SD Professional Sharing 2/2021 4. Prompt One Report 5. Prepare for sustainability with One Report 6. FSCOMP functions 7. Evaluation of AGM's quality in 2021 8. Study M&A issues and strategies to achieve goals 9. Company Secretary's role for CG and Anti-Corruption 10. CGR Workshop 1/2021 11. E-Conference for the directors of the audit committees (listed companies) via Microsoft Teams by SEC						

Note: ⁽¹⁾ Including shares, both directly and indirectly, held by spouse and minor child as at December 31, 2021.

Changes in TOA Shares Held by the Directors and Management in 2021

No.	Name	Position	Shares held as at December 31, 2020	Shares held as at December 31, 2021	Increase/ (Decrease) in TOA shares held in 2021	Percentage of shares held (%)
1	Mr. Prachak Tangkaravakoon	Chairman, and Member of the Executive Committee	91,300,000	91,300,000	0	4.5
	Spouse and minor children		91,300,000	91,300,000	0	4.5
2	Mrs. Laor Tangkaravakoon	Vice Chairman, and Member of the Executive Committee	91,300,000	91,300,000	0	4.5
	Spouse and minor children		91,300,000	91,300,000	0	4.5
3	Mr. Vonnarat Tangkaravakoon	Director, Member of the Executive Committee, and Authorized Director	182,600,000	182,600,000	0	9.0
	Spouse and minor children		-	-	-	-
4	Mr. Jatuphat Tangkaravakoon	Director, Chairman of the Executive Committee, Member of the Nomination and Remuneration Committee, Chief Executive Officer, Acting Managing Director Thailand & Laos, and Authorized Director	182,600,000	182,600,000	0	9.0
	Spouse and minor children		-	-	-	-
5	Mr. Nattavuth Tangkaravakoon	Director and Authorized Director	182,600,000	182,600,000	0	9.0
	Spouse and minor children		-	-	-	-
6	Mrs. Busatree Wanglee	Director, Member of the Executive Committee, Executive Vice President - Office of Chief Executive Officer, and Authorized Director	182,600,000	182,600,000	0	9.0
	Spouse and minor children		-	-	-	-
7	Mrs. Prisana Praharnkhasuk	Independent Director, Chairman of the Audit Committee, Member of the Nomination and Remuneration Committee	-	-	-	-
	Spouse and minor children		-	-	-	-
8	Mrs. Chanatip Weerasubpong	Independent Director, and Member of the Audit Committee	-	-	-	-
	Spouse and minor children		-	-	-	-
9	Mr. Veerasak Kositpaisal	Independent Director, Member of the Audit Committee, Chairman of the Nomination and Remuneration Committee	-	-	-	-
	Spouse and minor children		-	-	-	-
10	Ms. Taweeporn Patanakitraung	Member of the Executive Committee, Chief Financial Officer, and the person supervising the accounting	-	-	-	-
	Spouse and minor children		-	-	-	-
11	Mr. Nantapon Boonlua	Vice President, Marketing Division	-	-	-	-
	Spouse and minor children		-	-	-	-
12	Mr. Winai Chaiburanont	Senior Vice President, Operations Division, and Vice President, Innovation and R&D (Technical Director)	N/A	-	-	-
	Spouse and minor children		N/A	-	-	-
13	Mr. Chatchawat Rungthong	Vice President, Digital Transformation	N/A	-	-	-
	Spouse and minor children		N/A	-	-	-

Remark:

Executives under SEC's definition in no. 12-13 were appointed during the year 2021; therefore, number of shares held as of December 31, 2020 is not applicable for comparison.

Scope of Duties, Authority, and Responsibilities of the Company Secretary

The Company Secretary has been appointed by the Board of Directors to carry out the following duties and responsibilities:

1. Provide basic advice to the directors and executives that comply with the Company's Articles of Association and regulatory requirements, monitor the direction and accuracy of policy implementation, and report significant legal and regulatory changes to the directors and management;
2. Monitor and supervise the disclosure of related information in accordance with the notification and regulations of the SET, SEC, and Capital Market Supervisory Board;
3. Prepare and maintain the following important documents:
 - (A) Registration of Directors;
 - (B) Notice of the Board of Directors' meeting and minutes of the Board of Directors' meeting;
 - (C) Notice of shareholders' meeting and minutes of shareholders' meeting;
 - (D) Company's annual report.
4. Maintain reports of interests submitted by directors or management, and send a copy of said reports to the Chairman of the Board of Directors, and the Chairman of Audit Committee within 7 business days, since the date the company secretary receives the report;
5. Monitor and ensure that the shareholders and the Board of Directors' meetings are in compliance with the Company's Articles of Association, regulatory requirements and practices, and follow up on the shareholders' and the Board of Directors' resolutions; and
6. Supervise activities of the Board of Directors, and perform miscellaneous tasks as prescribed by-laws and/or the Capital Market Supervisory Board, and/or as assigned by the Board of Directors.

Attachment 2: Information about Directors of TOA's Subsidiaries and Related Companies

2.1 Directors of TOA's subsidiaries

No.	Company/ Director	Mr. Prachak Tangkaravakoon	Mr. Vonnarat Tangkaravakoon	Mr. Jatuphat Tangkaravakoon	Mr. Nattavuth Tangkaravakoon	Mrs. Busatee Wanglee	Mr. Pongcherd Jameekornkul	Mr. Chairat Kosolthawongs	Miss Feungladda Chirawiboon	Mr. Paitoon Lertpenmaetha	Mr. Worapoj Supmaros	Miss Taweeporn Palanakittraung	Mr. Gan Chin Seong	Daw Thet Thet Nu Aung	Mr. Paradorn Kunkongkaphan	U Myint Oo	Mr. Thanom Chinnaworn	Mr. Sok Hout	Ms. Shinta Iswandani	Mr. Heru Michael Muskita
1	Captain Coating Co., Ltd.			I		I														
2	British Paints Co., Ltd.		I	I	I	I														
3	Mage Paint and Home Co., Ltd.*			I		I														
4	TOA Paint (Vietnam) Co., Ltd.	I	I	I	I	I														
5	TOA Paint (Laos) Sole Co., Ltd.			X																
6	TOA Paint Products Sdn. Bhd.			I									I							
7	TOA Coating Sdn. Bhd.			I									I							
8	PT TOA Paint Indonesia	P		X								C							V	I
9	PT TOA Coating Indonesia	P		X								C							V	I
10	TOA Paint (Myanmar) Co., Ltd.			X				I	I			I		I	I	I				
11	TOA Coating (Myanmar) Co., Ltd.			X			I			I	I	I					I			
12	TOA Skim Coat (Cambodia) Co., Ltd.			X			I											I		
13	TOA Paint (Cambodia) Co., Ltd.			X			I													
14	TOA Coating (Cambodia) Co., Ltd.			I																
15	Phacha Enterprise Co., Ltd.			I								I								
16	Phawatri Intertrade Co., Ltd.			I								I								
17	Incosource Co., Ltd.			I								I								

Remark: X = Chairman V = Vice Chairman I = Director P = President of Commissioners C = Vice President of Commissioners

*On January 21, 2021, Professional PC Service Co., Ltd. registered its new name to Mage Paint and Home Co., Ltd.

2.2 Directors of TOA's related companies

Company/ Director	Mr. Prachak Tangkaravakoon	Mrs. Laor Tangkaravakoon	Mr. Vonnarat Tangkaravakoon	Mr. Jatuphat Tangkaravakoon	Mr. Nattavuth Tangkaravakoon	Mrs. Busatree Wanglee	Mrs. Prisana Praharnkhasuk	Mrs. Chanatip Weerasubpong	Mr. Veerasak Kositpaisal
TOA Group Holding Co., Ltd.	I	I	I	I	I	I			
TOA Chemical Industries Co., Ltd.	I	I	I	I	I	I			
TOA Co., Ltd.			I	I	I	I			
TOA Holding Co., Ltd.	I	I	I	I	I	I			
Thai Saeng Charoen (Shark) Co., Ltd.			I	I	I	I			
N.E. Bio Energy Co., Ltd.			I	I		I			
Erawan Holding Co., Ltd.			I	I	I	I			
Sabsin Business Holding Co., Ltd.			I	I	I				
Erawan Sugar Co., Ltd.			I	I, III (Acting Managing Director)		I			
Bang Yai Din Thong Co., Ltd.			I	I					
Primus Autohaus Co., Ltd.	I		I		I				
Erawan Farm Co., Ltd.			I	I		I			
Lad Swai Agriculture Co., Ltd.			I	I					
Sinsap Real Estate Co., Ltd.			I	I					
N.E. Logistics Co., Ltd.			I	I		I			
Erawan Power Co., Ltd.			I	I		I			
LT & Son Co., Ltd.			I	I		I			
Khemabutr Co., Ltd.				I		I			
Sherwood Corporation (Thailand) Plc.	I		I						
Thawisap Real Estate Co., Ltd.			I			I			
T. S. O. Trade Center Co., Ltd.			I			I			
TOA-Chugoku Paints Co., Ltd.		I			I				
TOA Venture Holding Co., Ltd.			I		I				
TOA Auto Sales Co., Ltd.			I						
Natural Park Property Co., Ltd.			I			I			

Company/ Director	Mr. Prachak Tangkaravakoon	Mrs. Laor Tangkaravakoon	Mr. Vonnarat Tangkaravakoon	Mr. Jatuphat Tangkaravakoon	Mr. Nattavuth Tangkaravakoon	Mrs. Busatree Wanglee	Mrs. Prisana Praharnkhasuk	Mrs. Chanatip Weerasubpong	Mr. Veerasak Kositpaisal
Best Autosales Co., Ltd.			I		I				
P T Real Estate Co., Ltd.	I	I	I			I			
Poonpholsap Co.,Ltd.	I		I			I			
Poonsinsup Turakij Co., Ltd.			I			I			
Poonsinsup Real Estate Co., Ltd.			I			I			
Mahasejthee Co., Ltd.			I		I				
Mangkang Trading Co., Ltd.			I			I			
Mangkang Turakij Co.,Ltd.			I			I			
Wealth Property Co., Ltd.	I	I	I			I			
Mangkang Real Estate Co., Ltd.			I			I			
Gypmantech Co., Ltd.				I		I			
Rayong Polymers Corporation Co., Ltd.			I			I			
V. Pattarawooth (1987) Co., Ltd.			I			I			
Eakkamai Charoensuk Holding Co., Ltd.			I			I			
iTOA Auto Sales Co., Ltd.			I		I, III				
Hokkaido Food and Beverage Co., Ltd.	I		I						
Connection Lathe Services Co., Ltd.			I						
The Thai Sugar Trading Corp., Ltd.				I					
Siamese Asset Plc.							I		
DezignSYNC Co., Ltd.				I					
DECKCOR (Thailand) Co., Ltd.				I					
Sapthip Co., Ltd.									I
Team A Holding Co., Ltd.			I						
Team A Holding 3 Co., Ltd.			I						
TOA-SHINTO (Thailand) Co., Ltd.					X				
TOA-PPIH Co., Ltd.					I				
TOA Performance Coating Corporation Co., Ltd.					X				
TOA-Union Paint (Thailand) Co., Ltd.					I, III				
Thai Sugar Millers Co., Ltd.				I					

Company/ Director	Mr. Prachak Tangkaravakoon	Mrs. Laor Tangkaravakoon	Mr. Vonnarat Tangkaravakoon	Mr. Jatuphat Tangkaravakoon	Mr. Nattavuth Tangkaravakoon	Mrs. Busatree Wanglee	Mrs. Prisana Praharnkhasuk	Mrs. Chanatip Weerasubpong	Mr. Veerasak Kositpaisal
Thawal Co., Ltd.				I					
Northeast Rubber Plc.								I	
Nawang Agriculture Co., Ltd.			I						
Bangchak Corporation Plc.							I		
Bangthong Samun Agriculture Co., Ltd.			I						
Bang Pakong Agriculture Co., Ltd.			I						
Ping Surawong International Co., Ltd.	I								
Prompticha Panich Co., Ltd.					I				
PDTL Trading Co., Ltd.			I						
Phelps Dodge International (Thailand) Co., Ltd.			I						
Royal Resort Golf and Country Club Co., Ltd.			I						
Royal International Resort and Country Club Co., Ltd.			I						
Surasak Agriculture Co., Ltd.			I						
RHR Co., Ltd.			I						
Joyson-TOA Safety Systems Co., Ltd.					I				
Teepol Professional International Co., Ltd.	I		I						
TOA International Beverages Group Co., Ltd.	I		I						
Hokkaido Morimoto Co., Ltd.	I		I						
Hokkaido International Franchise Co., Ltd.	I		I						
TTD Holding Co., Ltd.	I		I						
N M N Holding 2 Co., Ltd.			I						
Stark Corporation Plc.			I						
Thai Cable International Co., Ltd.			I						
FAST-MIX Co., Ltd.				I		I			
Punsooksociety Co., Ltd.				I					
Donki Thonglor Co., Ltd.					I				
British Auto Sales Co., Ltd.					I				
Glow Energy Plc.									I
Civil Engineering Plc.									I
Glow Co., Ltd.									I
Glow SPP11 Co., Ltd.									I

Company/ Director	Mr. Prachak Tangkaravakoon	Mrs. Laor Tangkaravakoon	Mr. Vonnarat Tangkaravakoon	Mr. Jatuphat Tangkaravakoon	Mr. Nattavuth Tangkaravakoon	Mrs. Busatree Wanglee	Mrs. Prisana Praharnkhasuk	Mrs. Chanatip Weerasubpong	Mr. Veerasak Kositpaisal
Glow SPP2 Co., Ltd.									I
Glow SPP3 Co., Ltd.									I
Glow IPP Co., Ltd.									I
Glow IPP 2 Holding Co., Ltd.									I

Remark: X = Chairman V = Vice Chairman I = Director II = Executive Director III = Management Member

2.3 Members of the Executive Committee, and management team for TOA's subsidiaries and related companies

Company/ Director	Miss Taweeporn Patanakittraung	Mr. Winai Chaiburanont	Mr. Nantapon Boonlua	Mr. Chatchawat Rungthong
TOA Paint (Thailand) Public Company Limited	II, III	III	III	III
Subsidiaries				
TOA Coating (Myanmar) Co., Ltd.	I			
TOA Paint (Myanmar) Co., Ltd.	I			
PT TOA Paint Indonesia	C			
PT TOA Coating Indonesia	C			
Phacha Enterprise Co., Ltd.	I			
Phawatri Intertrade Co., Ltd.	I			
Incosource Co., Ltd.	I			

Remark: X = Chairman V = Vice Chairman I = Director II = Executive Committee Member III = Management Member C = Vice President of Commissioners

Attachment 3: Information about Head of Internal Audit and Head of Compliance

Name/ Position/ Appointment Date	Age	Education/ Training	Shares held ⁽¹⁾	Family relationship between directors/management	Work Experience Past 5 Years – Present (as at December 31, 2021)		
					Period	Position	Company
Mr. Attapol Watjarapairoj Assistant Vice President, Internal Audit Division Appointment Date: September 2, 2019	52	- Master's Degree, Business of Economics, Thammasat University - Bachelor of Accounting, Thammasat University - Internal Auditing Certificate Program (IACP), Federation of Accounting Professions, accounting standards, revenue code, COSO internal control system assessment	None	None	Position in the Company & Subsidiaries:		
					September 2, 2019 – Present	Assistant Vice President, Internal Audit Division, and Secretary to the Audit Committee	TOA Paint (Thailand) PCL.
					Position in Listed Companies: None		
					Position in Non-Listed Companies: None		
					Competitive Position related to Company's Business: None		
					Past Experience:		
					2016 – August 2019	Director of Internal Audit Department	Dusit Thani PCL.
					2009 – 2015	Senior Manager, Internal Audit Division, and Assistant Vice President, Finance and Accounting Division	Berli Jucker PCL.

Note: ⁽¹⁾ Including shares, both directly and indirectly, held by spouse and minor child as at December 31, 2021

Attachment 4: Assets Used in Operations and Information of Asset Valuation

1. Property, plant, and equipment

As at December 31, 2021, the property, plant, and equipment used in business operations of the Company and its subsidiaries had net book value after deduction of accumulated depreciation and other impairment on the consolidated financial statements as follows:

No.	Item	Net Book Value 2021 (THB million)	Ownership	Obligation
1	Land	220.9	Leasehold right and ownership	Land and land improvements of Captain Coating Co., Ltd. were mortgaged with financial institutions amounting to THB265,000,000.
2	Land Improvements	6.7	Ownership	None
3	Buildings and building improvements	1,477.5	Leasehold right and ownership	Buildings and building improvement of Captain Coating Co., Ltd. were mortgaged with financial institutions amounting to THB265,000,000
4	Machinery and equipment	721.1	Ownership	Machinery and equipment of Captain Coating Co., Ltd. were mortgaged with financial institutions amounting to THB4,800,000
5	Furniture, fixtures, and office equipment	86.5	Ownership	None
6	Motor vehicles	43.0	Ownership	None
7	Assets under installation and construction in progress	148.9	Ownership	None
Total Net Book Value		2,704.6		

2. Right-of-use assets

As at December 31, 2021, the right-of-use assets had net book value after deduction of accumulated depreciation on the consolidated financial statements amounting to THB1,343.8 million as follows:

No.	Item	Net Book Value as of December 31, 2021 (THB million)	Details
1	Land	550.4	Right-of-use assets from land lease, and leasehold right of land** (Leasehold right of land for the location of plants in Myanmar, Vietnam, Laos, Malaysia, Cambodia, and right to lease land at Huai Kapi sub-district, Chonburi province).
2	Buildings	701.6	Right-of-use assets from leasing buildings, offices, and warehouses.

No.	Item	Net Book Value as of December 31, 2021 (THB million)	Details
3	Motor vehicles	91.8	Right-of-use assets from leasing cars and forklifts.
Total Net Book Value		1,343.8	

3. Intangible Assets

As at December 31, 2021, the intangible assets had net book value after deduction of accumulated amortization on the consolidated financial statements amounting to THB253.9 million as follows:

No.	Item	Net Book Value as of December 31, 2021 (THB million)	Details
1	Computer software	207.0	Acquiring computer software licenses such as SAP, MS Windows, etc.
2	Computer software under installation	26.6	Acquiring computer software licenses such as SAP rollout, SAP HANA, etc.
3	Customer base	20.3	The fair value of the customer base derived from acquiring shares of Phacha Enterprise Co., Ltd. and Phawatri Intertrade Co., Ltd. was estimated by discounted cash flow.
	Total	253.9	

4. Trademarks and Service Marks

The Company possesses several trademarks, trade names, and service marks relating to its business; for example, "TOA," "SuperShield," "SuperShield DURACLEAN," "ExtraShield," "TOA ExtraWet," "4 Seasons," "Supertech Plus," "Super Matex," "KOBE," "Mandarin Duck," and "Homecote". The Company has registered its trademarks in the relevant jurisdictions in which it operates. See the following trademarks that are registered with the relevant authorities in Thailand and overseas.



SuperShield™

**SuperShield
DURACLEAN™ A+**



**TOA
ExtraShield™**





In addition, the Company obtains certain licensed technologies from third parties for use in its production process and for co-branding purposes. For example, as at the date of this report, the Company has received a non-exclusive right to use Microban technology and proprietary anti-microbial additives in the manufacture of consumer paints for sale in Thailand.

Petty Patent

As at December 31, 2021, the Company had 2 petty patent applications as follows:

No.	Patent No.	Date of Patent	Applicant	Application No.	Filing Date	Invention	Expiry Date
1	13141	Sep 26, 2017	The Company	1503001534	Sep 21, 2015	Permanent anti-adherent coating using the Auto Tinting Machine for the production process	Sep 20, 2023
2	13221	Oct 31, 2017	The Company	1503001533	Sep 21, 2015	Permanent anti-adherent coating	Sep 20, 2023

In addition to protecting the Company's technology with patents and its brands with registered trademarks, it has gained proprietary technical knowledge over the years, giving itself a valuable competitive advantage in the paint and coating industry in Thailand and the AEC.

5. Policy on Investment in Subsidiary and Associate Companies

The Company has the policy to invest in a company that is aligned with the Company's objectives, vision, and strategic plan for the business growth and increase in operating performance or profits, or consider an investment that would create synergy, boost the business ability to stay competitive, and achieve leadership in the core business of the Company. In this regard, the Company, subsidiary, and/or associate companies may consider investing in other

businesses that are beneficial to growth potential or business expansion and continuity, or for the best interest of the corporate group, resulting in generating good returns. When considering investment in subsidiary and/or associate companies, the Company will analyze the possibility, potentiality, and risk factors in accordance with due diligence procedures. Any investment decision must obtain approval from the Board of Directors or shareholders of the Company (as the case may be). Thus, investment in a subsidiary and/or associate company that is to be approved must comply with the notifications of the Capital Market Supervisory Board, and the Stock Exchange of Thailand.

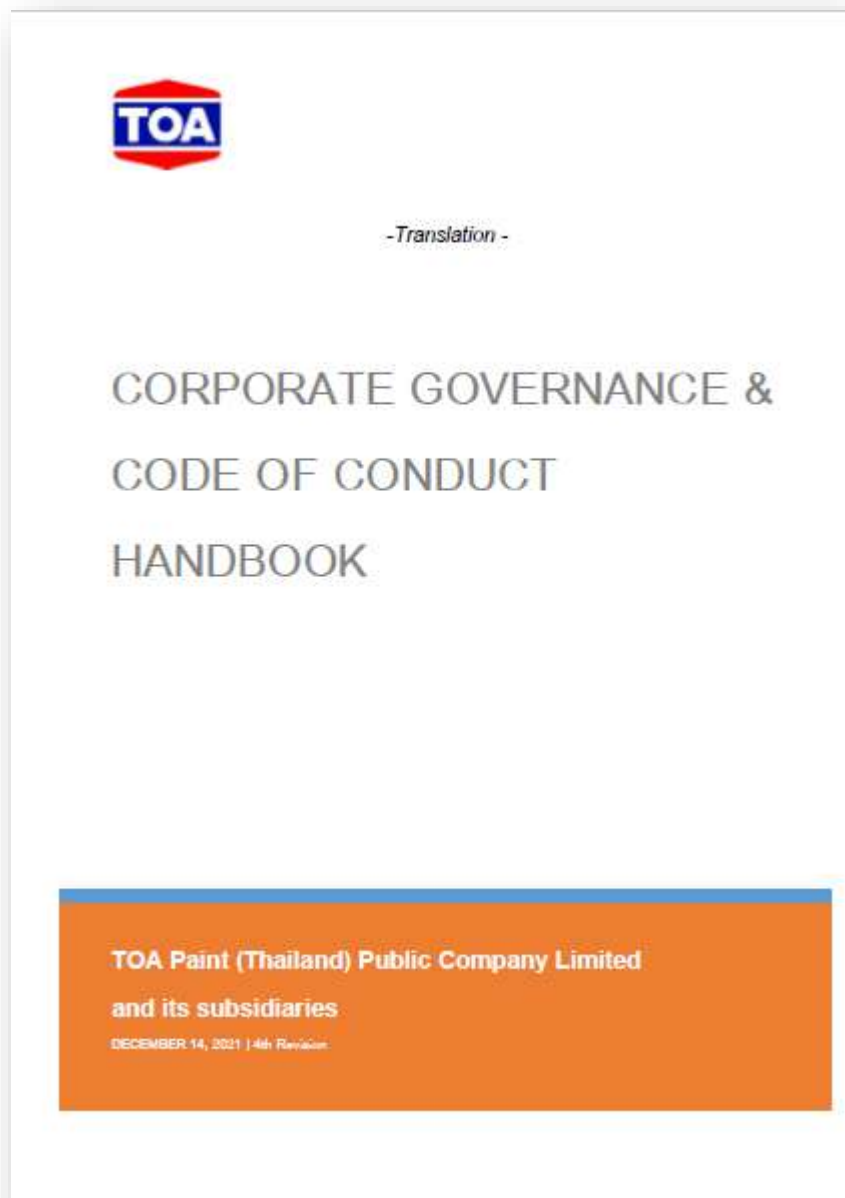
6. Information of Asset Valuation

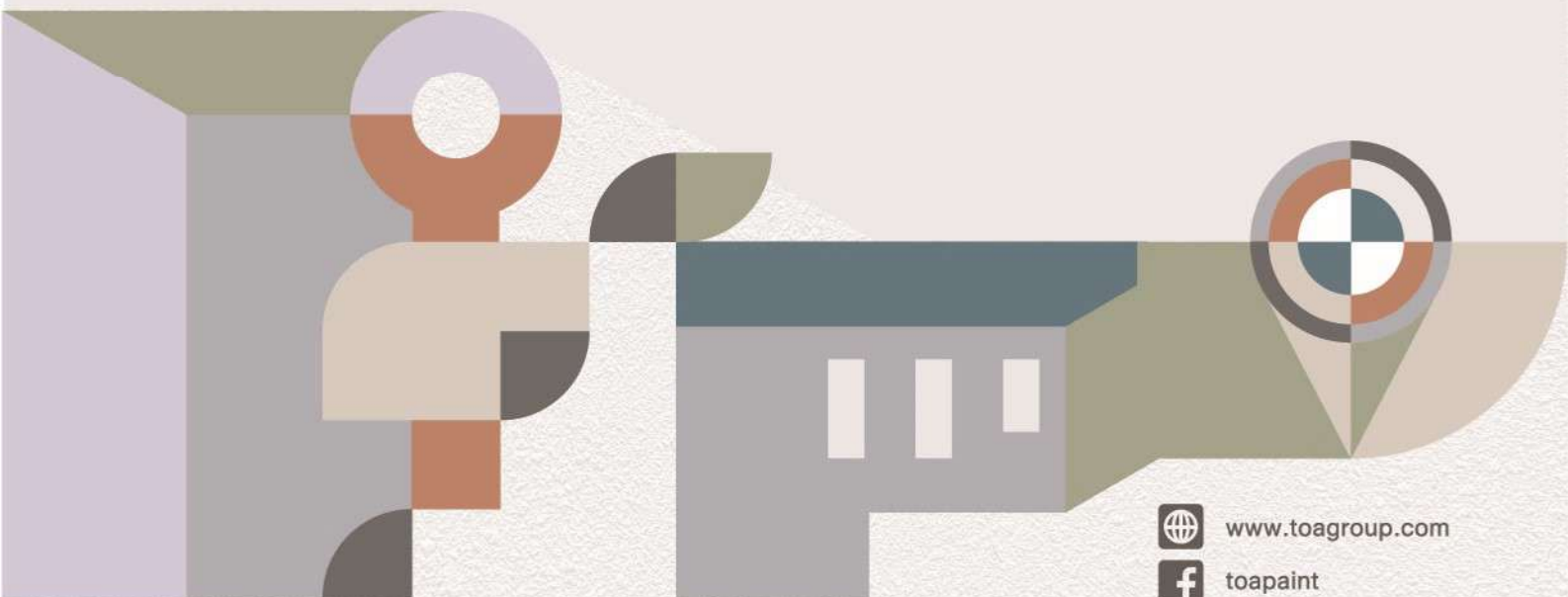
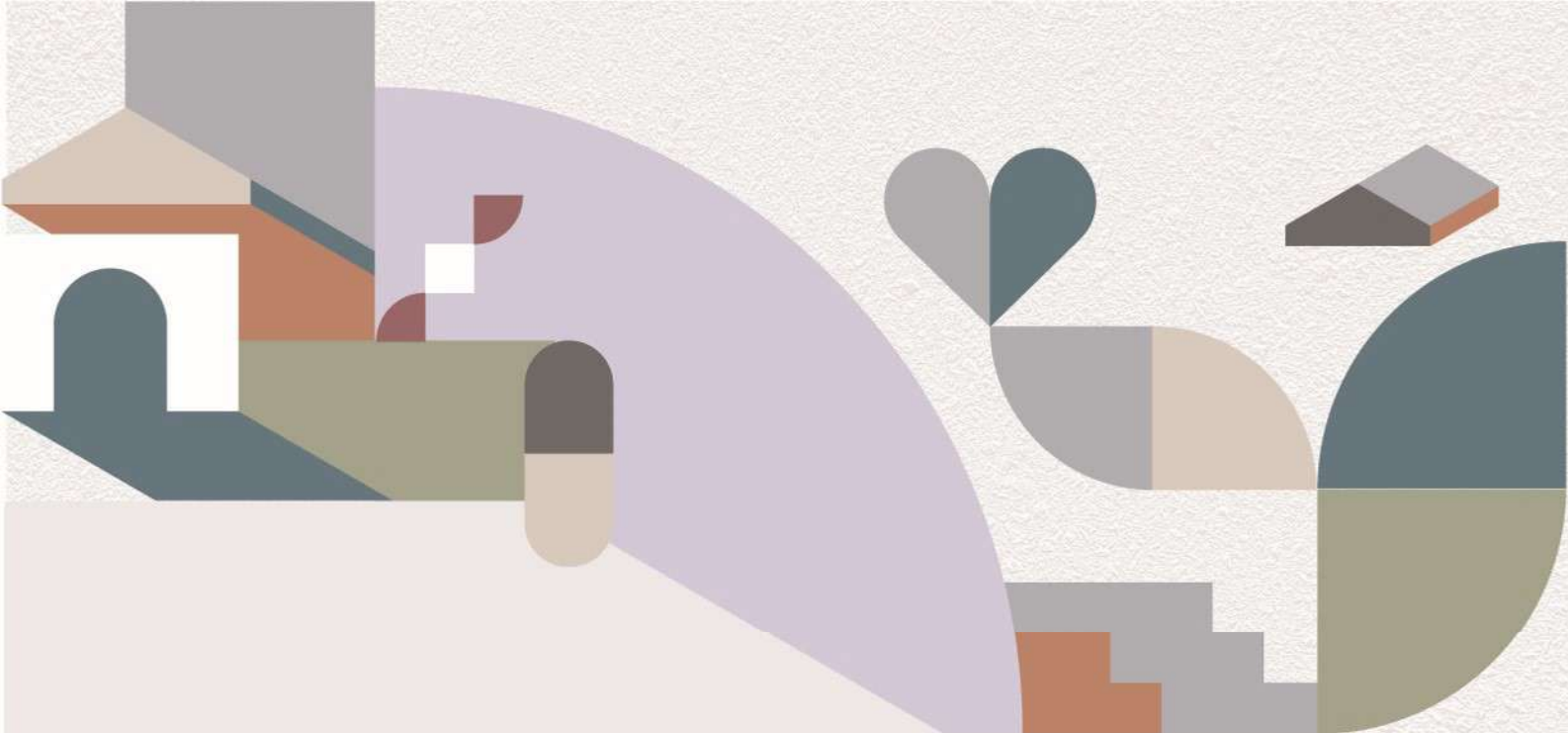
-None-

Attachment 5: Full Text of Corporate Governance and Code of Conduct Handbook (on the website)

The Company has released such handbook on its website, you can access:

1. <https://www.toagroup.com/en>: Click “Investor Relations” >> “Corporate Governance” >> “Corporate Governance Policy”, or
2. <https://investor.toagroup.com/en/corporate-governance/corporate-governance-policy>





www.toagroup.com



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[toapaintthailand](https://www.instagram.com/toapaintthailand)



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<http://annual.toagroup.com/2021>