



Inspire Better Living



CONTENTS

	Page No.
Messages from Chairman	1
Financial summary	3
Part 1 Business and Performance	
• Structure and Corporate Group	6
• Risk Management	48
• Driving Business Value through Sustainability	59
• General Information and Other Related Information	73
Part 2 Corporate Governance	
• Corporate Governance Policy	77
• Corporate Governance Structure, and Significant Information about Board of Directors, Sub-Committees, Management Team, Employees, and Others	81
• Corporate Governance Report	105
• Internal Control and Related Party Transactions	180
Part 3 Financial Statements	
• Financial Highlights	220
• Management Discussion and Analysis: MD&A	227
• Financial Statements	237
Attachments	
Attachment 1 Information about Directors, Management Team, Controlling Persons, CFO, Person Supervising Accounting, and Company Secretary	A-1
Attachment 2 Information about Directors of TOA's Subsidiaries and Related Companies	B-1
Attachment 3 Information about Head of Internal Audit and Head of Compliance	C-1
Attachment 4 Assets Used in Operations and Information of Asset Valuation	D-1
Attachment 5 Full Text of Corporate Governance and Code of Conduct Handbook (on the website)	E-1

Message from the Board of Directors



“Elevating the sustainable development of organization to fortify business growth in the long term and moving towards Net Zero within 2050 (B.E. 2593)”

The Company is committed to elevate the sustainable development of organization in aspects of economy, society, and environment through the operation of Governance and Sustainability Committee and working groups consisting of various executives from each department. With all cooperation, we're driven towards sustainable operation. The significant operations are as follows: -



Environment (E): TOA aims to be Net Zero Organization by 2050 (B.E. 2593). We intend to create organizational culture that emphasizes on creating sustainability and environmental conservation through implementation of electricity use reduction measures, the use of renewable energy such as solar energy, the increase of efficiency and energy recycling for the maximum benefit, waste separation, and being a leader for environmentally friendly products' innovation. The Company launched a decorative paint and coating for interiors use called TOA Organic Care. The ingredients were plant-based materials, the first and only one in Thailand. This product also provides the highest safety for users, residents, and environment.



Social (S): The Company manages and takes responsibility to all stakeholders such as managing the employees' safety and occupational health amid the COVID-19 outbreak, creating engagements and motivations for employees to drive our organization towards success, managing human resources, human rights and personal data protection, taking part in community and society through CSR activities consisting of providing educational opportunities, joining collaborative learning projects to promote professional upskilling, and continuing our COVID-19 relief program *“Together, we get through.”* to support health and safety needs.



Economic and Corporate Governance (G): The Company conducts business under good corporate governance principle, efficient working process, and value addition as well as responsibility to all stakeholders throughout the supply chain, by creating total quality products resonating with the aesthetic decoration trend for building.

We are committed to elevating products' features, safety for health and the environment, and the total services for customers, together with the collaboration of business partners along with integrity to move towards sustainable growth.



With the ongoing ESG-oriented efforts, we received an “Excellent – 5 Star” for the Corporate Governance Report of Thai Listed Companies 2022 by Thai Instituted of Directors (IOD) for 4 consecutive years, ASEAN Asset Class PLCs award for the listed company with the score from 97.50 onwards, and a full score of 100 for the quality evaluation of the 2022 Annual General Meeting of Shareholders by Thai Investors Association for 4 consecutive years. Furthermore, TOA was named for inclusion in the list of Thailand Sustainability Investment or “THSI” and in the list of SETTHSI Index for 3 consecutive years as well.

“Forging ahead to expand the business to become a leader in decorative paint and coating products and construction chemicals by offering total solutions to customers, elevating efficient internal processes and rapidly increasing adaptability”

In 2022, the COVID-19 pandemic situation in Thailand and across ASEAN gradually recovered, positively affecting the economic system, and resulting in the recovery of economic activities, consumption, and tourism. However, the raw material prices and productions cost significantly increased from the surge in energy prices from the Russia-Ukraine War and the rapidly weaker baht due to the policy to increase interest rates in the United States and Europe to control the inflation. The Board of Directors and the management have continuously monitored the situation and potential impacts that might affect the business to set up strategies and operation plans and proactively handle such challenges and uncertainties.

The Company has continued to forge ahead with portfolio expansions more than decorative paint and coating products, into construction chemicals and construction materials. We have also collaborated with business partners to expand and seek new business opportunities. The Company successfully acquired ordinary shares of Gypman Tech Co., Ltd. and Fast-Mix Co., Ltd. for 51.0% and 80.0% respectively. The aim is to strengthen our potential to grow and competitiveness in the gypsum board and cement-based construction chemicals businesses. Moreover, our subsidiary, Incosource Co., Ltd., has launched a new business model called “FIX&BUILD”, modern-retail style franchise store. The store provides total construction materials and is designed to resonate with the growing trend of modern retail as well as the opportunity to grow in this area.

In 2022, the Company has delivered a strong fiscal performance and financial position, reporting revenue of THB 20,649 million, up 17.5%. This achievement resulted from our strategy forging ahead to be the leader in decorative paint and coating products and construction materials, delivering total solution for products and services to customers, fast adaptation and robust business foundation which resonated well with the changing business environment and helped strengthening the competitive advantage.

Net profit was still affected by higher prices of raw materials and production costs. Reported net profit was THB 1,418 million, a decline of 27.5%. Nonetheless, our selling prices were raised in responses to higher production costs, a more versatile portfolio, research and development that relied less on materials in short supply or at a high price while maintaining product quality, well-executed supply chain management, and selling and administration expenses to ensure greater profitability.

We believe that our businesses’ strategy and direction, the ability to adapt, the commitment to build the business foundation aligning with the sustainable development principle, good business alliances and partners, along with the dedication and collaboration of the Board of Directors, the executives, and all employees are crucial factors driving our organization amid all challenges, creating growth and new business opportunities to sustainably make good returns to all stakeholders. For this matter, we would like to give our sincere thanks to all shareholders, business partners, customers, and all relevant parties for supporting us as always.



(Mr. Prachak Tangkaravakoon)

Chairman of the Board

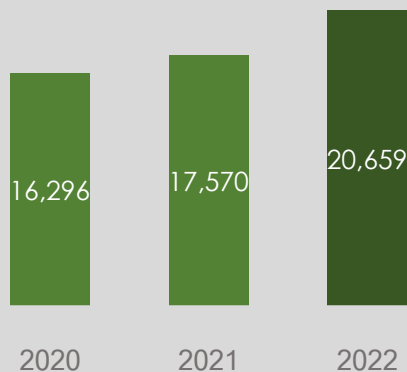


(Mr. Jatuphat Tangkaravakoon)

Chief Executive Officer

Financial Summary

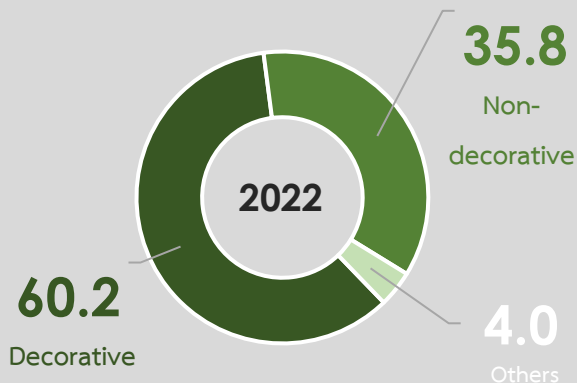
Sales



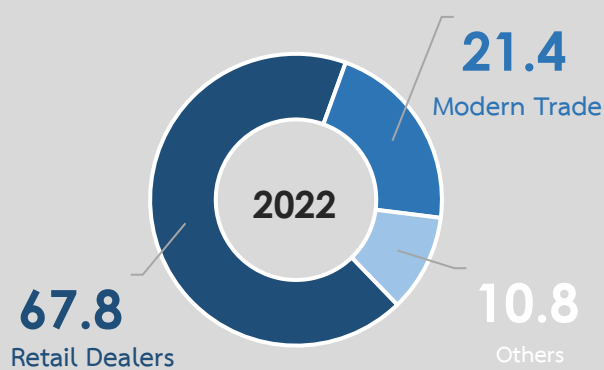
Year 2022

THB **20,649** million
+17.5%

Sales portion by Products (%)

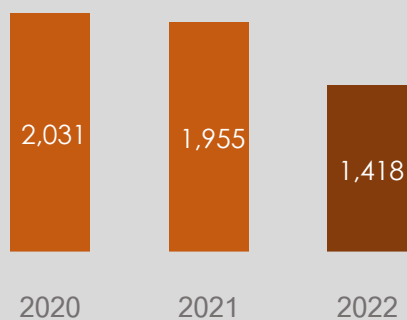


Sales portion by channels (%)



Net Profit

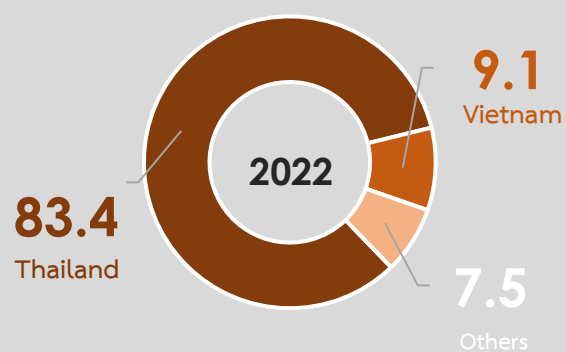
(Owners of the parent)



Year 2022

THB **1,418** million
-27.5%

Sales portion by geography (%)



Financial Summary (Cont.)

For the year ended 31 December

TOA Paint (Thailand) Public Company Limited and its subsidiaries

Consolidated Financial Statements (Million THB)	2020	2021	2022
Sales	16,296	17,570	20,649
Total revenues	16,438	17,708	20,826
EBITDA	3,191	3,105	2,595
Equity holders of the Company	2,031	1,955	1,418
Net cash flows received from operating activities	1,970	2,530	1,370
Total assets	16,486	18,497	19,338
Total liabilities	5,081	6,045	5,854
Equity attributable to owners of the Company	11,414	12,287	12,793
Financial Ratios	2020	2021	2022
Current ratio (times)	3.2	3.0	3.0
Cash cycle (days)	22	25	29
Gross profit margin (%)	36.9	32.7	29.1
EBITDA Margin (%)	19.4	17.5	12.5
Net profit margin (%)	12.4	11.0	6.8
Return on Equity (%)	18.4	16.5	11.3
Return on Total Assets (%)	12.6	11.0	7.6
Interest-bearing debt to equity ratio (times)	0.1	0.1	0.1
Net debt to EBITDA (times)	-0.4	-0.5	-0.4
Shareholders information	2020	2021	2022
Earnings per share (THB)	1.00	0.96	0.70
Dividend per share (THB)	0.53	0.50	0.50
Dividend Payout Ratio (%)	50.59	51.29	59.13
Book value per share (THB)	5.63	6.06	6.31

Part 1

Business and Performance



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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 58 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

“No. 1 in AEC through a wide range of product portfolio of coating and light construction materials with value creation and sustainability”

(2) Mission

“To innovatively create the products with enhancing life quality of customer and building aesthetic beauty”

(3) Goal

“We aim to be No. 1 in markets of paint, coating, and construction chemicals in AEC and successfully capitalize on the high potential growth of AEC markets through the sustainability in all dimensions of environment, society, and governance as well as return to society and environment.”

(4) Core Value

“We adhere to our core value as the main framework of thought which represents the uniqueness, identity, and culture of organization and clearly communicates those characteristics throughout organization. Our core value is “TOA CONNEXT” with the following meaning.

CONEXT



	Customer Centric	Openness & Respectful	Network	Ethic	Extra Ordinary	Teamwork
DEFINITION	มุ่งเน้นลูกค้าเป็นศูนย์กลาง	เปิดกว้างและเคารพความแตกต่าง	ผนึกพลังสร้างพันธมิตร	จริยธรรม คุณธรรม และความโปร่งใส	มุ่งสู่สิ่งที่ดีกว่า	การทำงานเป็นทีม
MEANING	Customer journey	Growth mindset & Leadership	One Goal	Ethics & Moral	Go extra mile & Aim high	Clear direction & time tracking progress
	Competitor benchmarking	Creativity & Risk taker	Synergy	Transparency	Sustainability	Two-ways Communication
	Early adopter	Diversity	Dynamic growth	Cautiousness & Correctness	Strive for better	Passion
BEHAVIOR	- Profound understanding of the customer journey, be together as a partner with the customer while reviewing the competitor benchmarking and stand with an early adopter to provide the best solution to a customer.	- Have a diversified openness and listen to all opinions for dynamic growth and benefit to themselves and the corporate, go along with a leadership, growth mindset, and risk taker to speedily adapt to dynamic situation, set goals by creativity to make the best decision based on reliable information.	- Aim to build a strong alliance of business network with the one goal and collaborate by a synergy of all related parties.	- Preserve sustainable development and business deal with both internal and external stakeholders with morality, ethics, and transparency and execute all duties with cautiousness and correctness.	- Set a challenging goal by considering all dimensions of sustainability; environmental, social, and governance, strive for better to achieve the result beyond the goal and look forward to alternative opportunities for better tomorrow.	- Raise their spirits with a strong passion to motivate their teams for effective achievement, set clear direction and timely given progress and encourage teamwork activities for hands-on execution while respecting each other with positive attitude as well as promoting two-ways communication.

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(5) Business Strategy

We aim to be No. 1 market leader in paint, coating and construction chemicals in AEC in terms of various and qualified products and service solutions through innovation to fulfill customer's requirement under the concept of "Total Solution". We're aware of operating business with sustainability in all dimensions namely, economy, society, and environment. The Company is determined to achieve the abovementioned goals with the following strategies: -

5.1 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 economy of scale, thereby providing us with greater potential for growth and profit.

5.2 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 the 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, gypsum boards and ceramics 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 with our construction materials, gypsum boards and ceramics to interior and exterior painting and coating stages, and to home improvement and repair.

5.3 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 various requirements of customers.

5.4 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, gypsum boards, and ceramics, etc., giving us a valuable competitive advantage of cost-efficiency and long-term growth trends.

5.5 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 to 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.

5.6 Promote and execute Environmental, Society, and Governance (ESG) initiatives for long-term sustainability: For the strong awareness of business operation along with creating sustainability in society and environment, the Company does not only provide a business strategy and approaches for prosperity and business stakeholders, but we also concern of returning to society and environment through many policies, e.g., Net Zero Target in 2050. This policy is to achieve the net zero greenhouse gas emission in all dimensions throughout business operation by 2050 to create the benefits in terms of safety and wellness for employees, organization, neighboring society, and country.

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.
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

Year	Key Milestones
	transferred its entire shareholding to PT Budilestari Sentosa, which became PT TOA Paint Indonesia's joint venture partner).
2013	<ul style="list-style-type: none"> 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.
2015	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> 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. 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	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> The production plants in Cambodia and Myanmar were established and commenced operations. 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.

Year	Key Milestones
2021	<ul style="list-style-type: none"> 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.
2022	<ul style="list-style-type: none"> On February 2022, TOA acquired the business by holding 51.0% ordinary shares, namely Gypman Tech Co., Ltd. to help fortify competitive advantage in the gypsum board business according to the approval from the Extraordinary General Meeting of Shareholders No.1/2021 on December 16, 2021. On July 2022, TOA acquired the business by holding 80.0% ordinary shares of Fast - Mix Co., Ltd. to help fortify growth potential and competitive advantage in construction chemicals business, cement base type. On August 2022, its subsidiary, Incosource Co., Ltd., opened the first branch of FIX & BUILD Branch which was a franchise-store business model distributing integrated construction materials for contractors.

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 (Million THB)	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: Million THB)

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 meeting No. 2/2020 held on February 26, 2020 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 (Million THB)	Estimated Duration of the Proceeds Utilization	Remaining amount as at Dec 31, 2019 (Million THB)	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	within December 2024
2. Use of net proceeds for operational working capital of the Company	2,278.4	within 2019		
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, 2022 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, 2022	Outstanding balance as at Dec 31, 2022
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	1,397.59	1,259.5	138.06
2. Use of net proceeds for operational working capital of the Company	3,857.20				
Total	5,887.20	2,441.40	1,397.59	1,259.5	138.06

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					
	2020		2021		2022	
	million THB	%	million THB	%	million THB	%
Decorative Paint and Coating Products	10,774.3	66.1	11,078.0	63.0	12,421.1	60.2
Non-Decorative Paint and Coating Products	5,185.2	31.8	5,938.3	33.8	7,400.2	35.8
Other Products ⁽¹⁾	336.5	2.1	554.2	3.2	828.1	4.0
Total	16,296.0	100.0	17,570.5	100.0	20,649.4	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 can 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 Homecote.

(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

Most of our heavy-duty coatings products are topcoats or primers. They are usually applied to surfaces with heavy loads, high pressure, corrosion, or severe conditions. The products will help reduce cracking, rusting and surface deterioration. Without its application, the surfaces may have high repair costs. This type of product can also be applied on many surfaces, including 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 named “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 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 **Sustainability report 2022, in section “Environmental Caring”, heading 3.5 Innovation development and environmental promotion for sustainability, subheading Product and service innovation development.**

(2) Marketing and Competition

2.1 Marketing policy of the major products and services

(1) Marketing Activities

Over 58 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.

2022 marketing campaigns conducted by using advertising media are as follows:

- **Marketing campaign namely "TOA Metal Expert - the leader in high-quality & total metal paints" and launching the latest innovation "TOA Aqua Shield 2in1 Multi Surfaces".**

This campaign is the latest marketing campaign that emphasizes TOA's expertise in enamel paint for steel work. With more than 50 years of experience and expertise, we have a wide range of quality products, complete, and covering all systems of paint and coating applications for steel and metal work. There are more than 2,000 products under more than 20 brands. TOA has created a Master Brand namely "TOA Metal Expert" to create awareness and recognition for consumers. Therefore, when customers think of paint and coating for high-quality steel work, the products under brand TOA Metal Expert will come up in their minds. Furthermore, the dealer shops will have the TOA Metal Expert Authorized Dealers sign in their shops, which will signify that the shops sell high-quality steel paint and coating products from TOA.



At the same time, we have also launched the latest innovative product namely, "TOA Aqua Shield 2in1 Multi Surfaces", a water-based coating with built-in primer for a wide range of surfaces. It was the first 2in1 water-based steel coatings in Thailand requiring no primer and tinner combination, and able to be applied on many surfaces such as metal, galvanizes, aluminum, stainless, wood, cement etc. The odor is mild with low VOCs which takes less time for residents to wait until they can move in their house, or even condominiums, offices, restaurants as its mild odor does not disturb the living.



- **Marketing Campaign namely “TOA Shield Series – Strong Family Colors, Superior to all color from TOA**

The marketing campaign launched in 1st quarter and 2nd quarter for premium and ultra-premium paint and coating namely Shield-1 and SuperShield, relies on the concept of “Big Brother”. It leverages SuperShields’ brand strength and excellent distribution which leads to TOA Shield-1 awareness and distribution. We use **the mutual word “Shield”** that consumers are already familiar of, to create a Master Brand to cover both products under the name **"TOA Shield Series - Strong Family Colors, Superior to all color from TOA"**. It enables communication of both products’ brands at the same time. The purpose is to reduce advertising costs and increase the efficiency of communication. We have also launched "TOA Shield Series" advertising movie that changes the traditional decorative paint and coating advertisements with introduction of CG (Computer Graphic) to create a story. "Two-headed dragon" is used as an iconic image in the story to communicate to consumers our two key excellent qualities: protecting building surfaces from extreme heat and humidity. It is also an image to convey the greatness of the two products’ brands which are "Super Shield" and "TOA Shield-1". This can be considered that two brands were created at the same time. The sales growth for both SuperShield and TOA Shield-1 was exponential. Especially, TOA Shield-1 had the highest growth in the last 10 years.



- **Marketing Campaign namely "Good steel must be painted with MD 2in1 paint."**

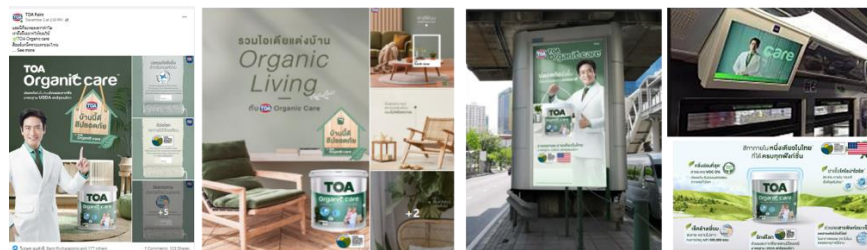
The market for oil paints or steel coating paints has changed to oil paint types. Acrylic Solvent or 2in1 oil paint provides quick-drying properties without the necessity to apply a primer and saves the technician's usage time as well. Therefore, TOA rebranded mandarin duck band-2in1 oil paint with the adjustment of the formula for higher quality, and new packaging to be more modern. The marketing campaign was also launched to continuously create awareness and distribution of products throughout the year with the presentation of a series of commercials namely **"Good steel must be painted with MD 2in1 paint."** We use the melody that consumers are familiar with, and then add new lyrics to create brand awareness. At the beginning of 2023, there was an internal celebration for MD2in1 product sales that surpassed 100 million baht in only 1 year.



- **Marketing campaign namely “Organic Care, Organic Living”**

The marketing campaign named “Organic Care, Organic Living” continued from the launch period in December 2021. 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 the 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.



- **Marketing campaign named “TOA Roofseal”**

TOA Roofseal is one of the flagship products of the construction chemicals group. The product is trusted by consumers as number 1 in many distribution channels. We have launched a marketing campaign namely “Cement base waterproof is not suitable for every point of the house” to emphasize the selling point of TOA Roof Seal products and provide correct knowledge to consumers that often use this type of product with the unmatched problem condition. As a result, the leaking problem remains. At the same time, TOA PU Waterproof has been introduced. With higher efficiency, TOA PU Waterproof is another option to solve the leakage problem of houses for consumers.

- **Marketing campaign " Tile Adhesive Motar Sticks Well"**

This campaign represents the product under the group of construction chemicals with high growth named TOA tile adhesive mortar. We released the latest commercial movie that emphasized the standard for the use of TOA tile adhesive mortar along with educated consumers about the use of good, firmly attached, and durable tile adhesive mortar. The country song is used in the marketing campaign to create a recognition of the properties of tile adhesive mortar products, emphasize direct communication to the technicians. This is to build confidence in all 3 models of TOA cement tile adhesive products.



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

- The Company has provided TOA Online Official Store, an online distribution channel through the popular Online Market Place. We do not only focus on selling products. but also focus on implementing the platform as reference for products and accurate product information for consumers. Therefore, consumers can be aware of the information resulting in purchases of products beneficial to our partners who already have online channels and offline channels.
- 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.

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; HomePro and 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 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 must 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 can 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 13.2%, 14.6%, and 16.2% of the sales for the year ended December 31, 2020, 2021, and 2022, respectively.

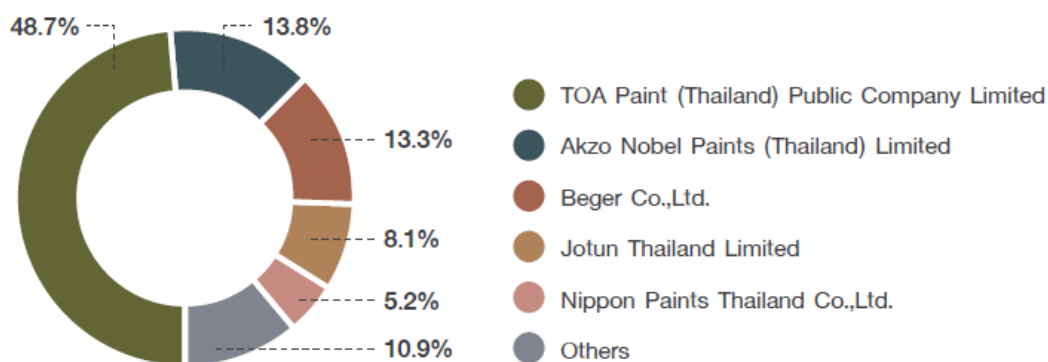
Depending on the products, the type of customer, and payment record, the Company typically provide credit terms of approximately 30 to 90 days to its customers. The Company does not offer credit terms for exports and does not sell any of its products on a consignment basis.

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.

The COVID-19 situation in the country tended to decline continuously. The easing of the disease control measures and the country opening since last year on November 1 stimulated the economic activities and accelerated the demands for construction materials from the renovation of accommodations, resorts, hotels and other places to prepare to welcome both domestic and foreign tourists as well as home repair after flooding in many provinces. These were factors supporting sales growth in 2022.

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 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 cost of production significantly increased due to an increase in raw material prices since the second half of 2021. As a result, the Company must adjust the selling price in line with an increase in costs. The selling price adjustment throughout the industry does not affect the competitiveness of the company, compared to competitors

The advantage of the extensive distribution network encompassing 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 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.

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 for 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.

The Company has developed a store model named **“Mega Paint & Home”**, as a collaboration between TOA and dealer stores. We aim to develop the retail store to be Modern Retail with total products and services, elevate the competitiveness for dealers, and increase the opportunity to distribute our products. Mega Paint & Home provides building paints, industrial paints, woodwork paints, hardware products, construction chemicals, gypsum board and tiles. Furthermore, we also provide services by professional contractors through our "WHO SERVICE"



The Company has launched a franchise-store business model namely **“FIX and BUILD”**, an integrated distribution source of construction material, electrical and plumbing tools, hardware, paint and chemicals under the operation of Incosource Co., Ltd., the Company's subsidiary. The aim is to be the leader in hardware and construction materials sourcing using Supplier Relationship Management (SRM) system in collaboration with both domestic and international trading alliances. Therefore, we have both leading brands and OEM products. We target to expand branches to cover the entire nation within 5 years.



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, 2022, the Company had 11 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.
2	The Company	Samrong Plant 104 Moo 1, Soi Pookmitr, Rod Rang Kao Road, Samrong Tai, Phra Pradaeng, Samutprakan, 10130, Thailand	1972	Wood and heavy-duty coatings, thinner and aerosol paints.
3	Captain Coating Co., Ltd.	Samutprakan Plant ⁽¹⁾ 906 and 917 Moo 15, Bangsaothong, 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.

No.	Owner/Lessee	Location	Year of Incorporation	Main Products
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	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.
8	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.
9	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.
10	Gypman Tech Co., Ltd.	Gyp Man Tech Factory, Nakhon Sawan No. 888 Village No. 6, Ban Than Thahan - Khok Saat Road, Wang Bo Subdistrict, Nong Bua District, Nakhon Sawan	2014	Manufacturing of gypsum board
11	Fast-Mix Co., Ltd	Fast-Mix Factory, Nakhon Pathom 115 Village No. 7, Road 346 Kamphaeng Saen - Phanom Thuan, Nong Krathum Subdistrict, Nakhon Pathom	2007	Manufacturing of construction chemicals

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 unused capacity of paint and coating production provides flexibility to meet future demand growth. The following table shows the production capacity as at December 31, 2022, and utilization rates of its production plants for the years ended December 31, 2020, 2021, and 2022:

Plant	Capacity as at Dec. 31, 2022 (Million gallons/year)	Utilization Rate For the year ended Dec. 31 (%)		
		2020	2021	2022
Thailand	74.1	51.7	51.7	52.6
<i>Bangna</i>	<i>50.4</i>	<i>59.3</i>	<i>59.4</i>	<i>62.1</i>
<i>Others⁽¹⁾</i>	<i>23.7</i>	<i>35.7</i>	<i>35.4</i>	<i>32.2</i>
AEC (excluding Thailand)⁽²⁾	28.4	22.8	24.8	27.9
Total	102.5	43.7	44.3	45.7

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

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 such as 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 raw 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, 2022, the Company imported approximately 15.0% 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 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, 2020, 2021, and 2022, purchases made from its top five suppliers accounted for 33.8%, 35.8%, and 34.1% respectively, of the Company's total raw material purchases. No single supplier accounted for more than 10% of the Company's consolidated cost of sales for the years ended December 31, 2020, 2021, and 2022.

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	2020	2021	2022
Thai Baht	91.8	90.7	89.0
U.S. Dollar	6.7	7.6	9.5

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 2022, the Company produced 68.8% 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 has received many awards over the past years. The awards received in 2022 are as follows:

Awards & Recognition in 2022

➤ Recognition & Trust



Thailand's Most Admired Company 2022 for 8 consecutive years for decorative paint and coating in construction materials category and **Thailand's Most Admired Brand 2022** for 11 consecutive years for the construction materials in interior and exterior paint category by the BrandAge Magazine



No.1 Brand Thailand 2022 for 10 consecutive years for decorative paint and coating category that received highest popular votes in Thailand by Marketeer Magazine



Thailand's Top Corporate Brands 2022 (construction material category) 2 consecutive years



Best Innovation Award 2022 for TOA Organic Care from Architect'22, Live Architectural Event

➤ Labor Relations & Welfare (HR)



Outstanding Workplace Award for Labor Relations and Welfare 2022 for Bangna Plant and Samrong Plant (6 consecutive years) by Department of Labor Protection and Welfare, Ministry of Labor.

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



CSR-DIW Continuous Award 2022 for Bangna Plant (8 consecutive years) and Samrong Plant (7 consecutive years) by Department of Industrial Works, Ministry of Industry.



Diamond Award for Outstanding Safety, Occupational Health, Environment in the Workplace in the event of Thailand Labor Management Excellence Award 2022 for Bangna Plant (9 consecutive years) by the Ministry of Labor.

- 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).
- Honorary Certificate for model business establishment, the Project for the Implementation of the Employee Health Risk Assessment Manual in the case of using hazardous chemicals for use in 2022, both at the Bangna and Samrong plants.
- Honorary Certificate Ergonomic Risk Assessment Standard Implementation Project of the working posture in a static manner to use in 2022, only for the Samrong plant.

➤ Corporate Governance and Sustainability



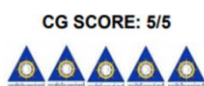
SET Awards

TOA received Outstanding Innovative Company Awards 2022, organized by the Stock Exchange of Thailand in association with Money & Banking Magazine.



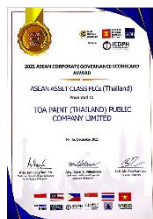
SETTHSI index

TOA listed within SET THIS Index (SETTHSI) under the Stock Exchange of Thailand for 3 consecutive years.



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 2022 for 4 consecutive years, which was organized by the Thai Institute of Directors (IOD) with the support of the Stock Exchange of Thailand.



ASEAN Asset Class PLCs

The Company received ASEAN Asset Class PLCs Award, granted to listed companies with scores from 97.50 from the announcement of Good Corporate Governance assessment results of listed companies in ASESN (ASEAN CG Scorecard) for the year 2021. The awards are supported by Capital Markets Forum (ACMF) and Asian Development Bank (ADB). The Company is 1 of 76 Thai listed companies granted with this award. There are 234 companies in ASEAN received the award.

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

By placing the importance on holding the annual general meeting of shareholders, the Company received a full score of 100% for AGM quality in 2022 by the Thai Investors Association (TIA), for 4 consecutive years.

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
- 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 from Thailand Environment Institute (TEI)
- Energy Saving Label No.5 for paint and coating products from 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)
- Carbon Footprint for Organization
- Carbon Footprint of Products namely, 7IN1, 4 SEASONS, 4 SEASONS 5IN1, DURACLEAN, DURACLEAN A PLUS, SUPER MATEX, SUPERMATEX EXPERT, SUPERSHIELD, SUPERSHIELD AQUA GLOSS, TOA FLEX EXPERT, TOA HYDRO QUICK, TOA INDUSTRIAL LACQUER GLOSS WB, TOA INDUSTRIAL LACQUER PRIMER WB, TOA LOFT, TOA ORGANIC CARE, TOA PRO EXPERT, TOA PRO PRIMER, TOA SHIELD EXPERT, TOA SHIELD-1 NANO, TOA ULTIMATE, TOA WALLTEX

➤ 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 50001:2018 — certification for energy management systems relating to the design, manufacture, distribution in the country, and exportation of paint and coating products
- CONFORMITY REGULATION (CR): QCVN 16: 2019/ BXD
 - National Technical Regulations on Products, Goods of Building Materials for Emulsion paint (Interior)

- National Technical Regulations on Products, Goods of Building Materials for Emulsion paint (Exterior)
- CONFORMITY REGULATION (CR):
 - QCVN 08: 2020/ BCT
 - National technical regulation on the limits of lead content in paints
- **CONFORMITY STANDARD (CS):**
 - National standards: TCVN 8652:2012: Wall emulsion paints – Specifications
 - National standards: TCVN 5730 :2008: Alkyd paint – General specifications
 - National standards: TCVN 9014:2011: Epoxy paint
 - National standards: TCVN 7239: 2014 Portland cement – Based skim coat
 - National standards: TCVN 9013:2011 Polyurethane paint for steel structures
- Indoor air quality evaluation (TOA Nano Clean sheen, TOA 258 Cement Membrane, TOA Latex Agent) *Test report following the requirements of CDPH/EHLB/STANDARD METHOD issued May 17th, 2022*
- Green Industry
 - Green Label Singapore (For emulsion)
 - Green Label Singapore (For TOA 258 Cement Membrane, TOA 268 Cement Membrane, TOA Cleanable & Antibacterial, Homecote Primer)
- Indonesia (PT TOA Coating Indonesia's plant)
 - ISO 9001:2015 — certification for quality management systems.
 - ISO 14001:2015 — certification for environmental management systems.
 - SNI 3564: 2014 (TOA Nano Shield, TOA 4Season, TOA Spartech, TOA Nano Clean)
- Malaysia (TOA Paint Products Sdn. Bhd.'s plant)
 - ISO 9001:2015 — certification for quality management systems
 - ISO 14001:2015 — certification for environmental management systems
 - Product Certification
 - MS 164:2007 Road Marking Paint (TOA ROADLINE PAINT)
 - MS 125:1995 Gloss Enamel Paint (TOA GLIPTON)
 - MS 134:2007 Latex Emulsion Paint for Exterior and Interior Use (TOA 4 SEASONS TROPIC SHIELD, TOA ADVANCE COTE EXTREME GUARD)
 - MS 903:1984 Latex Emulsion Paint for Interior Use (TOA 4 SEASONS TOPSILK, TOA 4 SEASONS TOP MATT, TOA ADVANCE COTE)
 - **Green Industry**
 - Singapore Green Labelling Scheme (TOA 4 SEASONS TROPIC SHIELD)
 - Singapore Green Labelling Scheme (TOA 4 SEASONS TOPSILK)
 - Singapore Green Labelling Scheme (TOA 4 SEASONS TOPMATT)

- Singapore Green Labelling Scheme (TOA ADVANCE COTE EXTREME GUARD)
- Singapore Green Labelling Scheme (TOA ADVANCE COTE EASY CLEAN)
- Singapore Green Labelling Scheme (TOA WALLSILA 800)
- Singapore Green Labelling Scheme (TOA ADVANCE COTE MULTIPRIMER)
- Singapore Green Labelling Scheme (TOA MULTISEALER)
- SIRIM ECO 019:2012 (TOA 4 SEASONS TROPIC SHIELD, TOA 4 SEASONS TOPMATT, TOA 4 SEASONS TOPSILK, TOA ADVANCE COTE, TOA ADVANCE COTE)

(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, 2022 are as follows:

Company's Name	Nature of Business	Shareholding (%)	Investment at cost method as at Dec. 31, 2022 (million THB) on the separate financial statements
Captain Coating Co., Ltd.	Manufacture and distribution of decorative paint and coating products and chemicals	100.0	300,000
British Paints Co., Ltd.	Distribution of decorative paint and coating products	100.0	374,998
Maga Paint and Home Co., Ltd.	Investing in related companies	100.0	103,750
TOA Paint (Vietnam) Co., Ltd.	Manufacture, import, and distribution of decorative paint and coating products and chemicals	100.0	876,383
TOA Paint (Laos) Sole Co., Ltd.	Manufacture and distribution of decorative and non-decorative paint and coating products	100.0	80,302
TOA Paint Products Sdn. Bhd.	Manufacture and distribution of decorative paint and coating products and chemicals	100.0	218,582
TOA Coating Sdn. Bhd.	Import and distribution of decorative paint and coating products and chemicals	100.0	57,592
PT TOA Paint Indonesia	Import and distribution of decorative and non-decorative paint and coating products	99.95	533,842

Company's Name	Nature of Business	Shareholding (%)	Investment at cost method as at Dec. 31, 2022 (million THB) on the separate financial statements
PT TOA Coating Indonesia	Manufacture and distribution of decorative and non-decorative paint and coating products.	99.49	865,268
TOA Paint (Myanmar) Co., Ltd.	Manufacture and distribution of decorative and non-decorative paint and coating products	65.0	26,473
TOA Coating (Myanmar) Co., Ltd.	Manufacture and distribution of decorative and non-decorative paint and coating products	99.29	558,753
TOA Skim Coat (Cambodia) Co., Ltd.	Manufacture and distribution of skim coat products	65.0	234
TOA Paint (Cambodia) Co., Ltd.	Manufacture and distribution of decorative and non-decorative paint and coating products	100.0	349
TOA Coating (Cambodia) Co., Ltd.	Manufacture and distribution of decorative and non-decorative paint and coating products	100.0	470,724
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	165,000
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	-
Gypman Tech Co., Ltd.	Manufacture and distribution of gypsum board	51.0	800,000
Fast - Mix Co., Ltd.	Manufacture and distribution of construction materials	80.0	81,500
Total			5,513,750
Less: Allowance for impairment ⁽²⁾			(807,893)
Net			4,705,857

Note: ⁽¹⁾ The shares of the subsidiaries are held by Maga Paint and Home 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, 2022



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.
 - (9) The remaining 49.0% of registered capital is held by Mrs. Inthira Hirunyanitiwatna, Mr. Supachai Hirunyanitiwatna and Mr. Surakij Hirunyanitiwatna. All of them are not a related party under the definition in the Notification of the Capital Market Supervisory Board No. TorChor. 21/2551 Re: Rules on Connected Transactions.
 - (10) The Company is in the process of liquidating and dissolving TOA Paint (Cambodia) Co., Ltd.
 - (11) The remaining 20.0% of registered capital is held by Mr. Siripoj Sirintrapun and Miss Suphanee Sirintrapun, our joint venture partners. Mr. Siripoj Sirintrapun and Miss Suphanee Sirintrapun are not related persons under the definition in 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.	Mega 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, Phnom 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
16.	Gypman Tech Co., Ltd.	2014	515 Million THB	515 Million THB	968, 32 nd Floor, U Chu Liang Building, Rama IV Road, Silom, Bang Rak, Bangkok	Manufacture and distribution of gypsum board	51

	Company	Year of Incorporation	Registered Capital	Paid-up Capital	Headquarters	Nature of Business	%Shareholding ⁽¹⁾
17.	Fast - Mix Co., Ltd.	2002	47 Million THB	47 Million THB	10 Village No. 1, Thung Luk Nok Subdistrict, Kamphaeng Saen District, Nakhon Pathom	Manufacture and distribution of construction materials	80
Subsidiaries directly owned by Mega Paint and Home Co., Ltd.							
18.	Phacha Enterprise Co., Ltd.	2010	5 Million THB	5 Million THB	99/586 Moo 4, Bang Chalong, Bang Phli, Samut Prakan Tel. No. 02-336-0393 Fax. No. 02-336-0394	Retail and wholesale distribution of granito tiles, ceramic tiles, sanitary wares, and related products	52
19.	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, 2022

⁽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⁾ The Company is in the process of liquidating and dissolving TOA Paint (Cambodia) Co., Ltd.

1.3.2 Shareholders

(1) Major Shareholders

(A) Top 10 major shareholders as at March 14, 2023.

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	74,123,500	3.7
9. Bualuang Long Term Equity Fund	55,605,900	2.7
10. Bualuang Long - Term Equity 75/25	28,402,100	1.4

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 January 1, 2023.

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 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, 2022, at the rate of THB 0.25 per share, totaling THB 507.25 million. The dividends were distributed to the shareholders on September 13, 2022.

The Board of Directors' Meeting No. 2/2023, held on February 27, 2023, 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 2022, at the rate of THB 0.25 per share, totaling THB 507.25 million. The dividends were distributed to the shareholders on May 26, 2023.

The details of interim dividend payment are as follows:

Year	Interim dividend	Annual/Final dividend	Total dividend	Dividend payout ratio on the Company's separate financial statements after deducting legal reserves
2022	0.25	0.25 ¹	0.50	59.1%
2021	0.31	0.19	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 2022 is supposed to receive approval at the Annual General Meeting of Shareholders in 2023.

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 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. Moreover, we intend to include risk management as part of corporate culture.

Risk Management Framework

The Company has put 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 to ensure the same goal-oriented direction.

2. Risk Management Structure and Responsibilities

As at December 31, 2022, 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 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, 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.

For the details of the responsibilities of Risk Management Committee, please see on Company's website:
<https://investor.toagroup.com/storage/content/corporate-governance/20230309-toa-scope-risk-management-en.pdf>

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 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.

2.2 Business Risk Factors

In 2022, 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 achieve sustainable growth. The Company considered and assessed the strategic risks as follows:

1.1) Competition in the market competitors and brands, especially overseas subsidiaries

It is apparent to create innovations in time and meet the market expectations 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 with the following details.

Key Risk Indicator

- Market share in foreign market
- Customer engagement rate, which is measured through the number of followers, likes, retweets, comments/opinions, contents sharing or advertisement posters

Risk management approach

- Create awareness in foreign market through the team established to manage and visit the foreign subsidiaries.
- 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,
 - Communicating with a target group through digital & social media platforms, and
 - Focusing more on market visits.
- Consider pricing strategy, promotion, and define an action plan to respond to competitors' objectives in a timely manner.

- Improve the quality of operation and internal work process to be able to respond to customers' needs effectively.

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 rise or fluctuate. 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

- Information of raw materials prices, which is monitored monthly or quarterly and compared to the current raw materials prices
- Comparison of raw materials prices with other sources

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 or raw materials substitution 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 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, 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

- Profit/loss from exchange rate

Risk management approach

- The Company has regularly monitored relevant exchange rates, including the economic situation in its' trading partners.
- The 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 of sourcing domestic raw materials 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 lines and 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

- Payment receipt/ decrease in trade debt

Risk management approach

- The Company duly considers each customer's ability to pay and endorses appropriate payment conditions prior to proceeding with credit lines or credit terms. Moreover, credit lines and credit terms are regularly revised as determined by the Company's regulations.
- 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, fires, wars, riots, etc.

The Company pays attention to the risk of fires, floods, and political riots in Myanmar as they are the risks that affect occupational health, life, and property of employees. Therefore, to emphasize the importance of security from these risks, the Company and its subsidiaries operate have established concrete risk management guidelines to ensure that these risks are less likely to occur. The guidelines for risk management are as follows:

Key Risk Indicator

- The number of force majeure events

Risk management approach

- Information or news regarding fires or riots is recorded.
- Employees in Myanmar are closely monitoring the situation due to political events.
- In addition to providing a department responsible for safety in the Company and its subsidiaries, the Company also provides monthly security checks, quarterly training, and communicating to all employees to understand the fire prevention measures, as well as emphasizes important measures for the consistent implementation. Such measures are also guidelines for understanding and awareness for all employees to take action when such an incident occurs to reduce potential losses.
- Implement strict and regular according to preventive maintenance guidelines to manage the condition of machinery and equipment within the factory to be ready to deal with various events in timely manner such as water pump, fire equipment, etc.
- Set up a safety committee of subsidiaries to review measures and promote safety periodically.

3.2) Personnel risks (Emerging risk)

Personnel is an important factor driving the organization. Presently, recruiting and selecting qualified personnels are challenging. However, Thailand is facing a demographic situation. Our society is entering into "Aging Society" and will completely turn into aging society in 2022. There will be approximately 20-30% of the elderly, and Thailand will become the ultimate aging society like Japan with a population with the age over 60 for 28% in 2031. In the meantime, the proportion of working-age population will decrease. Overall productivity will also decrease which possibly have a direct impact on the Company's shortage of replacement workers, especially in positions that require specific skills or expertise.

Key Risk Indicator

- The rate of employees who are retiring in the next 5 years.
- Turn-over rate
- Labor shortage statistics (increase or decrease)

Risk management approach

- Succession Plan and Talent Management strategies
- The Company is in the process of considering the policy to extend the retirement age. The current retirement age of the Company's employees is 55 years.

- The Company is in the process of improving the work process by reducing the use of labor in some procedures (semi-automation).
- Focus on public relations, recruiting and selecting employees from more diverse channels, such as website, job announcements, Head Hunter, friends' recommendation, etc.
- Employee satisfaction and engagement surveys are conducted annually. The scores were analyzed, evaluated and developed for development plan in various fields. In addition, data was collected from employees who resigned for analysis to figure out the reasons, including exploring wage rates to compare with other companies in the same industry.
- The Company conducts the surveys of employee engagement with the organization annually, including randomly interviewing employees to collect various opinions for further development and improvement.
- The Company continuously provides training and development for employees through the survey of Training Needs for each line of work.

4) Compliance risks concerning rules, laws, and other regulations

4.1) Compliance risks concerning the Personal Data Protection Act B.E.2562

Due to the enforcement of the Personal Data Protection Act B.E. 2562 from June 1, 2022 onwards, the Company has focused and prepared before the actual implementation by striving for all employees to have knowledge and understanding of such matters. This also includes establishing guidelines for employees to follow; training materials are prepared and followed up periodically. In addition, we're in the process of procuring a system to help manage such information.

Key Risk Indicator

- Decrease in incidents occurred

Risk management approach

- The Company has provided communication and training for all employees along with training materials, pre-test, and post-test. Moreover, the training course is mandatory with the tracking of the number of employees attending the course and test scores.
- The Company appointed a data protection officer (DPO) and communicated with heads of departments to designate data privacy champions (DPC).
- The Company has established PDPA Policy and guideline including the training course and materials to all relevant officers as well as an employee to be aware of the importance and guidelines of this matter.
- The Company has provided training on Record of Processing Activities (ROPA) or record of activities processing, collecting, using or disclosing personal data to the Data Privacy Champion 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 threat in a timely manner for changing method and technologies, 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 number of incidents related to the IT security
- The number of incidents related to the violation from the outsiders

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 monitoring and collecting phishing email data as well as regularly communicating to everyone in the Company for their acknowledgment and caution. Moreover, the Company installs and always enables software for anti-virus, anti-spam, firewall, as well as updating them 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. Furthermore, in the previous year, IT security has been further improved through the installation of WAF (Web Application Firewall) and MFA (Multi-factor Authentication) system was used in conjunction with other systems in the organization.

6) Environmental, Society and Governance risks

The Company has a policy to sustainably conduct business with the determination to reduce the impact on the environment and community that may potentially be caused by the Company's business operations. Furthermore, the Company is also a leader in environmentally friendly product innovation. We pay attention to environmental problems by taking into account pollution from the production process that may affect the environment of the community, as well as wasteful use of natural resources and energy. In addition, to develop a strong business and be able to grow in the long term, we focus on developing human capital and social enterprises in various areas, along with conducting business in accordance with good governance principles, relevant laws and promote good corporate governance.

Related risk issues are as follows:

6.1) Environmental risks and climate change (Emerging risk)

Climate change has resulted in more severe natural disasters in many parts of the world, such as droughts, flash floods, storms, wildfires, or extreme weather events. Physical risk may result in business interruption and increases in

the production cost, for example, an increase in raw materials prices, operating costs, etc. Moreover, this possibly affects the profitability rate and income that may change in the future.

Key Risk Indicator

- The Company has measured the electricity production from Solar rooftop to compare the electricity consumed each month.
- The Company sets a target for water use for sanitation systems efficiently and can continuously reduce water consumption.
- The Company sets a target to reduce water consumption rate in the production process and sanitation system from water reuse after treatment.

Risk management approach

- The Company has introduced environmentally friendly technology by launching new product that can reduce the use of chemicals with natural ingredients and technology from the United States. The product is plant-based without petroleum used as raw materials.
- The Company has set a goal to become a Net Zero Emission Company by the year 2050 in order to strive for sustainable development in terms of society and environment.
- The Company has installed solar cells on the rooftop at Bangna factory. We 're in the process of installing solar cells for the subsidiary's factories as well, with the purpose of investing in energy-saving technology. Moreover, it is also an alternative energy to reduce greenhouse gas emissions to meet the set target.
- The Company has appointed a committee and working groups to prepare the carbon footprint information of the organization. Our Company was certified for Carbon Footprint for Organization by Thailand Greenhouse Gas Management Organization (Public Organization). This includes Bangna and Samrong plants as well.
- The Company places importance on efficient water resource management covering all production processes. There is a development of innovation in the production process that reduces water consumption, maintains the water supply system to be efficient and ready to use at all times. Also, we have installed a wastewater treatment system to treat water before releasing it into the public drainage system and circulate water to reuse.
- The Company supports and encourages employees to separate waste before discarding it. After that, we recycle recyclable waste and reduce the amount of waste that will destroy the environment and other creatures.

6.2) Social Risk (Emerging risk)

The Company places importance on basic human rights to determine the direction of the organizational sustainability operations. The human rights issue is one of the issues that are important in driving the sustainability of the organization in striving to become a role-model organization in human rights. Directly, we operate this issue through the company's business activities, such as setting goals to measure success in human rights, treating each other under

rights and liberties, realizing human rights equality and workforce diversity. Indirectly, we support and promote business partners in the business value chain to realize, protect and respect human rights in business operations.

Key Risk Indicator

- The statistics of human rights complaints
- The results of complaints management (case)

Risk management approach

- The Company provides a working environment that focuses on equality, workforce diversity, respect, and recognition of the dignity of individuals. Any act of bullying, intimidation, harassment in any case is not tolerated.
- The Company provides a complaint system as a means to building understanding and good relations, as well as ensuring fairness in employment.
- The Company has hired the disabled under Section 33 by accepting people with disabilities to work according to the suitable job description with convenience of work provided. We aim to create opportunities and support careers for the disabled the underprivileged to have a better quality of life. Furthermore, we have also organized a caregivers' market for the disabled at the company's cafeteria.

6.3) Governance Risk

The Company adheres to and complies with good corporate governance principles in conducting business through its directors, executives, and employees. We consider good corporate governance principles to be an important factor in promoting the overall success of the Company as an organization with social responsibility in accordance with the guidelines announced by Securities and Exchange Commission (SEC Office). Therefore, we adhere and continue to do so in order to communicate with employees for awareness, understanding, and comply with all relevant rules and regulations.

Key Risk Indicator

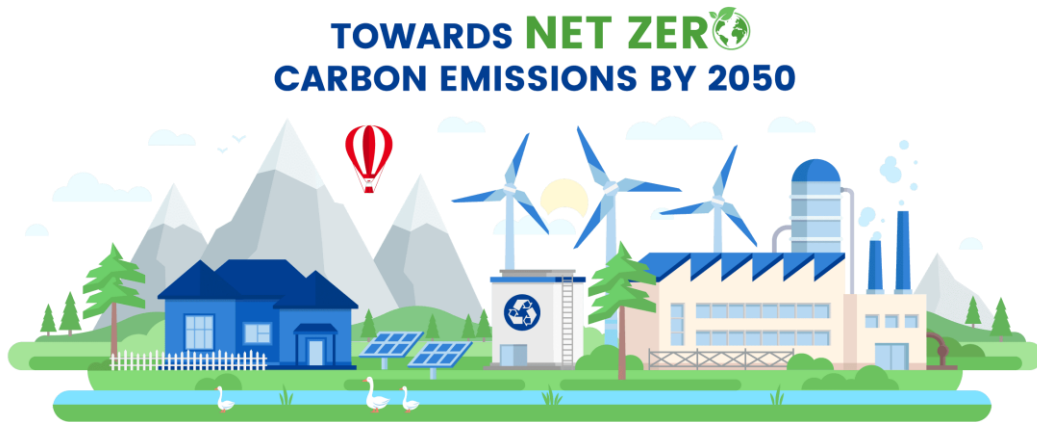
- Statistics on the number of significant complaints on corporate governance
- The number of time/ employees attending the courses
- Results (score evaluation) of employees attending the courses

Risk management approach

The Company has prepared a Code of Conduct covering policies and measures such as anti-fraud and corruption, prevention of conflicts of interest, whistleblowing, nondiscrimination, confidentiality, anti-unfair competition, and consideration of safety, occupational health, and environment, security of information and information systems, etc. We provide regular communication and training for employees through various channels such as Intranet, E-mail, training, and teaching materials.

3. Driving Business Value through Sustainability

Action plan towards TOA Net Zero Organization in 2050



TOA does not just focus on operation toward business's stability only, but we are also conscious of the need to return to society and environment with a strong emphasis on advancement of sustainability in society and environment across all dimensions. We aim to build a safe, livable, and joyful community. The Company has set a goal towards net zero emissions organization by 2050. This is to ensure that TOA is strongly committed to acting for social and environmental sustainability as well as participating in mitigating the effects from environmental devastation, in accordance with the framework of National Energy Plan with the purpose to determine policies and goals to promote Thailand towards clean energy, reduction of carbon dioxide emission, and net zero emission by 2065 – 2070.

TOA Net Zero approach

TOA drives the greenhouse gas emissions reduction to Net Zero with the following main strategies:

1. **Implementation on greenhouse gas emissions reduction** that focuses on improving operational efficiency and adjustments for better, by developing innovation and technology for efficient resource management, designing products and services that are sustainable and environmentally friendly, reducing waste through resources or materials recycles.
2. **Implementation to absorb greenhouse gases** or increase carbon credits such as reforestation activities.

Target

The Company aims to reduce greenhouse gas emissions from internal operations as follows:

1. Reduce greenhouse gas emissions at least 20% by 2025, compared to the base year 2021.
2. Zero net greenhouse gas emissions by 2050

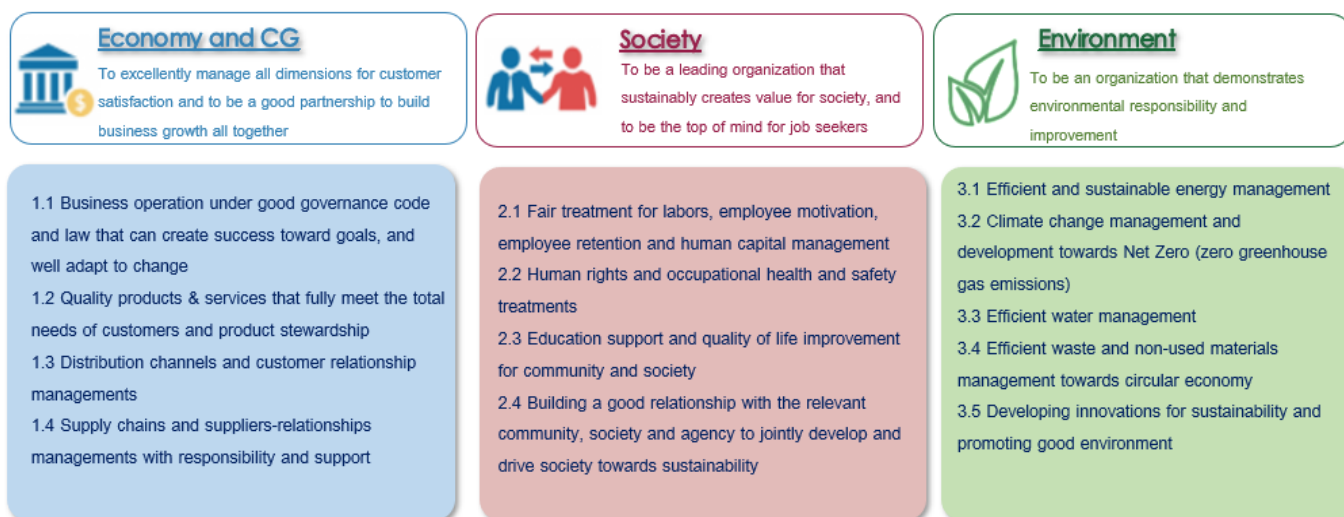
3.1 Policy, Target, and Performance on sustainability

3.1.1 Corporate Sustainability Framework

The Company is committed to operating its business with the responsibility for various impacts caused by its business operations throughout the supply chain, with the purpose to promote 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 aligning with three dimension in operation namely, Governance and Economic Dimension, Social Dimension, and Environmental Dimension to achieve Good Corporate Governance.

3.1.2 Sustainability vision

“To be a leader in the paint industry and construction in ASEAN by offering integrated products and services, creating business’ stability and sustainability as well as participating in creating better environment and society” under the following three-dimensional framework namely:



3.1.3 CSR Governance Structure

















The Company has appointed the **Governance and Sustainability Committee**, chaired by Chief Executive Officer (CEO). The committee consists of senior executives and executives of each business. Furthermore, working groups have been appointed as follows:





















For the details of the responsibilities of the Governance and Sustainability Committee, please see on the Company's website: <https://investor.toagroup.com/storage/content/corporate-governance/20230309-toa-scope-sustainability-en.pdf>

3.1.4 Sustainability Development Targets and Performances 2022

KPI		Target 2022	Performances 2022
 <p>Governance</p> <p>Response to Sustainable Development Goals (SDGs)</p>    	Business Operation with Governance and Comply with Relevant Laws		
	 Number of significant corporate governance complaints (case per year)	0	0
	 Awareness raises among employees on code of conduct (percent)	>70	70
	 Awareness raises among employees about the personal data management	>70	75
	Product Stewardship		
	 Decrease of complaint regarding quality from customers (percent)	>20	37
	 Response to complaint within 24 hours (percent)	100	100
	 Satisfaction score towards complaint management	>90	91
	Distribution Channels and Customer Relationship Managements		
	 Average satisfaction score	90	91
	Supply Chains and Suppliers-relationships Managements		
	 Suppliers' assessment (percent)	>50	65

KPI		Target 2022	Performances 2022
 <p>Employees, communities, and society</p> <p>Response to Sustainable Development Goals (SDGs)</p>      	Fair Treatment for Labors, Employee Motivation, Employee Retention and Human Capital Management		
	 Number of significant labor disputes	0	0
	 Average training hours of employees	6	7.12
	 Employees' engagement towards organization (percent)	>75	80
	 Successful rate of employees' development according to annual plan (percent)	100	97
	Human Rights and Occupational Health and Safety Treatments		
	 Number of significant complaints against human right	0	0
	 Total Injury Frequency Rate (TIFR)	0	0.22
	 Lost Time Injury Frequency Rate (LTIFR)	0	0.09
	 Employment rate of handicapped person according to the law	100	100
	Education Support and Quality of Life Improvement for Community and Society		
	 Number of local communities benefitting from activities that sustainably promote and help society (percent)	>50	66.67

	KPI	Target 2022	Performances 2022
Building a Good Relationship with the Relevant Community, Society and Agency			
	 Number of significant complaints from communities	0	0
	 Stakeholders' satisfaction for activities that promote and help communities and societies (percent)	>80	87.46

	KPI	Target 2022	Performances 2022
 <p>Environment</p> <p>Response to Sustainable Development Goals (SDGs)</p>     	Energy Management		
	 Decrease in energy use from energy conservation measures (percent)	12	17.40
	 Decrease in electricity use per production unit (percent)	10	9.45
	Climate Change Management and Development towards Net Zero		
	 Decrease in the amount of refrigerant use (R410A) (percent)	10	9.78
	Water Management		
	 Decrease in water use from production process and utility system by recycling from base year 2021 (percent)	5	4.94
	 Decrease in water use from sanitary system from base year 2021 (percent)	7	2.73
	 Decrease in water use per production unit from base year 2021 (percent)	5	5.97
	Waste and Non-used Materials Management		
	 Increase in the number of recycled or reused hazardous waste from 2021 (percent)	5	1.68
	 Increase in the number of recycled or reused non-hazardous waste from 2021 (percent)	5	3.71
	Innovations Development for Sustainability and Environment Support for Sustainability		
	 Increase in revenue from Green Products in product portfolios per total revenue (percent)	20	22.4
	 Proportion of income from innovative products and value of cost reduction from improvement of all related processes (percent per revenues)	1	0.62
	 Number of cases or incidents violating laws or impacting the environment	0	0
	 Damage costs or fines from violating laws and environmental impact	0	0

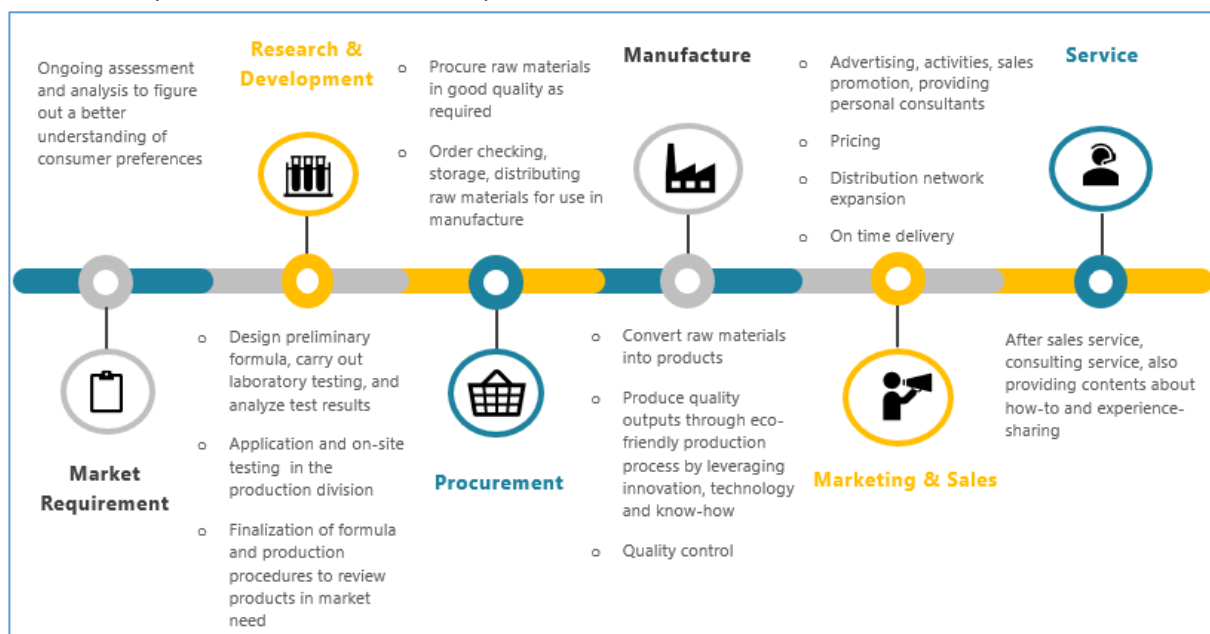
This Sustainability Report is annually prepared covering the Company's performance from 1st January to 31st December 2022 with the purpose to communicate its policies and management approach concerning

sustainable development and to disclose the sustainability performance, namely economic, social, and environmental aspects to its stakeholders.

3.2 Management of Potential Impacts on Stakeholders in Value Chain

3.2.1 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, 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:



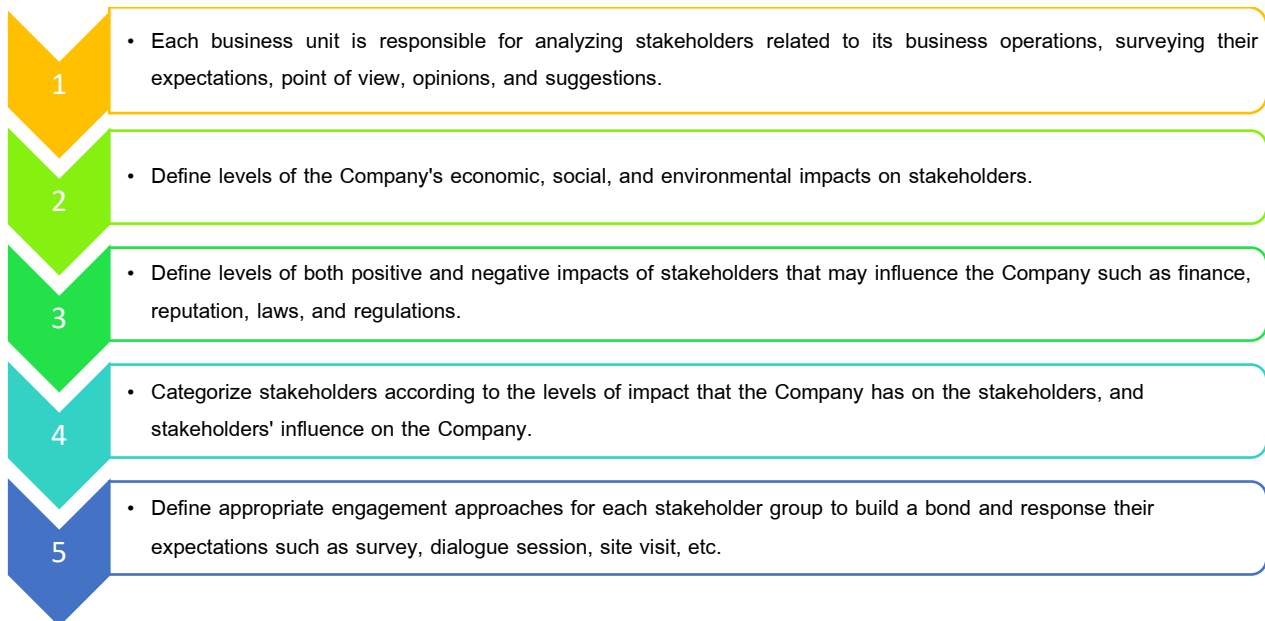
Elements of Supply Chain

Stakeholders in the supply chain	Employees	Customers	Partners or Raw material suppliers	Financial Institutes, Investors and Shareholders	Communities	NGOs and Government
1. Markets needs for each product	😊	😊				
2. Research & Development	😊	😊	😊			😊
3. Procurement	😊		😊			
4. Production	😊	😊	😊	😊	😊	😊
5. Marketing and Sales	😊	😊			😊	😊
6. Services	😊	😊				

3.2.2 Analysis of Stakeholders in Value Chain

➤ Guidelines for Stakeholder Engagement and Material Concerns

The Company operates its business with consideration to all groups of **"stakeholders"** involved in the Company's operations (value chain). In 2022, the Governance and Sustainability Committee has reviewed the categorization of the stakeholders into 6 groups namely, 1) employees, 2) customers, 3) partners or raw material suppliers, 4) financial institutes, investors, and shareholders, 5) communities, and 6) NGOS and governments. The Company has surveyed the needs, expectations, as well as suggestions from them and analyzed both potential positive and negative impacts. Afterwards, the Company has concluded the participation guidelines or the needs and expectations management of the stakeholders appropriately with the following procedures:



More details of stakeholders' needs and expectations, stakeholder engagement method & issues, and the participation of the Company towards the stakeholders in each group are disclosed in Sustainability Report 2022.

3.3 Economic and Governance Management

The Company believes that driving business towards sustainability should not only focus on profitability, but also should be responsible for stakeholders throughout the supply chain through social participation and economic value creation based on good corporate governance. The Company has managed economic and governance dimension according to four aspects as follow:

1. **Business operation under good governance code and law that can create success towards goals, and well adapt to change**
 - The Company adheres to operating business in line with good corporate governance, complying with the related laws, personal data protection, and anti-corruption acts. The above-mentioned issues are included in the code of conduct. All employees, executives and directors are educated

to accurately understand and comply with the regulations. Complaint and whistleblowing processes are also prepared as a channel for informing abnormal behavior or fraud. The information will be submitted to the Internal Audit Department to follow up and report to the Audit Committee and the Board of Directors.

- Operational and ESG risk management processes are prepared along with management procedures that emphasize on efficiency, effectiveness, and flexibility to adapt well to the changing business environment.

2. Quality products & services that fully meet the total needs of customers and product stewardship

- The Company considers the maximum satisfaction of customers and consumers with the focus on developing innovative products that enhance living standards, good for health and environmentally friendly. We've presented the business model named "Total Solution" providing paint products, total construction chemicals, and building materials. We've also developed sales and service channels such as a house painting design service named "TOA Ide@Color", a protection and solution center for leaks and cracks named "Protect & Repair Center", a construction materials and one-stop service center named "MEGA PAINT & HOME", a construction materials store, mechanic tools, electrical tools, plumbing tools, hardware, as well as paint and chemicals products in a complete range of modern retail named "FIX and BUILD" and the new standard service named "WHO Service" to provide mechanic services with credible and standardized construction contractors.
- The Company advances the services for customers by providing a direct customers relations call, and specialized team for consultations, as well as channels to receive complaints or suggestions from customers about products and services.
- The Company implements IT System to improve customers services channels such as E-Ordering System, and publishing of products information on Company's website and other medias.

3. Distribution channels and customers relationship management

The Company emphasizes on creating comprehensive and strong distribution channels as well as strategically maintaining good relationships and collaborating with customers through the following operations:

■ Business-to-customers relationship management (B2C)

The Company is committed to products and services' quality as well as takes responsibility for customers. At the same time, we've created innovations to meet customer needs along with services that help raise awareness and create inspiration for our customers such as integrated marketing communication, TOA Call Service: Tel. 02-335-5777, Ide@color Service.

■ Business-to-business relationship management (B2B)

- Providing the solution to advance the store management and services standards for retailers and create inspiration for contractors, and houses' owners such as "Mega Paint Warehouse" model which is the one-stop-services solution for construction materials services from TOA, and FIX & BUILD franchise model which is the total solution of construction materials for contractors
- Regularly exchanging knowledges and working with every group of customers to develop products or innovation, collaborating to creating the right information and understanding of products and services, industrial trend through various activities provided by the Company
- Advancing the quality and service standards to achieve the maximum efficiency and satisfaction for business customers (SLA: Service Level Agreement) and regularly surveying opinions and satisfaction of all customer groups as well as placing importance on the opinions or suggestions of all groups of customers to analyze and improve the services and products efficiencies for maximum customer satisfaction

4. Supply chains and supplier relationship management with responsibility and support

The Company places importance on suppliers' management under good corporate governance and sustainability through fair and transparent purchasing and procurement. We comply with the policy and standards of products, services, relevant laws, the monitoring of supplier assessment results, and the review of vender list database.

Performance on Economic and Governance Management

- 1) In 2022, there was no significant complaint relevant to governance.
- 2) The number of employees trained and assessed for their knowledge and understanding after the training for courses on business ethics and anti-corruption, and personal data protection represented 70% and 75% respectively. The training was provided through e-learning in HR cloud system, with the target of more than 70%. The objective is to create right understanding and implementation.
- 3) The Company has developed a process for responding and solving complaints to quickly respond to customers and satisfy them. In 2022, the Company has reduced the number of complaints regarding the quality of the Company's products and services, representing 37% from the target of more than 20%. The satisfaction score on complaints represents 91% and the ratio of responses to customer complaints within 24 hours represents 100%.
- 4) In 2022, the Company conducted customer satisfaction surveys in all 4 channels, namely retail sales, modern trade, project customers, and general consumers. The average score of all 4 channels was 91% from the target of more than 90%.
- 5) The Company has prepared and announced a code of conduct for supplier. The procurement division has communicated this issue to suppliers for acknowledgement of the guidelines and to sign on a code of conduct.

- 6) In 2022, the Company has assessed the performance and summarized the evaluation of suppliers covering aspects of quality occupational safety, health and environment. 226 of 348 suppliers were already assessed, representing 65% of all suppliers. The procurement division has notified the results of the assessment to all partners for acknowledgment in order to improve and develop further performance. Furthermore, there are 7 new suppliers increasing from 2021; already passing the screening and the environmental criteria, accounting for 100%.

3.4 Employees, Communities, and Society Management

For the management of employees, communities, and society dimension, the Company has operated the matters according to the sustainability development in four aspects as follows:

1. Fair treatment for labors, employee motivation, employee retention and human capital management

The Company understands that human capital is at the heart of enhancing the Company's success and growth. Therefore, the human capital management system is prioritized with proper recruitment and employment processes, fair treatment, employee motivation and career growth, attractive and competitive compensation and welfares, employee engagement, potential and skill developments for the role in accordance with organizational strategy, the preparation of succession plan for executives and other significant roles. Moreover, the executives regularly communicate the organizational strategy and direction to all employees and are open to their opinions and suggestions to further improve and develop the work as well as other suggestions. These issues are taken into account when preparing the operation plan to increase the satisfaction and engagement of employees.

2. Human rights and occupational health and safety treatments

The Company places importance on basic human rights and equality. We are open to all genders without any discrimination for career growth towards executives' roles. Furthermore, we also provide safe environment working places, and trainings regarding the accident prevention for employees as well as facilitate them with some essential factors amid the outbreak of COVID-19 pandemic, supporting and caring for the disabled people such as employing and supporting disabled sportsmen, and preparation of market for disabled people.

3. Education support and quality of life improvement for community and society

The Company believes that sustainable growth comes along with the national society and economic growth. Therefore, the Company has operated many projects to support education and improve quality of life for community and society, public service activities, and providing support for people who have suffered from various disasters.

In addition, the Company places importance to the implementation of community development projects in the radius of 5 kilometers. We focus on the promotion of vocational skills, supporting the well-being and environment of the community by considering the needs and necessities of people in the community.

4. Building good relationships with relevant community, society, and agency to jointly develop and drive society towards sustainability

The Company intends to build good relationships with communities, society, and relevant agencies. Therefore, we have provided communication channels and agencies responsible for coordinating between each sector and listening to their opinions and needs. We also comply with the policies of the government sector or relevant agencies to perfectly response or support community, society, and relevant agencies. Furthermore, the Company collaborates and exchanges information, knowledge, and technology with them. We believe that trust and support from every agency will drive the Company towards sustainable growth.

Performance on Employees, Communities, and Society Management

- 1) In 2022, there were no significant labor dispute.
- 2) Employee development according to the annual training plan was categorized as necessary in the organization, namely management category and category directly related to roles and duties. There were 30 internal training courses, 76 classes, and 67 external training courses. The average training hours per person was 7.12 hours, representing operational, supervisor, and management levels. The result was higher than the target of 6 hours per person. Furthermore, the Company was able to complete the annual training courses, representing 97% of the target.



- 3) In 2022, the Company has conducted Employee Engagement Survey (EES) to hear employees' opinions and suggestions. The engagement score was 80% from the target of at least 75%. Human Resource Development Department has analyzed the scores and employees' suggestions to determine guideline to further improve their satisfaction and engagement.
- 4) There was no significant complaint regarding human rights and the employment and support of disabled people were in accordance with the requirements of the law.



- 5) The Company has conducted CSR activities representing 66.67% of total communities within the 5-kilometer radius around Bangna and Samrong factories.
- 6) For the prevention and control of accidents, the total occupational accident frequency rate per 1 million working hours (TIFR) was 0.22, and the lost-time accident frequency rate per 1 million working hours (LTIFR) was 0.09. However, the Company is committed to reduce the accident rate to 0.
- 7) In 2022, there was no significant complaint from the community.
- 8) The Company has implemented projects to alleviate people's troubles from disaster and the spread of COVID-19 through the TOA project named "Together, we get through" and other public service activities and charitable projects. The purpose was to help raise the level of education and well-being of the community and society by focusing on projects that meet the needs of communities and society. Therefore, the Company has assessed the satisfaction of those involved in the implementation of community development projects. The satisfaction score of stakeholders in community and social development projects was 87.46%, exceeding the target of more than 80%.



TOA donated money to Chulalongkorn Hospital



TOA together with the Provincial Police Region 1 donated survival bags to help flood victims in Ang Thong Province.



TOA provided scholarships to underprivileged students in Nakhonsawan province.



TOA donated decorative paints to the 1st division, King's Guard.

Furthermore, the Company has also encouraged and supported employees and various clubs to implement CSR projects and activities for the public benefit of the community and society as well as take care of the environment.



TOA volunteers donated survival bags to help with the flood in Bang Ban district, Ayutthaya province.



TOA volunteers participated in planting forests and creating green spaces in Phetchabun province to continue the project named "Conserving Water, Conserving Forests, Preserving the Land". " in honor



TOA Samrong Factory in collaboration with TOA Kitchen Garden Club organized a CSR activity named "TOA Sharing Happiness; we share, you shine. "



The Second to None club from TOA donated air conditioners to the Rangsit Babies' Home and contributed money for charitableness through the Mae Lee Kim Kiao by the income from sales and auction activities from employees and executives in the Company.

3.5 Environmental Management

The Company recognizes the significance of improving the economy along with environmental conservation for sustainable development. Our environmental management is in accordance with the environmental law, and international standard for Green Industry and Environment. We also create organizational culture for all employees through environmental awareness and conscience for a better environment, both for its operation and their daily lives.

The Company has operated the environmental management in accordance with the following five aspects.

1. **Efficient and sustainable energy management:** The Company is committed to reducing energy use through energy conservation measure and the use of alternative energy instead of fossils.
2. **Climate change management and development towards Net Zero (zero greenhouse gas emission):**
The Company set the target towards Net Zero Greenhouse Gas Emission within 2050 by reducing greenhouse gas scope 1 & 2 generated from its operation through energy conservation measure, the use of alternative energy instead of fossil energy, the use of technology that increases efficiency and reduces environmental impact and other measures along with activities to absorb greenhouse gases and maintain biodiversity such as reforestation.

3. **Efficient water management:** The Company focuses on reducing water in production, utility, and sanitary processes by treating and reusing wastewater as well as implementing technology to help reduce water use, monitor, and solve water leakages problem.
4. **Efficient waste and non-used materials management towards circular economy:** The Company manages waste into 3 categories, namely, municipal waste, general waste, and chemical waste for proper management. Waste and non-used materials reduction were managed according to the 3Rs (Re-use/ Reduce/ Recycle) principle, along with efficient use of resources to reduce waste from production, proper control and management of hazardous waste, promoting and creating of right knowledge of waste separation among employees.

Moreover, the Company has also managed air pollution to prevent the impact of dust and pollution in the air released from the Company. We focus on proactive air-pollution prevention strategies and prevention from its source.

5. **Developing innovations for sustainability and promoting good environment:**

- The Company places importance on compliance with environmental requirements and takes it as priority in business operation. The Company has announced an environmental policy that strictly focuses on compliance with laws and regulations including adopting the international guidelines to be applied within the organization to reduce environmental impact.
- The Company is the leader in the industry for the development of outstanding innovative products, safe and good for the environment throughout the Company's business operations. Not only this helps create our competitive advantage in the market, it also inspires homeowners to choose products that are good for the environment as well.

Moreover, the Company has also developed innovative production processes and operations to maximize the utilization of resources and reduce environmental impact.

Performance on Environmental Management

- 1) In 2022, the Company has reduced the energy use for 2,722,782 kW-h/year, representing 17.40% which exceeds the target of 12%. A decrease in electricity use per production unit for is 9.45%, below the target of 10% due to energy conservative measure such as the installation of Solar Rooftop, VSD Air – to increase the efficiency of compressed air, Generator Hybrid (Oil Paint Factory area) – to increase the quality of electricity use, and the improvement of microbiological culture and wastewater systems to reduce the use of compressed air.
- 2) In 2022, the Company has reduced carbon emission through the reduction of refrigerant use (R410) for 90.4 Kg or equal to 173.8 TonCO₂e, representing 9.78% in line with the target of 10%. The Company also registered the carbon footprint of the organization (CFO) and the carbon footprint of the product (CFP) for totally 182 items.

In addition, the Company initiated the TOA Volunteers for Reforestation Project by joining with Wangthadi Subdistrict Administrative Organization, Nong Phai district, Phetchabun province. The Company has jointly

planted flowers, ornamental plants, and perennial plants to create green space for Khlong Lam Kong Reservoir, an important watershed in the project named "Conserving Water, Conserving Forests, Preserving the Land", in Her Majesty Queen Sirikit, the Queen Mother on the auspicious occasion of the 90th birthday anniversary.

- 3) In 2022, the Company has reduced water use in production and utility systems through recycling for 4,878 m³, representing 4.94% from the target of 5%, reduced water use in sanitary system for 1,583 m³, representing 2.73% from the target of 7%, and reduced water use per production unit for 0.003526 m³ per gallon, representing 5.97% from the target of 5%. The method is treating wastewater in production and sanitary processes. After that, we reuse treated wastewater in fire protection system and cleaning. We have also implemented technology for monitoring instruments to figure error, resolve the damaged floor or leaking pipe, and water system to help with overflow problem.
- 4) In 2022, the Company has reduced hazardous and non-hazardous wastes for 20.77 tons or 1.68% and 12.631 tons or 3.71%, respectively. The operations proceeded were recycling wastes such as contaminated bags, spray cans, and lamps instead of burying them, separating pallet woods for reusing and recycling.
- 5) In 2022, the Company has increased the proportion of Green products by considering products certified by LEED V.4, accounting for 22.4% of sales which exceeds the target of 20%.



- 6) The proportion of income from innovative products measured from NPD products launched to the market from 2020 - 2022 and the cost reduction from all related process improvements (percent per sales) is totally 105.27 million baht, representing 0.62%
- 7) In 2022, there was no case of violating laws or creating environmental impacts. Furthermore, there was no damages costs or fines for violating environmental laws.

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:	<p>Headquarters</p> <p>Telephone: (+662) 335-5555</p> <p>Fax: (+662) 312-8919</p> <p>Email: contact@toagroup.com</p> <p>Company Secretary & Investor Relations</p> <p>Telephone: (+662) 335-5555 ext. 5875, 1581, 1520</p> <p>Email: companysecretary@toagroup.com, ir@toagroup.com</p>

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, 2022)

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.), Phacha Enterprise Co., Ltd., Phawatri Intertrade Co., Ltd., Incosource Co., Ltd., Gypmantech Co., Ltd., Fast-Mix 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, 2022, the Company and its subsidiaries had THB4,760 million of bank over draft and short-term loans from financial institutions, of which THB154 million was outstanding, and the rate of interest on outstanding short-term indebtedness ranged between 3.00% and 4.85%, including Captain Coating Co., Ltd.'s promissory notes that are secured by its land, buildings and machinery.

4.4 Legal Disputes

As of 31 December 2022, 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



METAL EXPERT



TOA WOOD EXPERT
ผู้เชี่ยวชาญผลิตภัณฑ์ไม้ครบวงจร

Full application system Expert



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 construction chemicals 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".

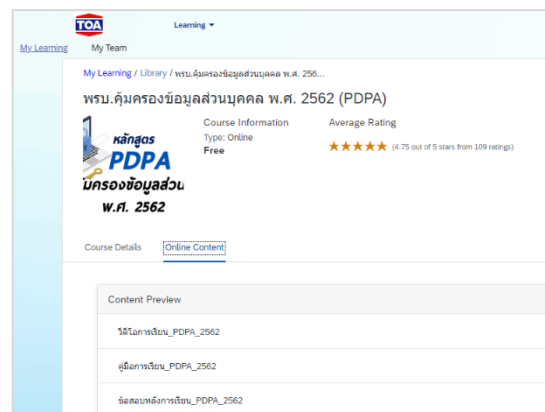
5.3 CG-related outcomes and development in the previous year

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 2022 is summarized as follows:

- 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).
- In BOD Meeting No. 5/2022 on July 12, 2022, the personal data protection policy and privacy notice for the stakeholders were approved, effective from June 1, 2022 onwards. The Company recognizes the importance of personal data protection and is committed to protecting personal information of all related parties, customers, employees, partners, etc., The Company has announced a privacy policy on the Company's website. The operation framework is in line with Personal Data Protection Act B.E. 2562. Furthermore, there are disseminating and training on Personal Data Protection Act through HR Cloud system. All employees are required to attend the training for the data protection policy according to the Personal Data personal information of customers and stakeholders. In addition, Miss Nantarak Chuaypitak was appointed as a Data Protection Officer (DPO) to be responsible for and oversee this matter.



Please see the full version of **Privacy Policy** at <https://www.toagroup.com/en/privacy-policy>

- The Board of Directors' Meeting No. 1/2023 resolved to appoint Mr. Veerasak Kositpaisal as the Lead Independent Director according to good corporate governance guidelines in case that the Chairman is not an independent director. The roles and responsibilities of the Lead Independent Director are also defined in order to set a clear framework.

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 2022, 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 lead 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 & Sustainability (board level)

The Board of Directors has appointed the Risk Management Committee which is chaired by Mr. Jatuphat Tangkaravakoon, director / 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.

In addition, the Board of Directors has appointed the Governance and Sustainability Committee, which is chaired by a director, Mr. Jatuphat Tangkaravakoon, to coordinate with working groups to advance governance and sustainable development, and report to the Board of Directors.

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.

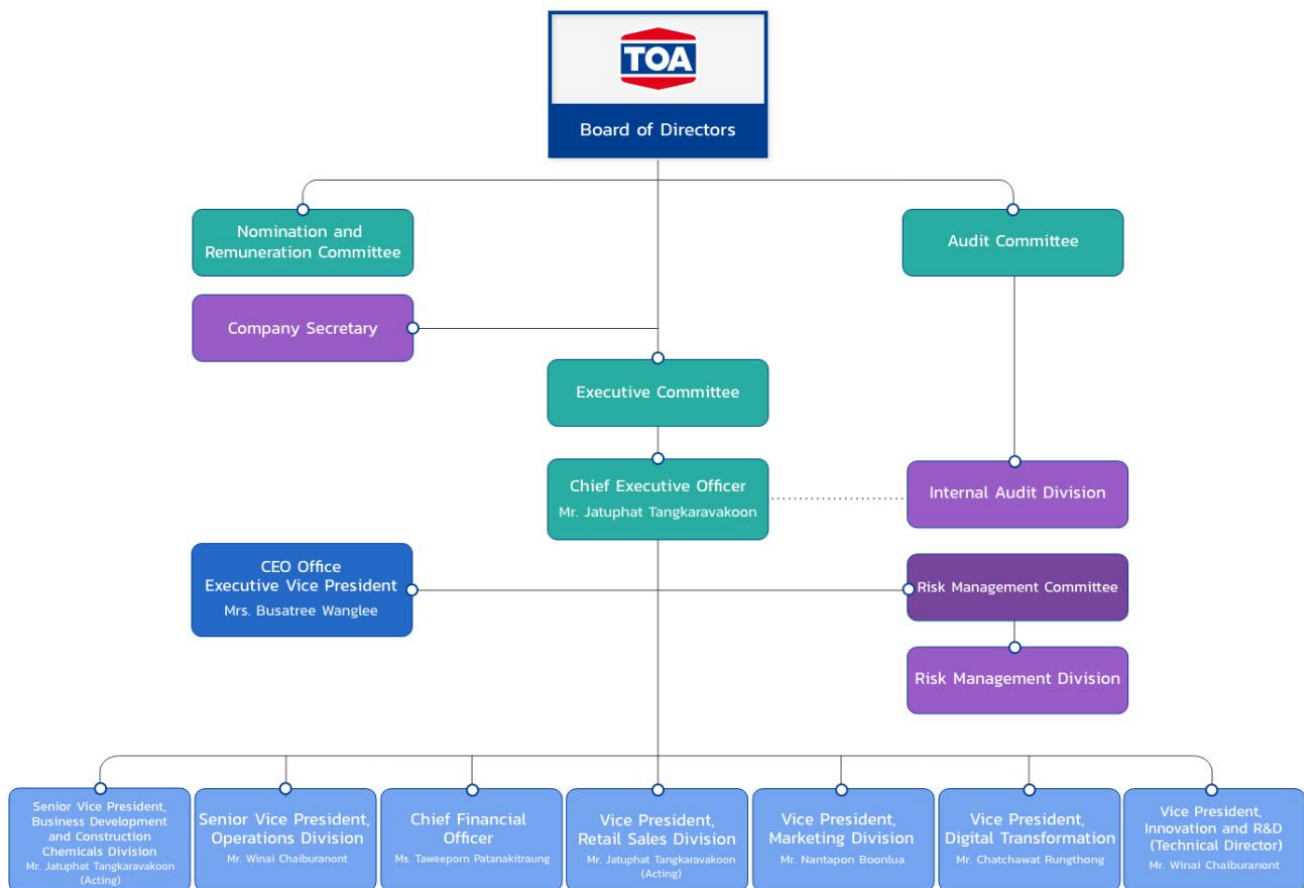
5.3.3 Other compliance

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 January 1, 2023



6.2 Board of Directors

6.2.1 Composition of the Board of Directors

- 1) The Board of Directors must comprise at least five (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 one-third (1/3) of the entire board but not less than 3 persons.
- 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 two (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, professional skill, , 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 three to five (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 three (3) directors who know the Company's industry or nature, and at least one (1) director or one-third (1/3) of such number must be a non-executive director including at least one (1) director who possesses knowledge of accounting and finance.

As at December 31, 2022, the Board of Directors consisted of 9 directors. 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

Name	Position	Remark
8. Mrs. Chanatip 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 a lead 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.

In addition, as of December 31, 2022, the Board of Directors consists of 9 members, representing 4 female directors and 5 male directors. The ratio of female directors to male directors is 4:5 or the female directors represents 44% of all directors.

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 be qualified and 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 or criteria prescribed by Securities and Exchange Commission.

- 2) The Board of Directors comprises qualified directors with knowledge and experience from diversified professions which are beneficial to business operation as well as determination and morality.
- 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. (except Company's subsidiaries and Sherwood Chemicals Public Company Limited, which operates the business of manufacturing and distributing of decorative paint and coating products, construction chemicals products and general woodworking tools and industrial products for general customers with the competitive trait against the Company ("Paint and coating products for general customers business") (whether directly or indirectly) and if so, the Board of Directors will take actions as it deems appropriate to manage such interests.
- 4) The Board of Directors can distribute sufficient time to discharge its duties and responsibilities effectively.
- 5) The directors should hold positions not more than in five (5) listed companies for them to perform their duties effectively and can dedicate sufficient time to perform duties as a director.

2. Scope of Duties and Responsibilities

Regarding the Board of Directors' Meeting No. 1/2023 on January 24, 2023, 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, mission, 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, and provide a proper assessment process of the Company of the internal control system and subsidiaries regularly.
- 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 one (1) time a year.
- 9) Establish 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, and 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 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 reports 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 and Company Secretary, as well as determine the remuneration for the 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 and related transactions 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 four (4) months after the end of the Company's fiscal year.
- 24) Hold the Board of Directors' meeting at least once every three (3) 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.

The Board of Directors can authorize and/or assign other persons to perform specific tasks on their behalf by authorization or sub-delegation. Such action shall be within the scope of authorization according to the power of attorney provided and/or and following the rules, regulations, or orders of the Board of Director and/or the Company. The assignment of authority and responsibility of the Board of Directors is not characterized as authorization or sub-delegation that the Board of Directors or an authorized person can approve transactions that they or persons may have conflicts of interest, (according to the definition announced by the Securities and Exchange Commission and/or the Capital Market Supervisory Board and/or the Stock Exchange of Thailand and/or relevant authorities), be stakeholders, benefit in any manner, or have any other conflicts of interest with the Company or of the Company's subsidiaries. Except that it is an approval of transactions that complies with the policy and

criteria approved by the shareholders' meeting, or the Board of Directors and it was the approval of a transaction that was in line with normal business and normal trade conditions. Furthermore, it must be in accordance with the announcement of the Securities and Exchange Commission and/or the announcement of the Capital Market Supervisory Board and/or the Stock Exchange of Thailand and/or related agencies.

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, (3) the Executive Committee, (4) Governance and Sustainability Committee and 5) Risk Management 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 Audit Committee must be able to directly contact the external auditors, internal audits, and the management of the Company' groups. The Audit Committee or the Board of Director shall appoint 1 member of the Audit Committee as the Chairman of the Audit Committee. 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. Chanatip 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 may vacate office for the following reasons:

- (a) No longer being a director of the Company;
- (b) The term of office has expired;
- (c) Dead;
- (d) Resign;
- (e) Being withdrawn.

In this regard, in the event that the Audit Committee resigns before the end of their tenure, the Audit Committee must notify the Company at least 1 month in advance with reasons for the Board of Directors or the shareholders' meeting to consider and appoint other fully qualified directors to replace those who have resigned.

The Audit Committee considers and appoints the head of the internal audit division 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. 1/2023 on January 24, 2023, 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 the risk management to be appropriate and effective system as well as evaluate sufficiency and appropriateness in aspects of taking into account the risk factors in strategic management for sustainable growth. Also, monitor the risk management results and evaluate the risk management from the Risk Management Committee;
- 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 as well as review the conclusion of complaints, whistle-blowing of corruption, and determine the preventive measures;
- 13) Review the operational processes to be in line with the anti-corruption policy/measures as well as the accuracy of references and self-assessment relating to the anti-corruption of the organization in accordance with the Private Sector Collective Action Coalition Against Corruption to ensure that the anti-corruption policy is sufficient and effective;
- 14) Consider using other services than auditing services from the same auditing firms.
- 15) When performing duties of the Audit Committee, if it is found or suspected that there is a transaction or action that may have a significant impact on the financial position and the performance of the Company, the Audit Committee shall report to the Board of Directors to make improvements within the time that the Audit Committee deems appropriate. The item types or actions that must be reported are the following topics:
 - Conflict of interest transactions
 - Corruption or abnormalities or significant defects in the internal control system
 - Violation of Securities and Exchange laws, Stock Exchange of Thailand regulations or laws related to the Company's business

If the Audit Committee has reported to the Board of Directors any significant impact on the financial position, results of operations and discussed with the Board of Directors and executives that it needs to be corrected. At the end of the time set together, if the Audit Committee finds such corrective actions are ignored without good reason, one of the members of the Audit Committee may report such findings to the Securities and Exchange Commission and/or the Stock Exchange of Thailand.

- 16) Review and propose the amendment of the Audit Committee Charter as deemed appropriate at least once a year;
- 17) 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;
- 18) 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;
- 19) Carry out other duties as assigned by the Board of Directors with the consent of the Audit Committee.

As performing the duties mentioned above, the Audit Committee is directly responsible to the Board of Directors, while the responsibilities for all activities of the Company towards third persons are still vested in the entire Board of Directors.

The Board of Directors has the authority to modify, change, define, and set qualifications of the independent directors, including the Audit Committee Charter in order to maintain consistency to the regulations of Securities and Exchange Commission, Stock Exchange of Thailand, Capital Market Supervisory Board, and/or other related laws.

4. Reporting

- (1) Prepare a report of Audit Committee with the signature of the Chairman of Audit Committee and disclose such report in the Annual Report.
- (2) Report the performance of the Audit Committee to the Board of Directors on at least a quarterly basis.
- (3) 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 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.

- (4) The Audit Committee report to the shareholders on the business operated during the year according to the duties and responsibilities assigned by the Board of Directors with the signature of the Chairman of Audit Committee and disclose such information in the Annual Report.

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. 1/2023 on January 24, 2023, 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, and Chief Executive Officer position. 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 directors and Chief Executive Officer;
- 5) Provide suggestions to the Board of Directors in order to consider and approve the following issues;
 - Nomination of Chief Executive Officer positions, 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 Chief Executive Officer,
 - Determination of goals and annual indicators for Chief Executive Officer.
- 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. 1/2023 on January 24, 2023, 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 use of the investment budget in accordance with the limit determined in the delegation of authority approved by the Board of Directors.
- (16) 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.
- (17) Evaluate the performance of the Board of Directors as a whole and the member of executive committee as individual to consider and review the performances, difficulties, or obstacles in each year. The purpose is to use such results to develop and improve performance in many aspects.

6.3.4 Governance and Sustainability Committee

The board of directors appointed Governance and Sustainability to drive improvements in corporate governance, sustainability and anti-corruption. The Committee is chaired by the director/chief executive officer with the executives from various departments as members of the committee.

For the scope, duties and responsibilities of Governance and Sustainability Committee, please see more information on the Company's website:

<https://investor.toagroup.com/storage/content/corporate-governance/20230309-toa-scope-sustainability-en.pdf>

6.3.5 Risk Management Committee

The board of directors appointed Risk Management Committee to provide risk management supervision of the organization to achieve business goals as well as build confidence and credibility in the Company's business operations. The Committee is chaired by the director/Chief Executive Officer with the executives from various departments as members of the committee.

For the scope, duties and responsibilities of Risk Management Committee, please see more information on the Company's website: <https://investor.toagroup.com/storage/content/corporate-governance/20230309-toa-scope-risk-management-en.pdf>

6.4 Management Team

6.4.1 Management Team

As at January 1, 2023, 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, Acting Senior Vice President, Business Development and Construction Chemicals Division, and Acting Vice President, Retail Sales Division
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 2022 held on April 25, 2022, a resolution approved the remuneration of directors in terms of monthly remuneration and meeting allowance for the year 2022 which was the same amount approved in 2021. 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, 2021, 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 as the previous year), totaling THB 7,911,801 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	1,112,597
▪ Vice Chairman	150,000	35,000	1,030,182
▪ Director	50,000	30,000	824,146
Sub-committees			
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, 2022

The total remuneration paid to 9 directors during the period from January 1, 2022 to December 31, 2022 was THB 25.76 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	2,760,000	-	-	960,000	1,112,597	4,832,597
2. Mrs. La-or Tangkaravakoon	Vice Chairman / Member of Executive Committee	2,115,000	-	-	960,000	1,030,182	4,105,182
3. Mr. Jatuphat Tangkaravakoon	Director / Chairman of Executive Committee / Member of Nomination and Remuneration Committee	870,000	-	90,000	1,680,000	824,146	3,464,146
4. Mr. Vonnarat Tangkaravakoon	Director / Member of Executive Committee	870,000	-	-	960,000	824,146	2,654,146

Name	Position	Board of Directors (THB)	Audit Committee (THB)	Nomination and Remuneration Committee (THB)	Executive Committee (THB)	Bonus (THB)	Directors' total remuneration (THB)
5. Mr. Nattavuth Tangkaravakoon	Director	840,000	-	-	-	824,146	1,664,146
6. Mrs. Busatree Wanglee	Director / Executive Director	840,000	-	-	960,000	824,146	2,624,146
7. Mrs. Prisana Praharnkhasuk	Director / Independent Director / Chairman of Audit Committee / Member of Nomination and Remuneration Committee	870,000	420,000	90,000	-	824,146	2,204,146
8. Mrs. Chanatip Weerasubpong	Director / Independent Director / Member of Audit Committee	870,000	360,000	-	-	824,146	2,054,146
9. Mr. Veerasak Kositpaisal	Director / Independent Director / Member of Audit Committee / Chairman of Nomination and Remuneration Committee	870,000	360,000	105,000	-	824,146	2,159,146
Total		10,905,000	285,000	1,140,000	5,520,000	7,911,801	25,761,801

Remark: The remuneration amount excludes the accrued bonus, subject to the 2022 operating results, amounting to THB 6.86 million which is going to be proposed at the 2023 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. The total amount allowed is equivalent to the previous year.

(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, as per the previous year. 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*

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 the organization towards sustainability in accordance with ESG principle, 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 58.6 million:

Remuneration	Amount in 2022 (THB Million)
	The management under SEC's definition: 7 ⁽¹⁾ Persons
Salary & Bonus	55.1
Provident Fund	0.8
Other Remuneration ⁽²⁾	2.7
Total	58.6

Remark: ⁽¹⁾ Remuneration for the management under SEC's definition including those who resigned during the year 2022.

⁽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 main categories: (1) Operation Business Unit, (2) Commercial Business Unit, and (3) CEO Office.

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 and OKRs under the balanced scorecard highlighting project-based and cross-functional project objectives consist of financial performance and non-financial performance such as stakeholder satisfaction, development of the internal process, sustainability development under ESG, 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, 2020, 2021, and 2022, the Company and its subsidiaries contributed THB 42.4 million, and THB 43.9 million, and THB 43.7 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 ² (THB Million)
	Operating Models			Total ¹	
	Operation	Business	Support		
2022	2,486	2,838	450	5,774	2,871.2
2021	2,117	2,626	363	5,106	2,522.2
2020	2,237	2,520	349	5,106	2,351.7

Remark: ¹Total employees means a total number of employees means permanent employees, excluding contract employees.

²Total remuneration includes salary, bonus, overtime pay, provident fund, and other remuneration (excluding the directors and management under SEC's definition).

In 2022, as of December 31, 2022, the proportion of employees participating in the provident fund compared to the total number of employees are as follows:

Company	Number of employees participating in the provident fund (person)	The proportion of employees participating in the provident fund (%)
The Company and subsidiaries	3,075	53.3

***Remarks:** At present, the provident funds have been established only for companies that operate in Thailand and Malaysia.

6.5.4 Major labor dispute in the last 3 years (2020- 2022)

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 Taweepon 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

Role and responsibility for Corporate Governance

1. Determine strategies for the Legal Department, corporate governance and compliance operations (such as business plans, budget plans, manpower plans) in accordance with relevant laws and regulations and in line with the direction and strategy of the organization.

2. Set goals and development plans, corporate governance and compliance operations with relevant laws and regulations as well as performance indicators with executives to be in line the direction of the organization.

3. Prepare criteria for performance evaluation, supervise, follow up and evaluate corporate governance performance in accordance with the specified objectives and performance indicators.

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

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, 2022, 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	2022	2021
1. PricewaterhouseCoopers ABAS Company Limited for the Company and subsidiaries (For fiscal years in 2021 and 2022, there were 8 subsidiaries.)		
- Audit Fee	8,286,482	7,098,975
- Non-Audit Fee	995,203	1,036,722
2. Other audit firms for subsidiaries (For fiscal years in 2021 and 2022, there were 7 subsidiaries and 11 subsidiaries, respectively.)		
- Audit Fee	989,195	643,283
- Non-Audit Fee	54,092	-

Company	2022	2021
Total Audit Fee	9,275,677	7,742,257
Total Non-Audit Fee	1,049,295	1,036,722

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 (CG Code) for listed companies 2017 by the Securities and Exchange Commission (SEC), consisting of 8 principles. 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 2022 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 2022. The Company was 1 of 296 listed companies that received excellent recognition from total 750 listed companies submitting their CGR checklists. This assessment was organized by the Thai Institute of Directors (IOD) under the support of the Stock Exchange of Thailand.

ASEAN Asset Class PLCs Award

The Company received ASEAN Asset Class PLCs Awards, which is the reward for listed company with the score from 97.50 onwards in ASEAN CG Scorecard Event 2021. This award was supported by ASEAN Capital Markets Forum (ACMF) and Asian Development Bank (ADB). The Company is 1 of 76 Thai listed companies receiving the award from total 234 companies in ASEAN receiving this award.

➤ 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.

The Board of Directors has regularly reviewed the vision and mission of the Company to improve them to be in line with future business goals and strategies. Also, there is monitoring to ensure that the strategy is implemented along with the following up on the performance of the management on a regular basis. The operating results are reported in BOD meetings quarterly.

In the previous year, BOD meeting No. 1/2023 on January 24, 2023 reviewed the vision, mission, and organizational core values to be in line with the goals and business strategies of the Company.

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 of 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 of 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. 1/2023 on January 24, 2023, 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 2022, 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.

In the previous year, the management proposed to the Board of Directors to consider and endorse the review of the vision, mission, strategy, and goals focusing on the growth in total paint and coating and construction materials businesses. The Company has expanded into the business more than decorative paint and coating to strengthen and grow the business in the long run, such as the growth in the group of construction chemicals and construction materials, for example, gypsum board, ceramic tiles, and hardware. The Company has placed an emphasis on product innovation that meets customer needs, enhances safety and convenience of living. Furthermore, the product is also environmentally friendly. We have also offered services or solutions to provide total customer service by developing online service platform called "WHO SEVICE" and store models called "FIX&BUILD" and "MEGA PAINT&HOME" that can display the Company's products, and suggestion on how to use the products to customers.

In addition, the management reports operating results and progress in various aspects to the Executive Committee and the Board of Directors to acknowledge and provide useful opinions to the management, especially in terms of financial goals and plans to follow the strategy set at least once a quarter.

➤ **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 1 independent director as a lead 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.

Roles, Duties, and Responsibilities of Lead Independent Director

1. Participate with Chairman of the Board and Chief Executive Officer to set the agendas for BOD meeting.
2. Preside over the BOD meeting in case the Chairman of the Board or Vice Chairman cannot attend the meeting and lead the selection process for new Chairman of the Board when the tenure of the current Chairman ends.
3. Perform duties on behalf of the Chairman of the Board when asking for opinions from other directors, especially for the sensitive, confidential matters and may have some conflict of interest with the Chairman of the Board.
4. Represent other independent directors to discuss with the Chairman of the Board/ Chief Executive Officer/ the management in important matter as deemed appropriate.
5. Coordinate among the Board of Directors for right understanding and strengthen the relationship between the Chairman and the Chief Executive Officer to be appropriate.
6. Be the medium to coordinate between shareholder who displays the intention to discuss or inquires any matter from the Board of the Director in case the matter cannot be directly inquired from the Chairman of the Board or inappropriate to inquire through the prepared channel.
7. Summon the independent directors' meetings and set meeting agendas to discuss or seek opinions from independent directors or as deemed appropriate as well as inform the results to the Chairman of the Board/ Chief Executive Officer.

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, and reviewed such charter of each committee at least once a year.

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 Company has established the **Board Skills Matrix** to be used in consideration of 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	/	/	/	/	/				/	/	/		/	/
Total	9	9	9	7	5	3	3	3	3	1	8	1	2	3

- 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 lead 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 2022 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 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 Lead 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. In case the Chairman fails to comply with paragraph two, the requesting directors may jointly summon and determine a meeting of the Board of Directors

to consider the requested matter within fourteen (14) days from the date of expiration of the period of fourteen (14) days.

In case that the Chairman is absent for any reason, the Vice-Chairman shall be the person who summons a meeting of the Board of Directors. In case that the Vice Chairman is absent for any reason, two (2) or more directors may jointly call a meeting of the Board of Directors.

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 of 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 2022

Name	Number of Meeting Attendance 2022											
	AGM		Board of Directors				Audit Committee		Nomination & Remuneration Committee		Executive Committee	
	Amount	%	Amount (Total)	Physical	E-meeting	%	Amount	%	Amount	%	Amount	%
1. Mr. Prachak Tangkaravakoon	1/1	100	9/9	9/9	-	100	-	-	-	-	12/12	100
2. Mrs. La-or Tangkaravakoon	0/1 ¹	0	9/9	6/9	3/9	100	-	-	-	-	12/12	100
3. Mr. Vonnarat Tangkaravakoon	1/1	100	9/9	9/9	-	100	-	-	-	-	12/12	100
4. Mr. Jatuphat Tangkaravakoon	1/1	100	9/9	-	9/9	100	-	-	3/3	100	12/12	100
5. Mr. Nattavuth Tangkaravakoon	1/1	100	8/9 ²	-	8/9	88.8	-	-	-	-	-	-
6. Mrs. Busatree Wanglee	1/1	100	8/9 ³	2/9	6/9	88.8	-	-	-	-	12/12	100
7. Mrs. Prisana Praharnkhasuk	1/1	100	9/9	-	9/9	100	12/12	100	3/3	100	-	-
8. Mrs. Chanatip Weerasubpong	1/1	100	9/9	-	9/9	100	12/12	100	-	-	-	-
9. Mr. Veerasak Kositpaisal	1/1	100	9/9	-	9/9	100	12/12	100	3/3	100	-	-
10. Ms. Taweepon Patanakitraung	1/1	100	9/9	9/9	-	100	-	-	-	-	12/12	100

Remark: ¹ Mrs. La-or Tangkaravakoon was unable to attend Annual General Meeting of Shareholders 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.

² Mr. 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.

³ Mrs. Busatree Wanglee 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' 2022 performance. Accordingly, the non-executive directors held 1 meeting at the Board of Directors' Meeting No. 1/2023 on January 24, 2023. After such a meeting, the results were reported to the Board of Directors.

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 24, 2023	7	July 11, 2023
2	February 27, 2023	8	August 15, 2023
3	March 21, 2023	9	September 12, 2023
4	April 19, 2023	10	October 18, 2023
5	May 12, 2023	11	November 14, 2023
6	June 20, 2023	12	December 12, 2023

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

1. 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.
2. 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 in the manner 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 set the delegation of authority for the subsidiaries which determines the money amount that the executives of the subsidiaries can approve in accordance with the type and size of the company to ensure that the business operation is conducted effectively, proceeded with proper internal control system 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 top executives 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. The delegation of authority is reviewed yearly or as appropriate.

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 to further improve and strengthen the efficiency of the operation in the next year as well as consider 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. 4/2022 on November 11, 2022, and then finally approved by the Board of Directors' Meeting No. 9/2022 on November 14, 2022. 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
 - Annual 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. 9/2022 on November 14, 2022, 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; namely, Audit Committee, Nomination and Remuneration Committee, and Executives Committee

- (1) Structure and qualifications suitable for supporting a sub-committee's activities effectively
- (2) Sub-committee meetings are conducted effectively to support Board of Directors' operation
- (3) The duties and responsibilities of a sub-committee gives priority and devotes sufficient time to consider, review, and conduct.
- (4) Report of Committees

3. Board self-assessment on an individual basis:

- (1) Structure and qualifications of the Board of Directors;
- (2) Preparedness for the duties;
- (3) The participations in the Board of Directors' meetings;
- (4) Roles, duties, and responsibilities of the Board of Directors;
- (5) The relationships with the directors and management

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 considered whether the operation is in line with the scope of duties or not, and shall use such results to further strengthen the operation efficiency for the next year.

The 2022 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	97.78	98.85
2. Audit Committee	98.58	96.06
3. Nomination and Remuneration Committee	99.40	99.40
4. Executive Committee	99.48	99.48

Regarding the Nomination and Remuneration Committee's Meeting No. 1/2023 on January 23, 2023, 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. 1/2023 on January 24, 2023. 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.

For the director development plan, please see more details on the Company's website: <https://investor.toagroup.com/storage/content/corporate-governance/20220614-toa-director-development-plan-en.pdf>.

In 2022, there was no newly appointed director.

Directors' Training Sessions Conducted by the Thai Institute of Directors (IOD)

Courses Name	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

At present, The directors attending training courses related to the performance of duties as directors, Director Certification Program (DCP) and Director Accreditation Program (DAP) of IOD, 3 and 5 persons respectively, totaling 8 out of 9 directors. or 88.89%.

Directors' Training Course/Knowledge Sharing in 2022

No.	Name	Course
1	Mr. Prachak Tangkaravakoon	<ul style="list-style-type: none"> Participating in the meeting namely "Thai - Saudi Investment Forum", organized by the Ministry of Foreign Affairs (MFA), Office of the Eastern Economic Corridor Policy Committee (EEC), the Joint Standing Committee on Commerce, Industry and Banking (JSCCIB), and also honored by the Saudi Ministry of Investment (MISA)
2	Mr. Jatuphat Tangkaravakoon	<ul style="list-style-type: none"> Participating Real Estate Developer Course, the NEXT Real Class 10 Participating Business Revolution and Innovation Network Class 5 by the Federation of Thai Industries (FTI)
3	Mrs. Chantip Weerasubpong	<ul style="list-style-type: none"> Participating online seminar namely "Publication of results for Value of Audit", organized by Securities and Exchange Commission (SEC)
4	Mr. Veerasak Kositpaisal	<ul style="list-style-type: none"> Participating online seminar namely "Publication of results for Value of Audit", organized by Securities and Exchange Commission (SEC)
5	Mrs. Prisana Praharnkhasuk	<ul style="list-style-type: none"> Participating in Cyber Resilience Leadership Workshop 2022 Class 1 by Bank of Thailand and SEC Participating in BOT Digital Finance Conference 2022

In 2022, the directors who were not attending any training courses or sharing knowledge are 4 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 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 and Executive Vice President at the Office of Chief Executive Officer 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 human resources development analyzes 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 to determine the management position or any position that requires successor as well as determine the retirement age of the executives.

2. Define manpower planning by means of developing manpower in the organization or recruiting individuals for a vacant position from resignation or retirement.
3. 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.
4. Define the competencies covering knowledge, skills, personality, and attitude which are expected for each position, evaluate the potentials, and also set the individual development plan.
5. Propose the succession plan to the Nomination and Remuneration Committee, and then propose to the Board of Directors for approval of the succession 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 2022, the Nomination and Remuneration Committee's meeting No.4/2022 on November 11, 2022 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' Meeting No.9/2022 on November 14, 2022.

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 2022 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 2022 are disclosed in **Sustainability Report 2022** in section **"Society Caring"**, heading **2.1 Fair labor practices, incentives, personnel retention and human capital building**, subheading **2.1.3 Human Resources Development**.

Furthermore, the Company has supported the saving and creating financial securities for employees. The details are as follows.

- Saving in Provident Fund; employees can choose the investment according to the assets they're interested in and acceptable risk

On October 26, 2022, employees were provided with a special online seminar about financial planning and investment by MFC Asset Management Public Company Limited namely *"Choose the right investment plan"*. The purpose is to educate employees regarding provident fund and investment in various assets. The seminar was very attractive to employees, showing that financial management was important to them.



- Supporting the activities of Investment club so employees who are interested in investing can join activities to develop, share and exchange investment knowledge among members of the club and fellow employees



➤ **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

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 and working processes, and collaborating with business partners to exchange knowledge and technology to create competitive advantage and sustainable growth.

Details of the Company's innovation are disclosed in **Sustainability Report 2022** in section “Environmental caring”, heading 3.5 Innovation development and environmental promotion for 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 the business of the Company, it also considers 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 Equal and fair employment/ dismissal

The Company has a recruitment and dismissal process that must be complied with, correctly and fairly with a clear rules and regulation. In case of termination of employment, compensation must be paid in accordance with the law. Moreover, the Company currently supports people with disabilities and has completed compliance with the employment law for people with disabilities, such as the employment of 15 people with disabilities, support for sportsmen with disabilities, including promoting income generation for caregivers by organizing a flea market for caregivers to sell products in the Company's area.

1.2 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.

Employees (Only TOA Paint (Thailand) Co., Ltd.)	Total employees as of December 31, 2022 (persons)	Average income in 2022 (baht/month)
• Male	2,705	22,645
• Female	1,420	29,677

The Company has annual salary adjustments and bonus payments according to the framework approved by the Board of Directors each year. We consider inflation, cost of living, and comparison with other businesses in the same industry. Employees will receive salary adjustments according to their performance, categorized into a score of 1-5 compared to the annual key performances indicator (KPI). KPI has been set and notified to employees since the beginning of the year. It contains financial indicators, customer response, work process development, learning and development, which will differ depending to the duties and positions of 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 insurances, 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.

1.3 Job Skill, Knowledge Development, and Training

The Company has a policy for promoting human resources development as annual personnel development plan to encourage all employees to improve their knowledge and enhance their ability and potential in accordance with the strategy and business direction as well as improve leadership,

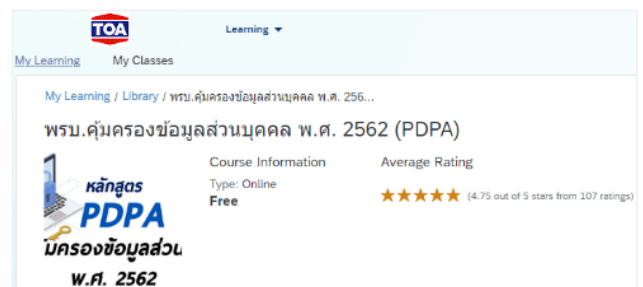
good attitude, morals, and ethics, and embrace the spirit of teamwork by means of various training courses such as E-learning courses and classrooms, seminars, site visits to ensure their effective improvements.

The Company has determined the employee development program dividing into Core Competency, Leadership Competency, and Functional Competency to improve the skills for employees in each level as appropriate.

	M Level	S Level	O Level
Core Competency	1.Product Knowledge (10) 2.QES Awareness (8) 3.How to Know MS.365 (3)	1.Product Knowledge (11) 2.QES Awareness (8) 3.How to Know MS.365 (4)	1.QES Awareness (8) 2.Product Knowledge (7) 3.TOA Culture (TOA DNA) (3)
Leadership Competency	1.Presentation Skills (9) 2.Manager as a Coach (7) 3.Problem Solving & Decision Making (4)	1.Problem Solving & Decision Making (10) 2.Presentation Skills (5) 3.Supervisor as a Coach (4)	1.Performance Development(2) 2.Time & Task Management (1) 3.Team Work (1)
Functional Competency	1.ความรู้เกี่ยวกับกระบวนการผลิต และคุณสมบัติของสี (2) 2.วิธีการเปรียบเทียบและการลงสเปค (2) 3.Digital Marketing (2)	1.ความรู้เกี่ยวกับกระบวนการผลิต และคุณสมบัติของสี (3) 2.วิธีการเปรียบเทียบและการลงสเปค (3) 3.Digital Marketing (2)	1.ความรู้เกี่ยวกับกระบวนการผลิต และคุณสมบัติของสี (3) 2.Lean Improvement in Scope of Supply Chain (1) 3.Service Focus (1)

The Company provides training, both in e-learning and classroom formats, to continuously develop knowledge and skills for the employees.

E-learning for Personal Data Protection Act B.E. 2562 (PDPA): The target group is all employees at all levels in the organization. The Company aims to make all employees aware of the importance of personal data protection, which is a fundamental right in privacy needed to be protected. It also attaches great importance to the protection of personal data and compliance with the law, namely Personal Data Protection B.E. 2562.



In-house training under Core Competency Courses: Internal Auditor (ISO9001, ISO9001, ISO14001, ISO45001, ISO50001): The target groups are Internal Audit and Working Group. The purpose is to help the attendees understand the process when proceeding internal audit.

In-house training under Leadership Competency, People Manager Course: The target group is management level. The purpose is that the attendees can apply concepts they learn from workshop to manage and improve their teams for efficiency set by the organization.



In-house training under Functional Competency, TOA Gypsum Product Knowledge Course: The target group is project sales and retail sales employees. The purpose is that the attendees can understand the backgrounds and how to use TOA Gypsum product and can introduce to customers correctly.

Summary of Employees' Training

Details	2021	2022
Number of trained employees (person)	1,514	4,743
Average training hours per person per year	6.16	7.12

In addition, the Company also supports the development of the organization and human resources. We focus on thinking creatively to develop efficient work processes, clearly defined roles and responsibilities of employees, determination of appropriate compensation, developing a system for evaluating and increasing the performance of employees.

1.4 Collective Bargaining for Benefits of Employees

The Company encourages the establishment of a welfare committee and allows employees to become members of the committee. The aim is to take care of welfare, working conditions, complaints and to control inappropriate labor practices, formulate a solution to any problems as well as monitor progress and results from corrective actions to ensure that all employees are well taken care of in terms of health, welfare, compensation and benefits with fairness and equality.

1.5 Promotion of employee engagement and retention

The Company has conducted an Employee Engagement Survey (EES) to hear employees' opinions and suggestions. The Human Resources Department has analyzed the data to create a plan to increase employee engagement, including improving measurement criteria and promoting incentives, appropriate welfare arrangements, employee development programs and creating happiness at work,

such as an employee club. The Company has also followed up the results such as percentage of increased engagement or satisfaction or employee turnover rate.

Employees' engagement and turnover rate	Target of 2022	2021	2022
Employees' engagement (Percentage)	>75%	75%	80%
Turnover rate (Percentage)	<20%	19%	16%

1.6 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 educate 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 to minimize the accident statistics, absence rate, and injury severity rate.

The Company has assessed potential safety and occupational health risks. We has also prepared a plan to reduce risks along with organized activities to create knowledge and understanding of safety on a regular basis, such as safety talk before starting work, Kiken Yochi Training (KYT), establish and operating Sub-Safety Committee, 5S activities and Big Cleaning Day, Grounding-Bonding system improvement and equipment check to prevent fire risks, training activities and safety drills such as firefighting and annual fire evacuation drills. There is also a "Lesson Learn" in case of accidents from work to communicate to employees prevent recurrence.

Accident Statistics

Performance Data	Target 2022	2020	2021	2022
1. Total number of employees injured by accidents: person(s)				
2. (no lost time + lost time)	0	6	11	6
3. Total number of lost time injuries for employees: person(s)	0	4	7	0
4. Total number of fire incident: case(s)	0	0	1	0
5. Total number of accidents that damaged assets: case(s)	0	6	3	0
6. Sickness absence for employees: person(s)	0	0	0	0
7. Fatal occupational injuries for employees: person(s)	0	0	0	0
8. Sickness absence for contractors: person(s)	0	0	0	0
9. Total number of lost time injuries for contractors: person(s)	0	0	0	0

Frequency and Severity Rates

Performance Data	Target 2022	2020	2021	2022
1. Total Injury Frequency Rate per million hours worked (TIFR)	0.00	0.95	0.31	0.13
2. Lost Time Injury Frequency Rate per million hours worked (LTIFR)	0.00	0.63	0.20	0.00
3. Occupational Disease Frequency Rate per million hours worked (ODFR)	0.00	0	0	0.00

Examples of activities to promote safety in the workplace



Safety Morning Talk and KYT



Activities for the establishment and operation of the Sub-Safety Committee



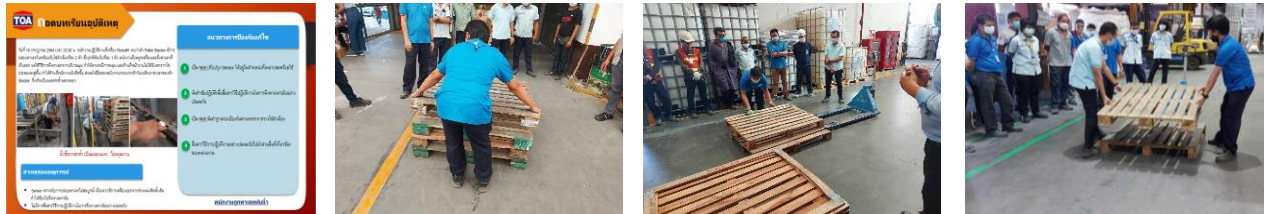
5S activities and Big Cleaning Day



Grounding-Bonding system improvement and equipment check to prevent the occurrence of fire risks



Providing Safety training, fire drills and fire evacuation drills annually



Preparing Lesson Learn in case of an accident at work. to communicate to employees prevent recurrence

More are disclosed in **Sustainability Report 2022** in section **“Society Caring”**, heading **2.2 Human rights and occupational safety and health care**, subheading **2.2.3 Promoting the occupational health, safety, and environment**.

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 2022, the Company has committed to respect 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 2022 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 addition, the Company places significant importance on comments or suggestions from customers. Therefore, annual customer satisfaction surveys are organized to be used to formulate a plan to improve customer satisfaction. This includes the use of comments and suggestions from customers to develop products and services.

However, more details of customer complaint and customer satisfaction surveys are disclosed in **Sustainability Report 2022 in the section “Economy and Corporate Governance”, heading 1.2 Responsibility for products and services, subheading 1.2.4 Responsibilities to customers and consumers.**

In 2022, the Company has announced the personal data protection policy and customer’s privacy notice to determine the practice and security of personal information. The Company has informed and requested for consent to collect customer data or various collections. We are very careful when collecting sensitive information such as race, religion, etc. In the past year, there were no significant complaints from customers of the use of personal information.

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.

The Company adheres 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 **Sustainability Report 2022 in the section “Economy and Corporate Governance”, heading 1.4 Supply chain management and partner relationship management, subheading 1.4.1 Supplier Management.**

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 2022, 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 2022 are disclosed in **Sustainability Report 2022 in the section "Society Caring", heading 2.3 Supporting education and improving the quality of life for the community and society.**

7. Environment

7.1 Environmental Conservation

The Company places importance to social responsibility and in environmental protection through conducting business under the environmental standards, including operations in accordance with environmental standards such as ISO14001, both domestically and internationally. Furthermore, we also proceed and control the standard of production, strictly complying with laws to maintain the environment under our concept to paying attention and preserve the environment. Therefore, the Company focuses on overseeing and developing the production process and chooses materials that are friendly to nature and the environment.

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 2022, there were activities, campaigns, and training courses in terms of environment and efficient and sustainable resource consumption for employees as follows:

- 1) Basic Solar rooftop, renewable energy from the sun to provide basic knowledge about Solar rooftop and solar renewable energy.
- 2) Implementation of the waste separation project within the office, by establishing a waste separation committee which consists of employee representatives in each department to help campaign and educate employees on proper waste separation.



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 2022, the Company did not face any lawsuit pertaining to the violation of human rights. More details about such compliance are disclosed in **Sustainability Report 2022 in the section “Society Caring”, heading 2.2 Human rights and occupational safety and health care, subheading 2.2.1 Human Rights Policy.**

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 2022, 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 2022 are disclosed in **Sustainability Report 2022 in the section “Environmental caring”, heading 3.1 Energy Management.**

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 Information Technology Policy covering IT resource allocation and management, information backup, and IT security policy.
- 2) The Board of Directors monitors risk management to include IT risk management.

The Board of Directors places importance on the implementation of information technology to help support the Company's business operations, both in terms of providing services to customers and systems that help support

and increase work efficiency in the organization. The Company manages to recruit employees with knowledge of information technology systems and allocate investment budgets for equipment and information system properly.

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 Company also promotes employees to back up information through OneDrive, Sharepoint or central drive systems. IT Call center is also provided for employees to enquire in case of any questions or incidents.

The information system is regarded as a key factor to operate 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. In addition, the Audit Committee has followed up on the adequacy of the IT internal control system in order to report the results to the Board of Directors.

See more details in **Section 2 "Risk Management", Heading, "(5) IT Security and Cyber Security Risks"**.



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 2022, 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 2022, 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.

Additionally, in 2022, the Company has provided training for all new employees on privacy policy, internal information use and conflicts of interest. These has been included in the new employees' orientation program. Furthermore, the Company has provided the course for directors and management at all levels named "TOA Compliance & Code of Conduct" through E-learning system to provide knowledge for practice of privacy policy, internal information use, and entering related party transactions to prevent conflicts of interest. The Company has determined that all , executives, and employees must pass this training course.

2. The Board of Directors monitors and discloses 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 2022, the directors have prepared a conflict-of-interest reporting form to report to the Board of Directors for regular acknowledgment and monitoring of prevention of conflicts of interest with 100% complete operation.

In 2022, 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 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. In the previous year, there were no cases of misconduct due to ethical issues of executives and directors.
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 www.toagroup.com or <https://investor.toagroup.com/th/whistle-blowing> and/or annual report.

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.

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.

In 2022, the Company strictly followed the policy. The Company received 6 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 2022, there were 5 issues filed which are summarized as follows:

Whistleblowing issues	Report	Investigation	Completion
1. Inquiry about a product	1	1	1
2. Working procedures	3	3	3
3. Issues regarding third parties	1	1	1

The Internal Audit Department has reported receiving complaints, whistleblowing, and measures to prevent future problems to the Audit Committee and the Board of Directors.

See more details in **Sustainability Report 2022** in the section “Economy and Corporate Governance”, heading **1.1 Conducting business with good governance and compliance with the law**, subheading **1.1.4 Code of Conduct**.

➤ 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.

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.

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.

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** and **Sustainability Report 2022**.

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 2022, 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	Amount	Objectives	Attendee	Management's Attendance
Annual General Meeting and Extraordinary General Meeting of Shareholders	1	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/ IR
Opportunity Days	1	Informing quarterly operating performance.	Analysts, investors	Chief Executive Officer/ Chief Financial Officer/ IR
Company visits and conference calls	26	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	2	Presenting overall business operation, business direction, and strategies.	domestic and foreign institutional investors	Chief Executive Officer/ Chief Financial Officer/ IR



Participating in the Opportunity Day of quarter 1/2023

Press conference on business direction

The Company held a press conference for the launching of campaign called TOA METAL EXPERT, a complete range of high-quality steel paint specialists and the latest water-based coating innovation called TOA AQUA SHIELD 2IN1 MULTI SURFACE, a topcoat, water-based & anti-rust primer which can be applied to a variety of surfaces. One can completes all needs at Work & Play, 1st floor, Central Rama 9 on November 28, 2022.



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.

In 2022, the Company scheduled Annual General Meeting of Shareholders on April 25, 2022 at 09.30 hrs. via electronic means in order to prevent the spread of COVID-19 and facilitate shareholders' meeting attendance.

- 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.

In 2022, the Company Secretary has sent e-mails to inform the relevant persons of the Embargo Period in advance of the announcement of the quarterly results to refrain from buying, selling, transferring and accepting transfers of the Company's securities including futures contracts and convertible securities containing the Company's securities as underlying securities whether directly or indirectly. There were no directors, executives or related employees found to have traded in securities during the period of the Company's set to refrain from such trading in any way.

- (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.

The Company has published the policy on the use of information within the intranet system for all employees.



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In addition, the Company Secretary has prepared document to clarify the rules and regulation of Internal Information Policy to prevent directors, executives and employees from using inside information for their own benefit or others in a wrongful way including the requirement for directors and executives to notify the Company Secretary one day in advance before trading the Company's securities.

- (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 2022 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. 1/2023 on January 24, 2023. 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 2022"**).

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.

The Company always emphasizes the importance of shareholder engagement. In 2022, 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:

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:

(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 Annual General Meeting of Shareholders was held on April 25, 2022, at 09.30 hrs. through electronics means to prevent the spread of COVID-19.



- 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 2022, during the period of October 1, 2021 – December 31, 2021, 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, 2023.
- Shareholders were notified of the Board of Directors' resolution to determine the date of the shareholders' meeting for 60 days prior to the meeting date on February 24, 2022, 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 22, 2022, 34 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.
- The notice was sent to the shareholders on April 1, 2023, 24 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, 28 days prior to the meeting date, during March 28 – 30, 2022.
- 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 2022, 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. Miss Chanathip Witthayakul, 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 2022, 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.

7.2 Performance reports of the Board of Directors and sub-committees

In 2022, the Board of Directors and sub-committees (1. Audit Committee, 2. Nomination and Remuneration Committee, 3. Executive Committee and 4. Governance and Sustainability 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 2022, 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 (times)
1.	Mrs. Prisana Praharnkhasuk	Chairman of the Audit Committee	12/12
2.	Mrs. Chantip 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 Audit Committee has reviewed the appropriateness and adequacy of the policy, procedures, and personnels to be in line with Personal Data Protection Act, B.E. 2562 (2019).
6. The Audit Committee regularly monitored and supported anti-corruption activities, including reviewing and closely monitoring the action plan to join Thai Private Sector Collective Action Against Corruption (CAC).
7. 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.
8. 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.
9. 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 2022 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 2022, the Committee held 3 meetings. Details of meeting attendance are as follows:

Name	Position	Attendance/ Number of Meetings
Mr. Veerasak Kositpaisal	Chairman of the Nomination and Remuneration Committee	3 / 3
Mrs. Prisana Prahmkhasuk	Member of the Nomination and Remuneration Committee	3 / 3
Mr. Jatuphat Tangkaravakoon	Member of the Nomination and Remuneration Committee	3 / 3

The performance highlights in 2022 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, 2022, 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 2022 and presented to the Board of Directors.
3. Considered and reviewed the criteria of annual performance evaluation for the Board of Directors and provided suggestions on appropriate directors' remuneration, and then presented to the Board of Directors.
4. Considered and reviewed the criteria of annual performance evaluation and performance evaluation of the executives including Executive Vice President of the Office of Chief Executive Officer, and Chief Executive Officer, and presented to the Board of Directors.
5. Provided suggestions on a salary increase and determined the aggregate amount of annual bonus and salary increase for the employees and executives for the year 2022, also considered the criteria for rewarding projects with high performance, and presented to the Board of Directors.
6. Provided suggestions on human capital management to be in line with the direction of organization and action plan such as
 - 6.1 Provided suggestions about the development project for human capital management system
 - 6.2 Considered and endorsed the employee promotion policy
 - 6.3 Considered and provided suggestions on Talent Management System as well as considered and endorsed succession planning

- 6.4 Developed performance evaluation system, determined KPIs to ensure the appropriateness and actual results

-Veerasak Kositpaisal-

(Mr. Veerasak Kositpaisal)

Chairman of the Nomination and Remuneration Committee

Report of the Executive Committee

Dear Shareholders,

In 2022, the Executive Committee held 12 meetings and attended meetings with executives from various departments. The 2022 performance highlights are as follows:

1. Considered and provided suggestion to 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, operation plans, and goals, as well as provided suggestions to adjust strategy and plan to be in accordance with business environment.
3. Considered and endorsed assets investment projects, monitored the budget use which was approved by the Board of Directors for maximum efficiency, effectiveness, and beneficial to Company's businesses growth.
4. Considered and provided the management team with opinions in relation to the organizational restructuring, guidelines together with methods to designate the annual performance indicators.
5. Explored new business opportunities and studied the possibility of expansion for business with potential growth in line with business direction and potentially able to create good returns 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.
6. 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.
7. Considered and 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 Governance and Sustainability Committee

Dear Shareholders,

In 2022, the 12 members of Governance and Sustainability Committee namely Mr. Jatuphat Tangkaravakoon – the Chairman, Mr. Winai Chaiburanont, Mr. Attapol Watjarapairoj, Ms. Nipaporn Jongjatuporn – Vice Chairman, Ms. Taweeporn Patanakitraung, Mr. Chatchawat Rungthong, Mr. Nantapon Boonlua, Mr. Suppakarn Suklert, Mr. Panuphong Pootawang, Mr. Anuchit Yungprempree, Mr. Natthaphong Phusrisawettachart, and Ms. Srikanlaya Pensri – Committee, have completely performed their duties according to the roles and responsibilities of the Corporate Governance and Sustainability Committee, and as assigned by the Board of Directors. In 2022, the Corporate Governance and Sustainability Committee convened 2 meetings with the highlights below:

1. Set a vision and a structure for sustainability operations
2. Review the business value chain and stakeholders
3. Review the Materiality Issue on sustainability and Materiality Matrix
4. Oversee the business operation to comply with the corporate principle and laws
 - 1) Oversee the business in line with the corporate principle and relevant laws as well as risk management and Anti-Corruption to strengthen the business foundation and comply with the international standard and domestic regulatory agencies; with the purpose of becoming the organization that can grow in the long term
 - 2) Set the policies, strategies, and goals, KPI and development plan on corporate governance to align with the Company's sustainable business operation
 - 3) Consider and review the guidelines for corporate governance and business ethics to be up to date, comply with the international standard as well as suitable to the implementation in the organization
 - 4) Consider and give opinions regarding the corporate governance and business ethics as well as approve the operational plan 2022
 - 5) Promote the communications among the directors, management, employees in all level, and relevant parties to be aware of policies and guidelines on corporate governance, business ethics, and relevant policies
 - 6) Support sub-committees in various department so that they can efficiently operate the business
5. Oversee the business development operation toward sustainability
 - 1) Define and review policies, strategies, goals, KPIs and plans for business development toward sustainability to be integrated with the Company's sustainability framework to be up to date with new challenging situations, both in the short term and long term
 - 2) Monitor the operations and give opinions on plans and practices on business development toward sustainability to provide quality product and service development, and able to fully resonate with the needs of customers and product stewardship

- 3) Set directions, policies, strategies, goals, and plans, including considering the expectations and direction to meet the expectations of stakeholders to use the information obtained to develop products, reduce the impact on the environment that is possibly caused by the Company's business operations, and to become the leader of Greenovation products
- 4) Consider and give opinions, suggestions, including approving product development plans, supply chain management, customer, and partner relationship management 2022
6. Oversee the operation on human capital development and social enterprises
 - 1) Define and review policies, strategies, goals, KPIs, plans for human capital development and social enterprises such as fair labor practices, personnel motivation, human resources retention and building human capital, human rights treatment, and occupational safety and health care, building good relationships with the community society and relevant agencies to jointly develop and drive society towards sustainability
 - 2) Consider and give opinions, suggestions, and approve plans to survey stakeholders' expectations to set guidelines and forms of participation with the community to meet the expectations of stakeholders
 - 3) Oversee, follow up, and approve action plans for talent attraction and retention as well as employee welfare, fundamental rights, and workers treatments to operate in accordance with the law, regulation
 - 4) Promote the prioritization in taking care of the community, society, environment which is the basis of the Company's production through various projects and forms to solve issues and meet community expectations, which includes regularly giving advice and following up on the results of the various projects
 - 5) Consider and give opinions, suggestions, and approve the operational plan for human capital development and social enterprises for the year 2022
7. Oversee the operation on the environment
 - 1) Define and review policies, strategies, goals, success indicators and action plans for environmental management regularly development and improvement of the Company's operational processes to continuously reduce environmental impacts such as energy management, effective management of water resource, air quality, waste and non-used materials for circular economy, as well as climate change and development of operations to sustainability drive the organization towards net zero emissions
 - 2) Consider and give opinions on implementation as well as the approval of the environmental plan to drive related operations to achieve sustainability and reduce potential impacts
 - 3) Oversee, monitor the progress, and support the implementation of environmental management in accordance with the established policies and plans to ensure compliance with the law; the purpose is to create a good and sustainable environment

- 4) Promote and support employees to be aware of the necessity to taking care of the environment in the factory, and the neighboring communities through various projects and forms to create good environment and meet the expectations of the community, including regularly giving advice and following up on the results of various projects
8. Monitor the progress of the plans from the sub-committees in order to comply with the determined policies and plans
9. Review and approve the information for the preparation of the Sustainability Report 2022 for the disclosure to the public and report on the results of operations to the Board of Directors

On behalf of the Corporate Governance and Sustainability Committee

-Jatuphat Tangkaravakoon-

(Mr. Jatuphat Tangkaravakoon)

Chairman of the Corporate Governance and Sustainability 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 2022 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 2022 (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, 2022, 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 and risk management. 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. The Company also took risk factors into account for strategic management to ensure sustainable growth. In 2022, the risk management department arranged training courses on risk assessment and management for each business unit, both in Thailand and overseas, to emphasize and ensure in-depth understanding. Furthermore, the risk assessment results were closely monitored quarterly to report to the Risk Management Committee and Audit Committee.

Control Activities

The Company places the importance of 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. Furthermore, the policy and guidelines were established to be in line with the applicable rules, regulation, or business-related laws.

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 have 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, 2022. The auditor had to assess the risk of 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 a 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 2021 and 2022 ended December 31 are concluded as follows: (2020 related party transactions can be found in 2020 Annual Report on page 218 – 243 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, 2021	Fiscal Year Ended December 31, 2022		
1. TOA Performance Coating Corporation Co., Ltd. ("TOAPC")	<ul style="list-style-type: none"> 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	103,579,095.22 26,129,576.31	128,305,519.55 31,444,983.51	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, 2021	Fiscal Year Ended December 31, 2022		
	<ul style="list-style-type: none"> Mr. Nattavuth Tangkaravakoon is the joint director. 					
		1.2 <u>Security Service Income</u> - security service income 2,285,861.16 - service receivables 0.00 - security deposit 0.00		2,046,621.48 364,980.83 170,551.79	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, 2022 to December 31, 2022, 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 since January 1, 2020 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 793,584.00 - service receivables 549,167.72 - service deposit 247,007.43		679,712.00 111,061.73 42,285.00	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	The transaction was deemed as an ordinary business support transaction. The IT service agreement 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, 2021	Fiscal Year Ended December 31, 2022		
					years from May 1, 2019 to April 30, 2025, with the agreed price and conditions specified in the agreement.	deemed appropriate and reasonable.
		<u>1.4 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, 2022 to December 31, 2022. 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. Since January 1, 2020, the new rental agreement was subject to the general commercial rate and conditions as made with outsiders. Therefore, it was deemed appropriate and reasonable.
		<u>1.5 Rental Income for Plant and Office</u> - rental income - service 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, 2022 to December 31, 2022. The rental rate was set according to the appraisal rate	The transaction was deemed as a real estate rental transaction. The rental agreement 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, 2021	Fiscal Year Ended December 31, 2022		
					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.	expenses. Therefore, it was deemed appropriate and reasonable.
		1.6 <u>Other Income</u> - other income - trade receivables - other receivables	25,100.00 2,118,095.53 0.00	27,200.00 107,706.06	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 finished goods for sale - purchase of chemicals - trade payables	205,177,617.00 3,012,609.60 42,902,267.39	222,820,547.00 0.00 60,702,788.46	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.

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, 2021	Fiscal Year Ended December 31, 2022		
		1.8 <u>Other Expenses</u> - other chemical expenses	1,750.00	1,750.00	The Company distributed OEM products to TOAPC; however, its 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.	The transaction was deemed as a normal business transaction at market price and conditions. Therefore, it was appropriate and reasonable.
2. TOA-Union Paint (Thailand) Co., Ltd. ("TUP")	<ul style="list-style-type: none"> 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 	2.1 <u>Sales Income</u> - net sales - trade receivables	59,082,842.00 18,041,683.02	61,775,930.00 24,313,999.48	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	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, 2021	Fiscal Year Ended December 31, 2022		
	<p>Tangkaravakoon, and (5) Mr. Vonnarat Tangkaravakoon are the shareholders of TUP holding 0.0008% of shares each.</p> <p>■ Mr. Nattavuth Tangkaravakoon is the joint director.</p>				31, 2022, with pricing based on cost plus margin.	
		<p>2.2 <u>Security Service Income</u></p> <p>- security service income</p> <p>- service receivables</p> <p>- service deposit</p>	<p>266,165.64</p> <p>23,733.10</p> <p>22,180.47</p>	<p>354,165.24</p> <p>63,373.46</p> <p>29,513.77</p>	<p>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.</p> <p>The Company entered into a 1-year security service agreement 1 year from January 1, 2022 to December 31, 2022, at the service rate based on the actual service cost subject to the plant area.</p>	<p>The transaction was deemed as a normal business support transaction. The security service agreement was made on January 1, 2022, at the service rate based on the actual service cost subject to the plant area. Therefore, the transaction was appropriate and reasonable.</p>
		<p>2.3 <u>Rental Income</u></p> <p>- office rental income</p>	<p>1,080,231.60</p>	<p>1,080,231.6</p>	<p>The Company has provided the plant, warehouse, and office for TUP to rent,</p>	<p>The transaction was deemed as a real estate rental</p>

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, 2021	Fiscal Year Ended December 31, 2022		
		- rental accounts receivables	90,019.30	180,038.60	which are in the same area where the Company's plant at Samromg is situated, which is unoccupied from usage. The rental rate was agreed with the parties. The Company entered into a 1-year rental agreement from January 1, 2022 to December 31, 2022, at the monthly rental rate subject to the actual area at the market price.	transaction. The rental agreement was at market price and conditions. Therefore, it was deemed appropriate and reasonable.
		2.4 <u>Other Income</u> - other income	236,588.05	0.00	Most other income consisted of revenue from disposal of deteriorated raw materials. The price is calculated according to the agreement. The cost of antigen test kits (ATKs) is the actual expenses.	The transaction was deemed as an ordinary business support transaction subject with prices and trading conditions comparable to the market. Therefore, it was appropriate and reasonable.
		2.5 <u>Purchase of goods</u> - purchase of finished goods for sale - purchase of chemicals - trade payables	937,050.00 174,150.00 76,532.82	865,632.00 400,760.00 258,543.21	The Company purchased TOA SPRAY RUSTPRO 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.

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, 2021	Fiscal Year Ended December 31, 2022		
		2.6 <u>Expenses on outside services</u> - expenses on outside services - other payables	2,411,340.00 215,011.15	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 January 1, 2022 to December 31, 2022.	The transaction was deemed as a normal business support transaction that occurred in the past according to necessity. Therefore, it was appropriate and reasonable.
3. TOA-Chugoku Paint Co., Ltd. ("TCP")	<ul style="list-style-type: none"> 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	309,680.14 74,143.59	483,465.03 0.00	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.

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, 2021	Fiscal Year Ended December 31, 2022		
		3.2 <u>Purchase of goods</u> - purchase of raw materials - trade payables	208,052.40 73,199.77	655,000.00 0.00	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. Therefore, it was appropriate and reasonable.
4. Sherwood Corporation (Thailand) PCL. ("SWC")	<ul style="list-style-type: none"> ■ 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. 	4.1 <u>Shipping Service Income</u> - shipping service income - other income - service receivables	95,500.00 560,800.00 39,935.42	62,270.00 7,000.00 20,821.85	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. The the service fee policy was made 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, 2021	Fiscal Year Ended December 31, 2022		
	<ul style="list-style-type: none"> The two joint directors are (1) Mr. Prachak Tangkaravakoon, and (2) Mr. Vonnarat Tangkaravakoon. 					
		4.2 <u>Purchase of Goods</u> - purchase of finished goods for sale - trade payables	266,558,928.78 73,499,839.04	218,389,630.97 36,065,842.91	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.	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 - oher expenses - other payables	480,546.70 2,883,497.30 2,475,213.17 888,387.24 2,120,125.03	167,041.06 88,762.21 2,824,395.93 710,509.05 1,062,558.81	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.

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, 2021	Fiscal Year Ended December 31, 2022		
5. TOA Chemicals Industry Co., Ltd. ("TOAC")	<ul style="list-style-type: none"> TOAGH is the Company's major shareholder directly 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 	<p>5.1 <u>Rental Income</u></p> <ul style="list-style-type: none"> depreciation, leasehold right of land according to the rental agreement 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 	<p>11,808,001.39</p> <p>1,977,973.68</p> <p>72,685,377.22</p> <p>21,056,473.25</p>	<p>11,808,001.39</p> <p>1,688,722.49</p> <p>72,685,377.22</p> <p>19,175,958.33</p>	<p>At Bangna Plant, the Company rented land, factory, warehouse, and office building from TOAC with the rental rate agreed between the parties.</p> <p>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.</p> <p>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.</p>	<p>The transaction was deemed as a assets/ services and real estate rental transaction for business operations and necessity.</p> <p>The new rental agreement was subject to the rate and conditions under the appraisal rate from the independent appraiser approved by the SEC.</p> <p>Therefore, it was deemed appropriate and reasonable.</p>

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, 2021	Fiscal Year Ended December 31, 2022		
	Tangkaravakoon, (5) Mr. Nattavuth Tangkaravakoon, and (6) Mrs. Busatree Wanglee.					
6. TOA-Shinto (Thailand) Co., Ltd. ("TST")	<ul style="list-style-type: none"> 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> <ul style="list-style-type: none"> net sales trade receivables 	281,386,364.55 82,585,982.83	357,008,671.24 102,583,099.07	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.

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, 2021	Fiscal Year Ended December 31, 2022		
		6.2 <u>Security Service Income</u> - security service income - service receivables - service deposit	709,019.16 63,220.88 59,084.93	634,812.72 56,604.13 52,901.06	As the Company's plant and warehouse are located at Bangna 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, 2022 to December 31, 2022, with a service fee 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 at the service rate based on the actual service cost subject to the plant area. Therefore, the transaction was appropriate and reasonable.
		6.3 <u>Shipping Income</u> - shipping income - service receivables	61,400.00 24,779.90	51,400.00 0.00	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 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.
		6.4 <u>Other Income</u> - other income - other receivables	7,400.00 209,576.56	3,700.00 299,383.71	The income was derived from truck scaling service, paperless corrective services changing to trade receivables	The transaction was deemed as a normal business support transaction, which occurred

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, 2021	Fiscal Year Ended December 31, 2022		
					from other receivables, and public utility at the actual expenses.	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	1,687,679.80 542,909.87	14,574.90 1,296.84	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 - other payables	38,688.20 8,718.79	65,743.50 16,499.40	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 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, 2021	Fiscal Year Ended December 31, 2022		
7. TOA Holding Co., Ltd. ("TOAH")	<ul style="list-style-type: none"> 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> <ul style="list-style-type: none"> car rental 513,600.00 depreciation, right to use a vehicle 6,224,961.45 interest expenses, right to use a vehicle 431,359.51 other payables 563,890.00 		496,721.64 6,002,355.53 337,012.82 563,890.00	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.	<ul style="list-style-type: none"> TOAGH is the Company's major shareholder indirectly holding 73.9796% of 	8.2 <u>Land Rental</u> <ul style="list-style-type: none"> depreciation, leasehold right of land according to the rental agreement 	15,307,293.39	20,942,840.96	The Company rented land from P.T. Real Estate Co., Ltd. According to the conditions, P.T. Real Estate Co., Ltd., a renter, was responsible for land and	The transaction was deemed as a normal business support transaction at market price and conditions as with

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, 2021	Fiscal Year Ended December 31, 2022		
	<p>shares in P.T. Real Estate Co., Ltd.</p> <p>■ 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.</p> <p>■ The four joint directors are (1) Mr. Prachak Tangkaravakoon (2) Mrs. Laor Tangkaravakoon, (3) Mr. Vonnarat</p>	<p>- interest expenses, leasehold right of land according to the rental agreement</p> <p>- other payables</p>	<p>4,263,415.37</p> <p>1,795,720.00</p>	<p>8,103,929.88</p> <p>1,795,720.00</p>	<p>building tax. The Company reserved tax expenses paid to SAO and charged the actual tax expenses thereafter.</p> <p>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.</p> <p>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.</p>	<p>outsiders. Therefore, it was appropriate and reasonable.</p> <p>The transaction was deemed as normal business support, and for business operations and necessity. Therefore, it was deemed appropriate and reasonable.</p>

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, 2021	Fiscal Year Ended December 31, 2022		
	Tangkaravakoon, and (4) Mrs. Busatree Wanglee.					
9. Phelps Dodge International (Thailand) Co., Ltd.	<ul style="list-style-type: none"> 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	2,397,235.30 183,437.52	2,546,604.47 27,482.09	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 - service receivables - service deposit	528,000.00 47,080.00 44,000.00	440,000.00 0.00 0.00	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 providing computer programs and	The transaction was deemed as a normal business support transaction. The IT service agreement was under the market price and conditions as made with the 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, 2021	Fiscal Year Ended December 31, 2022		
					equipment, maintenance service at the agreed service fee. The Company entered into the 1-year IT service agreement from January 1, 2022 to December 31, 2022, at market price and conditions as made with the outsiders.	
10. Gypmantech Co., Ltd. (to March 8, 2022)	<ul style="list-style-type: none"> 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	345,702.86 23,041.62	0.00 0.00	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 - service receivables - service deposit	698,159.88 1,402,646.09 200,692.52 165,353.65	116,359.98 222,062.67 0.00 0.00	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, 2020, the new rental agreement was subject to the rate and conditions under the appraisal rate from 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, 2021	Fiscal Year Ended December 31, 2022		
					The Company entered into the 1-year rental agreement from January , 2022 to December 31 , 2022. The monthly rental rate was set according to the actual area and market price	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.
		<u>10.3 Purchase of Goods</u> - purchase of finished goods for sale - trade payables	680,867,454.97 54,860,841.94	138,810,551.31 0.00	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.
		<u>10.4 Other expenses</u> - depreciation, leasehold right according to the rental agreement - interest expenses, leasehold right according to the rental agreement	854,919.95 47,256.20	138,192.54 5,839.84	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	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, 2021	Fiscal Year Ended December 31, 2022		
		<ul style="list-style-type: none"> - logistic expenses - service expenses - contribution expenses - other payables 	24,107,195.50 1,068,000.00 814,676.96 1,761,302.45	2,638,528.40 178,000.00 204,281.29 0.00	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.	
11. Fast-mix Co., Ltd.	<ul style="list-style-type: none"> ■ TOAGH is the Company's major shareholder directly holding 80.0000% of shares in Fast-mix Co., Ltd. ■ The two joint directors are (1) Mr. Jatuphat 	11.1 <u>Other Income</u> - net sales	324,358.00	587,887.5	The Company distributed its construction chemicals to Fast-mix Co., Ltd., and other income derived from registration fees with the department of foreign trade. The fee was charged on actual expenses.	The transaction was deemed as a normal business support transaction under the actual expenses. 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, 2021	Fiscal Year Ended December 31, 2022		
	Tangkaravakoon, and (2) Mrs. Busatree Wanglee. From July 1, 2022, the Company bought shares of Fast-mix Co., Ltd. from TOAGH for 80.0000%, therefore Fast-mix Co., Ltd. has become its subsidiary.					
		<u>11.2 Purchase of Goods</u> - purchase of finished goods - trade payables - rebate accrual	190,411,611.60 38,742,077.13 5,000,000.00	135,860,345.00 0.00 2,500,000.00	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.
		<u>11.3 Other Expenses</u> - logistic expenses - warehouse rental - warehouse services - support material other	6,086,644.40 45,000.00 180,000.00 13,044.00	-719,770.00 22,500.00 90,000.00 10,005.00	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 transaction was deemed as a normal business support transaction under the market price and conditions as made with the outsiders. Therefore,

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, 2021	Fiscal Year Ended December 31, 2022		
		- other payables - accounting service fee	1,110,097.90 0.00	0.00 100,000.00	<p>The contractual period was 3 years from June 1, 2021 to May 31, 2024. 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.</p> <p>The Company purchased packaging products from Fast-Mix Co., Ltd.</p>	it was deemed appropriate and reasonable.
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.	12.1 <u>Other Expenses</u> - entertainment expenses	153,813.80	119,985.66	<p>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</p>	<p>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.</p>

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, 2021	Fiscal Year Ended December 31, 2022		
	<ul style="list-style-type: none"> The Company's 2 directors: (1) Mr. Prachak Tangkaravakoon, and (2) Mr. Vonnarat Tangkaravakoon, are the shareholders of Hokkaido International Franchise Co., Ltd. holding 0.0001% of shares each. The two joint directors are (1) Mr. Prachak Tangkaravakoon, and (2) Mr. Vonnarat Tangkaravakoon. 				price and conditions as made with the outsiders, which was conducted through the normal procurement process.	
13. Hokkaido Food and Beverage Co., Ltd.	<ul style="list-style-type: none"> 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 	13.1 <u>Other Expenses</u> <ul style="list-style-type: none"> - contribution expenses - donation - consumer promotion - entertainment expenses - other payables 	131,737.20 102,286.82 69,812.13 751,525.60 640,496.03	67,618.69 3,271,411.72 50,746.97 653,541.83 1,819,063.38	The Company purchased drinks under the brand "Super Fight" from Hokkaido Food and Beverage Co., Ltd for stores to promote sales and arrange marketing activities for customers and purchased peanut snacks under the brand "Marucho" for new-year gift box sets. The transaction was subject to the market price and conditions as made with the outsiders, which was	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, 2021	Fiscal Year Ended December 31, 2022		
	<p>Tangkaravakoon, are the shareholders of Hokkaido Food and Beverage Co., Ltd. holding 0.0001% of shares each.</p> <ul style="list-style-type: none"> The two joint directors are (1) Mr. Prachak Tangkaravakoon, and (2) Mr. Vonnarat Tangkaravakoon. 				conducted through the normal procurement process.	
14. Pings Surawong International Co., Ltd.	<ul style="list-style-type: none"> 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. 	<p>14.1 <u>Other Expenses</u></p> <p>- entertainment expenses</p>	111,108.08	603,395.00	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.	<ul style="list-style-type: none"> TOAGH is the Company's major shareholder indirectly holding 99.9999% of 	<p>15.1 <u>Other Expenses</u></p> <p>- depreciation – right to use a vehicle</p>	361,614.26	363,627.15	The Company entered into the car rental agreement for 5 years from November 1, 2020 to October 31, 2025, and the car rental agreement	The transaction was deemed as a normal business support transaction under the market price and conditions as made

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, 2021	Fiscal Year Ended December 31, 2022		
	<p>shares in Best Auto Sales Co., Ltd.</p> <ul style="list-style-type: none"> The four joint directors: <ol style="list-style-type: none"> (1) Mr. Vonnarat Tangkaravakoon, (2) Mr. 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. 	<p>- interest expenses – right to use vehicle according to car rental agreement</p> <p>- other payables</p>	<p>39,885.06</p> <p>32,314.00</p>	<p>33,516.08</p> <p>32,314.00</p>	<p>for 5 years from January 4, 2021 to January 3, 2026, which was under the market price and conditions as made with the outsiders.</p>	<p>with the outsiders. Therefore, it was deemed appropriate and reasonable.</p>
		<p>15.2 <u>Other Income</u></p> <p>- other income</p>	<p>10,000.00</p>	<p>0.00</p>	<p>Most other income consisted of antigen test kits (ATKs) charged with actual expenses.</p>	<p>The transaction was deemed as a normal business support transaction under the market price and conditions.</p>

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, 2021	Fiscal Year Ended December 31, 2022		
						Therefore, it was deemed appropriate and reasonable.
16. Primus Autohaus Co., Ltd.	<ul style="list-style-type: none"> TOAGH is the Company's major shareholder indirectly 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. 	16.1 <u>Sales Income</u> - net sales	1,824.00	0.00	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 price and conditions. 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, 2021	Fiscal Year Ended December 31, 2022		
		16.2 <u>Other Income</u> - other income	30,000.00	0.00	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 2021 and 2022 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, 2021	Fiscal Year Ended December 31, 2022		
1. TOA Performance Coating Corporation Co., Ltd. ("TOAPC")	<ul style="list-style-type: none"> 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, 	<u>1.1 Purchase of Goods</u> - purchase of raw materials - purchase of finished goods - trade payables	5,579,483.29 995,608.40 1,734,836.17	6,929,821.49 696,174.88 1,313,903.31	A subsidiary purchased raw materials and finished goods 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	The transaction was deemed as an ordinary business transaction with 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, 2021	Fiscal Year Ended December 31, 2022		
	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.				price and conditions are comparable to the market.	
2. 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.	<u>2.1 Other Expenses</u> - depreciation, right to use a vehicle - interest expenses, right to use a vehicle	813,171.96 95,270.64	813,171.95 73,528.33	A subsidiary entered into the 5-year car leasing contract with TOAH to 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.	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.

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, 2021	Fiscal Year Ended December 31, 2022		
	Moreover, six of them are TOAH's directors.					
3. Gypmantech Co., Ltd. (to March 8, 2022)	<ul style="list-style-type: none"> On March 8, 2022, 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>3.1 Purchase of Goods</u> <ul style="list-style-type: none"> - purchase of raw materials - trade payables 	16,518,247.72 3,130,015.92	3,791,734.77 0.00	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.
		<u>3.2 Other Expenses</u> <ul style="list-style-type: none"> - services expenses - logistic expenses - additional installation expenses in warehouse 	0.00 15,561.70 0.00	12,000.00 10,473.94 41,321.50	Gypmantech Co., Ltd. is hired by Company to manage warehouses that the Company rented. The term of the warehouse service agreement was made. 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.

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, 2021	Fiscal Year Ended December 31, 2022		
4. TOA Paint (Malaysia) Sdn Bhd	<ul style="list-style-type: none"> TOAGH is the Company's major shareholder indirectly holding 72.0000% of shares in TOA Paint (Malaysia) Sdn Bhd. Mr. Nattavuth Tangkaravakoon is the joint director. 	4.1 Sales Income <ul style="list-style-type: none"> - net sales - trade receivables 	4,537,189.60 1,070,006.66	4,631,180.87 0.00	The Company's subsidiary sold decorative paint and coating products to TOA Paint (Malaysia) Sdn Bhd 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.
		4.2 Other Expenses <ul style="list-style-type: none"> - support materials - other payables 	0.00 0.00	14,062.11 13,802.66	The Company's subsidiary sold decorative paint and coating products to TOA Paint (Malaysia) Sdn Bhd 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.
5. TOA Performance Coating (Vietnam) Co., Ltd. ("TOAPC VN")	<ul style="list-style-type: none"> TOAGH is the Company's major shareholder indirectly holding 100.0000% of shares in TOAPC VN. 	5.1 Purchase of Goods <ul style="list-style-type: none"> - purchase of finished for sale - trade payables 	11,055,739.80 5,674,840.05	10,009,185.00 3,426,956.10	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.

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, 2021	Fiscal Year Ended December 31, 2022		
		<u>5.2 Rental Income</u> - rental income - other receiveables	188,937.41 0.00	0.00 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 agreement. The agreement was continued on June 1, 2021, because the Company's subsidiary wanted to use the whole warehouse.	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.
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.	<u>6.1 Sales Income</u> - net sales	21,457.71	67,824.77	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.

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, 2021	Fiscal Year Ended December 31, 2022		
		6.2 <u>Purchase of Goods</u> - purchase of finished for sale - trade payables	965,098.24 169,329.34	322,241.37 174,774.53	The purchase of raw materials for use in the production of products, which the Company purchased such chemicals from TPM Paint (Malaysia) Sdn Bhd, with 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.
7. Sherwood Corporation (Thailand) PCL. ("SWC")	<ul style="list-style-type: none"> TOAGH is the Company's major shareholder indirectly holding 69.4100% of shares in SWC. 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. 	7.1 <u>Other Expenses</u> - entertainment expense - other payables	383,952.65 0.00	127,681.20 136,618.88	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 was deemed appropriate and reasonable.
8. Fast-Mix Company Limited	<ul style="list-style-type: none"> TOAGH is the Company's major shareholder directly 	8.1 <u>Purchase of Goods</u> - purchase of finished for sale	0.00	226,500.00	The Company's subsidiary purchased construction chemicals products from Fast-Mix Co., Ltd. for distribution in all	The transaction was deemed as a normal business support 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, 2021	Fiscal Year Ended December 31, 2022		
	holding 80.0000% of shares in Fast-Mix ■ The two joint directors are (1) Mr.Jatuphat Tangkaravakoon and(2)Mrs.Busatree Wanglee.				distribution channels of the Company. The pricing was agreed between the parties under the market price and conditions as made with the outsiders.	price and conditions as with the outsiders. Therefore, it 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



**SOLUTIONS
BUILDER**
Innovative Construction Chemicals



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, 2021 and 2022	Ms. Nopanuch Apichatsatien Certified Public Accountant (SEC Accredited CPA) No. 5266, PricewaterhouseCoopers ABAS Ltd.	<p>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, 2021, 2022 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.</p> <p>In auditor' 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, 2021 and 2022, 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).</p>

9.2 Summary of consolidated financial statements ended December 31, 2020, 2021, and 2022

1) Consolidated Statements of Financial Position

Consolidated Statements of Financial Position	As at December 31					
	2020		2021		2022	
	Million THB	%	Million THB	%	Million THB	%
<u>Assets</u>						
<u>Current assets</u>						
Cash and cash equivalents	2,419.8	14.7	3,011.2	16.3	2,207.9	11.4
Financial assets measured at fair value through profit or loss	4,224.0	25.6	4,610.5	24.9	4,114.8	21.3
Trade and other receivables	2,912.6	17.7	3,237.1	17.5	3,640.0	18.8
Current portion of hire purchase receivables	51.7	0.3	48.6	0.3	51.7	0.3
Short-term loans to others	-	-	9.9	0.1	9.5	0.0
Inventories	2,163.0	13.1	2,619.4	14.2	3,292.7	17.0
Derivative assets	-	-	-	-	10.4	0.1
Other current assets	215.4	1.3	218.9	1.2	203.5	1.1
Other long-term investments	11,986.5	72.7	13,755.5	74.4	13,530.4	70.0
<u>Non-current assets</u>						
Long-term hire purchase receivables, net of current portion	128.2	0.8	166.6	0.9	185.3	1.0
Financial assets measured at fair value through other comprehensive income	5.7	0.0	-	-	-	-
Investment properties	12.7	0.1	10.1	0.1	7.4	0.0
Property, plant and equipment	2,691.1	16.3	2,704.6	14.6	3,480.6	18.0
Right-of-use assets	1,258.2	7.6	1,343.8	7.3	1,226.4	6.3
Intangible assets	197.0	1.2	253.9	1.4	239.9	1.2
Goodwill	-	-	49.6	-	383.1	2.0
Deferred tax assets	147.1	0.9	147.7	0.8	168.1	0.9
Other non-current assets	59.8	0.4	64.9	0.4	117.1	0.6
Total non-current assets	4,499.8	27.3	4,741.1	25.6	5,808.0	30.0
Total assets	16,486.3	100	18,496.6	100.0	19,338.4	100.0
<u>Liabilities and shareholders' equity</u>						
<u>Current liabilities</u>						
Short-term borrowings from financial institutions	200.0	1.2	289.1	1.6	101.3	0.5
Trade and other payables	2,975.2	18.1	3,830.7	20.7	3,881.9	20.1
Short-term borrowings from others	-	-	7.6	0.0	4.1	0.0
Current portion of long-term loans from financial institutions	-	-	0.1	0.0	3.3	0.0
Income tax payable	272.8	1.7	205.6	1.1	206.6	1.1
Derivative liabilities	-	-	6.4	0.0	-	-
Current portion of lease liabilities	152.0	0.9	151.5	0.8	162.4	0.8
Other current liabilities	90.0	0.5	96.6	0.5	89.1	0.5

Consolidated Statements of Financial Position	As at December 31					
	2020		2021		2022	
	Million THB	%	Million THB	%	Million THB	%
Total current liabilities	3,690.0	22.4	4,587.6	24.8	4,448.8	23.0
<u>Non-current liabilities</u>						
Long-term borrowings from financial institutions	-	-	-	-	49.5	0.3
Lease liabilities	945.5	5.7	1,026.0	5.5	916.8	4.7
Provision for long-term employee benefits	437.6	2.7	417.2	2.3	352.1	1.8
Deferred tax liabilities	-	-	7.0	0.0	80.9	0.4
Other non-current liabilities	7.8	0	7.8	0.0	6.2	0.0
Total non-current liabilities	1,390.9	8.4	1,458.0	7.9	1,405.6	7.3
Total liabilities	5,080.9	30.8	6,045.5	32.7	5,854.4	30.3
<u>Shareholders' equity</u>						
Share capital						
Registered capital	2,029.0	12.3	2,029.0	11.0	2,029.0	10.5
Registered, issued and fully paid ordinary shares	2,029.0	12.3	2,029.0	11.0	2,029.0	10.5
Premium on paid-up capital	5,761.5	34.9	5,761.5	31.1	5,761.5	29.8
Retained earnings						
Appropriated - legal reserve	202.9	1.2	202.9	1.1	202.9	1.1
Unappropriated	4,311.5	26.2	5,110.1	27.6	5,635.5	29.1
Other components of shareholders' equity	(890.8)	-5.4	(816.7)	-4.4	(836.1)	(4.32)
Equity attributable to owners of the Company	11,414.1	69.2	12,286.8	66.4	12,792.9	66.2
Non-controlling interests of the subsidiaries	(8.7)	-0.05	164.3	0.9	691.1	3.6
Total shareholders' equity	11,405.4	69.2	12,451.1	67.3	13,484.0	69.7
Total liabilities and shareholders' equity	16,486.3	100	18,496.6	100.0	19,339.4	100.0

2) Consolidated Statement of comprehensive income

Consolidated Statement of comprehensive income	As at December 31					
	2020		2021		2022	
	Million THB	%	Million THB	%	Million THB	%
<u>Revenues</u>						
Sales	16,296.0	99.1	17,570.5	99.2	20,649.4	99.2
Dividend income	14.7	0.1	22.7	0.1	11.6	0.1
Other income	127.5	0.8	114.9	0.6	165.1	0.8
Total revenues	16,438.2	100.0	17,708.0	100.0	20,826.1	100.0
<u>Expenses</u>						
Cost of sales	(10,286.9)	-62.6	(11,823.3)	-66.8	(14,645.5)	-70.3
Selling expenses	(2,202.8)	-13.4	(2,177.3)	-12.3	(2,603.8)	-12.5
Administrative expenses	(1,307.2)	-8.0	(1,338.2)	-7.6	(1,397.4)	-6.7
Net gain (loss) on exchange rates	28.0	-0.2	50.8	0.3	(146.8)	-0.7
Gain (loss) from fair value of financial assets measured at fair value through profit or loss	(35.3)	-0.2	69.2	0.4	(107.1)	-0.5

Consolidated Statement of comprehensive income	As at December 31					
	2020		2021		2022	
	Million THB	%	Million THB	%	Million THB	%
Total expenses	13,804.2	-84.4	(15,218.9)	-85.9	(18,900.5)	-90.8
Profit before finance cost and income tax	2,634.0	16.0	2,489.1	14.1	1,925.6	9.2
Finance cost	(38.8)	(0.2)	(34.8)	(0.2)	(38.2)	-0.2
Profit before income tax	2,595.2	15.8	2,454.3	13.9	1,887.4	9.1
Income tax	(570.5)	(3.5)	(528.0)	(3.0)	(452.6)	-2.2
Profit for the year	2,024.7	12.3	1,926.3	10.9	1,434.8	6.9
Other comprehensive income:						
<i>Items that will not be reclassified to profit or loss</i>						
Remeasurements of post-employment benefit obligations, net of tax	(11.1)		(0.03)		56.9	
<i>Items that will be reclassified subsequently</i>						
Currency translation differences, net of tax	(28.5)		83.3		(68.7)	
Changes in fair value of financial assets measured at fair value through other comprehensive income, net of tax	-		(4.6)		0.3	
Total items that will be reclassified subsequently to profit or loss	(28.5)		78.7		(68.4)	
Total comprehensive income for the year	1,985.1		2,004.9		1,423.3	
Profit (loss) attributable to:						
Owners of the parent	2,031.2		1,955.1		1,418.2	
Non-controlling interests	(6.5)		(28.8)		16.6	
Profit for the year	2,024.7		1,926.3		1,434.8	
Total comprehensive income (expense)						
Total comprehensive income attributable to:						
Equity holders of the Company	1,990.7		2,029.2		1,398.9	
Non-controlling interests of the subsidiaries	(5.6)		(24.2)		24.4	
Comprehensive income for the year	1,985.1		2,004.9		1,423.3	
Earnings per share						
Basic earnings per share (THB/share)	1.00		0.96		0.70	

3) Consolidated Cash flow statement

Consolidated Cash flow statement	As at December 31		
	2020	2021	2022
	Million THB	Million THB	Million THB
Cash flows from operating activities			
Profit before tax	2,595.2	2,454.3	1,887.4
Adjustments to reconcile profit before tax to net cash			
Depreciation and amortization	557.5	615.5	669.8
Allowance for doubtful accounts (reversal)	92.8	14.8	1.5

Consolidated Cash flow statement	As at December 31		
	2020	2021	2022
	Million THB	Million THB	Million THB
Allowance for diminution in value of inventories (reversal)	(37.8)	17.5	(25.9)
(Gain) loss on disposals of plant and equipment	(2.1)	10.1	23.7
Loss from impairment of property and plant	-	6.3	(6.3)
(Gain) loss on sale of intangible assets	-	22.4	-
(Gain) loss from lease cancellation and modification	-	(1.1)	(1.2)
Gain on sale of investments in trading securities / financial assets measured at fair value through profit or loss	(75.2)	(22.5)	0.4
Employee benefit expenses	41.1	41.0	57.7
(Gain) loss from fair value of financial assets measured at fair value through profit or loss	110.4	(46.7)	106.6
Interest income	(27.3)	(28.6)	(36.6)
Interest expenses	38.8	34.8	38.2
Dividend income	(14.7)	(22.7)	(11.6)
Unrealized loss (gain) on exchange rates	20.7	(19.8)	(11.7)
Currency translation differences	(48.3)	53.5	(6.2)
Profit from operating activities before changes in operating assets and liabilities	3,251.2	3,129.0	2,685.8
Operating assets (increase) decrease:			
Trade and other receivables	(43.6)	(286.1)	(283.0)
Hire purchase receivables	6.6	(22.3)	(5.0)
Inventories	74.5	(450.4)	(322.2)
Other current assets	(16.0)	(1.7)	7.9
Other non-current assets	(7.6)	(4.9)	(80.8)
Operating liabilities increase (decrease):			
Trade and other payables	(658.3)	819.1	(103.6)
Other current liabilities	9.5	2.4	(6.1)
Provision for long-term employee benefits	(26.9)	(63.3)	(59.6)
Other non-current liabilities	(1.4)	(1.0)	(1.6)
Cash flows from operating activities	2,587.9	3,120.7	1,831.8
Cash paid for corporate income tax	(618.5)	(591.1)	(462.0)
Net cash flows from operating activities	1,969.5	2,529.6	1,369.8
Cash flows from financing activities			
Payments for additional investment in subsidiaries	-	(91.6)	(810.7)
Payments for purchase of intangible assets	(117.1)	(118.7)	(38.3)
Acquisition of plant and equipment	(355.7)	(269.8)	(524.0)
Payments for purchase of financial assets measured at fair value through profit or loss	(14,659.8)	(13,556.9)	(12,106.0)
Payments for short-term loans to other parties	-	-	0.4
Payments for short-term loans to related parties	-	(9.9)	-

Consolidated Cash flow statement	As at December 31		
	2020	2021	2022
	Million THB	Million THB	Million THB
Proceeds from sales of property, plant and equipment	3.4	28.3	5.3
Proceeds from financial assets measured at fair value through profit or loss	15,660.7	13,235.8	12,500.5
Proceeds from sales of plant and equipment	-	-	-
Cash received from interest income	14.6	16.3	21.1
Cash received from dividend income	14.9	22.6	11.5
Net cash generated from (used in) investing activities	561.0	(743.9)	(940.2)
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)	(202.7)
Repayments to short-term borrowings from financial institutions	(375.0)	(1,139.5)	0.0
Proceed from short-term loans from financial institutions	-	1,160.3	358.7
Repayments to short-term borrowings from others	-	-	(0.2)
Proceed from Long-term loans from financial institutions	-	-	49.5
Repayments to long-term borrowings from financial institutions	-	(4.0)	(542.4)
Payments for interest expense	(6.1)	(5.0)	(3.6)
Payments for dividends	(1,095.7)	(1,161.2)	(907.5)
Net cash used in financing activities	(1,682.7)	(1,225.4)	(1,248.2)
Net increase in cash and cash equivalents	847.8	560.3	(818.6)
Cash and cash equivalents at the beginning of the year	1,590.9	2,419.8	3,011.2
Exchange gain (loss) on cash and cash equivalents	(18.9)	31.1	15.3
Cash and cash equivalents at the end of the year	2,419.8	3,011.2	2,207.9

9.3 Financial Ratio

Financial Ratio	Unit	Consolidated financial statements ended		
		December 31		
		2020	2021	2022
Liquidity Ratios				
Current Ratio	times	3.2	3.0	3.0
Quick Ratio	times	2.6	2.4	2.2
Cash Flow Liquidity Ratio	times	0.5	0.6	0.3
Accounts Receivable Turnover	times	5.2	5.3	5.7
Average Collection Period	days	69	67	63
Inventory Turnover	times	10.7	11.3	11.1
Inventory Days	days	34	32	33
Accounts Payable Turnover	times	4.4	4.9	5.3

Financial Ratio	Unit	Consolidated financial statements ended		
		December 31		
		2020	2021	2022
Accounts Payable Days	days	81	74	67
Cash cycle	days	22	25	29
Profitability ratios				
Gross Profit Margin	%	36.9	32.7	29.1
Operating Profit Margin	%	15.3	12.7	9.7
Non-Operating Profit Margin	%	0.8	1.5	-0.4
Cash Flow to Income Ratio	%	80.7	113.4	68.4
Net Profit Margin	%	12.4	11.0	6.8
Return on Equity	%	18.4	16.5	11.3
Efficiency Ratios				
Return on Total Assets	%	12.6	11.0	7.6
Return on Fixed Assets	%	94.8	94.2	68.1
Total Assets Turnover	times	1.0	1.0	1.1
Financial Policy Ratios				
Total Liabilities to Equity Ratio	times	0.4	0.5	0.4
Interest Coverage Ratio	times	67.8	88.8	48.7
Debt Service Coverage Ratio – cash basis	times	2.1	1.4	1.1
Dividend Payout Ratio	%	50.6	51.3	59.1
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 58 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 and “FIX and BUILD” - a franchise-store business model of integrated distribution of construction material, electrical and plumbing tools, hardware, paint, and chemicals, operated by Incosource Co., Ltd., the Company’s subsidiary.

10.2 Results of Operations

Sales Revenue

For the year ended December 31, 2021 and 2022, our sales revenue was THB17,570.5 million and THB20,649.4 million, respectively, which increased THB3,078.9 million, or 17.5%. The increase derived primarily from the increase in all products sales revenue due to the increase in average selling price and sales volume. By distribution channel, sales revenue increased in all channels due to the increase in average selling price and sales volume. By customer location, the increased sales revenue of products sold to customers in Thailand and overseas countries, which derived from the increase in sales volume and average selling price.

Sales by product group	Year ended December 31,			
	2021		2022	
	million THB	%	million THB	%
Decorative Products	11,078.0	63.0	12,421.1	60.2
Non-decorative Products	5,938.3	33.8	7,400.2	35.8
Other Business Products ⁽¹⁾	554.2	3.2	828.1	4.0
Sales	17,570.5	100.0	20,649.4	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,			
	2021		2022	
	million THB	%	million THB	%
Retail Dealers	12,577.3	71.6	13,991.9	67.8
Modern Trade	3,450.0	19.6	4,429.0	21.4
Others ⁽¹⁾	1,543.2	8.8	2,228.5	10.8
Sales	17,570.5	100.0	20,649.4	100.0

Note: "Others" primarily comprise sales revenue from distribution through projects, exports and related companies.

Sales by geography	Year ended December 31,			
	2021		2022	
	million THB	%	million THB	%
Thailand	14,869.9	84.6	17,222.0	83.4
Overseas	2,700.6	15.4	3,427.4	16.6
Vietnam	1,397.2	8.0	1,887.9	9.1
Others ⁽¹⁾	1,303.4	7.4	1,539.5	7.5
Sales	17,570.5	100.0	20,649.4	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 THB2,822.2 million, or 23.9%, from THB11,823.3 million for the year ended December 31, 2021 to THB14,645.5 million for the year ended December 31, 2022. This increase was primarily attributable to an increased sales volume and average cost per unit of main raw materials used in our production process increased.

Gross Profit

For the years ended December 31, 2021 and 2022, gross profit was THB5,747.2 million and THB6,003.9 million, respectively, or as a percentage of sales revenue, 32.7% and 29.1%, respectively. The decrease in gross profit margin was primarily attributable to average cost per unit of main raw materials used in our production process increased.

Selling expenses

Total selling expenses increased THB426.4 million, or 19.6%, from THB2,177.3 million for the year ended December 31, 2021 to THB2,603.7 million for the year ended December 31, 2022. This increase was primarily attributable to the increase in freight expenses, commission and incentive, sales promotion expenses and advertising expenses.

Administrative expenses

Total administrative expenses increased THB59.2 million, or 4.4%, from THB1,338.2 million for the year ended December 31, 2021 to THB1,397.4 million for the year ended December 31, 2022. This increase was primarily attributable to an increased administrative employee costs from Company's new businesses.

Profit for the year

Our profit for the year decreased THB536.8 million, or 27.5 %, from THB1,955.1 million for the year ended December 31, 2021 to THB1,418.2 million for the year ended December 31, 2022. This decrease was primarily attributable to an increased cost of sales due to an increased raw materials price and an increased selling expenses. Our net profit margin decreased from 11.0% for the year ended December 31, 2021 to 6.8% for the year ended December 31, 2022.

Income statement (million THB)	Year ended December 31,	
	2021	2022
Sales revenue	17,570.5	20,649.4
Total revenues	17,707.9	20,826.1
Cost of sales	11,823.3	14,645.5
Selling and administrative expenses	3,515.5	4,001.1
Losses (gains) on exchange rates and fair value of financial assets measured at fair value through profit or loss	(120.0)	253.9
Profit before finance cost and income tax	2,489.1	1,925.6
Profit (loss) attributable to owners of the parent	1,955.1	1,418.2

10.3 Asset Management Ability

1. Current Assets

(1) Cash and Cash Equivalents

Our cash and cash equivalents consist of cash and bank deposits. As at December 31, 2021 and 2022, we had cash and cash equivalents of THB3,011.2 million and THB2,207.8 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, 2021 and 2022, we had investments in financial assets measured at fair value through profit or loss of THB4,610.5 million and THB4,114.8 million, respectively.

Our investments in financial assets measured at fair value through profit or loss was primarily from the operating profit.

(3) Trade and Other Receivables

Our trade and other receivables primarily consist of trade receivables from related and unrelated parties and other receivables, including accrued income. As at December 31, 2021 and 2022, we had trade and other receivables of THB3,237.1 million and THB3,640.0 million, respectively. The increase in trade and other receivables was primarily attributable to an increased sales revenue.

As of December 31, 2021 and 2022, the Company has an expected allowance for loss according to TFRS 9 amounting to THB344.7 million and THB283.6 million, respectively. (The details of receivables and aging analysis are disclosed in the notes of 2022 financial statements no. 11, Trade and other receivables.)

The Group applies the TFRS 9 with 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.

Average Collection Period was approximately 67 days and 63 days in 2021 and in 2022, 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

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, 2021 and 2022, our current portion of long-term hire purchase receivables was THB48.6 million and THB51.7 million, respectively.

(5) Inventories

Inventories consist of finished goods, work in process, raw materials, packing materials, spare parts and factory supplies, and goods in transit. As at December 31, 2021 and 2022, we had inventories of THB2,619.4 million and THB3,292.7 million, respectively. Inventories increased as at December 31, 2022 primarily due to the increase in the level of raw materials and finished goods.

Inventory days in 2021 and 2022 were approximately 32 days and 33 days, respectively.

We have a policy to establish provision for obsolete inventories by taking into the shelf life of each products.

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, 2021 and 2022, we had long-term hire purchase receivables of THB166.6 million and THB185.3 million, respectively.

(2) Investment Properties

Investment properties relate to investment in real properties and comprise of a building in Huay Kapi district, Chonburi province. As at December 31, 2021 and 2022, investment properties were THB10.1 million and THB7.4 million, respectively.

(3) Property, Plant and Equipment

Property, plant, and equipment consist 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, 2021 and 2022, we had property, plant and equipment of THB2,704.6 million and THB3,480.6 million, respectively.

(4) Intangible Assets

Intangible assets comprise computer software and leasehold rights. As at December 31, 2021 and 2022, intangible assets was THB253.9 million and THB239.9 million, respectively.

(5) Other non-current assets

As at December 31, 2021 and 2022, we had other non-current assets THB64.9 million and THB 117.1 million, respectively. Other non-current assets increased as at December 31, 2022 derived primarily from the deposit for constructions of new distribution center in Vietnam.

3. Current Liabilities

(1) Short-term Loans from Financial Institutions

Our short-term loans from financial institutions represent promissory notes.

As at December 31, 2021 and 2022, we had short-term loans from financial institutions of THB289.1 million and THB101.3 million, respectively.

(2) Trade and Other Payables

Our trade and other payables consist 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, 2021 and 2022, we had trade and other payables of THB3,830.7 million and THB3,881.9 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 74 days and 67 days in 2021 and 2022, respectively.

(3) Income Tax Payable

As at December 31, 2021 and 2022, income tax payable, being corporate income tax, was THB205.6 million and THB206.6 million, respectively.

4. Non-current Liabilities

(1) Provision for Long-term Employee Benefits

As at December 31, 2021 and 2022, we had provision for long-term employee benefits of THB417.2 million and THB352.1 million, respectively. Provision for long-term employee benefits decreased as at December 31, 2022 primarily due to the employees' retirement.

5. Shareholders' Equity

As at December 31, 2021 and 2022, our shareholders' equity was THB 12,451.1 million and THB 13,484.0 million, respectively. As at December 31, 2022, shareholders' equity consisted of paid up capital of THB2,029.0 million, share premium of THB5,761.5 million, appropriated-statutory reserve of THB202.9 million, unappropriated retained earnings of THB5,635.5 million less other components of shareholders equity of THB836.1 million and non-controlling interests of the subsidiaries of THB691.1 million.

As at December 31, 2021 and 2022, the Company's return on equity was 16.1% and 11.1%, respectively. The decrease in the Company's return on equity as at December 31, 2022, 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, lender 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,	
	2021	2022
	million THB	million THB
Cash Flow Data:		
Net cash flows from operating activities	2,529.6	1,369.8
Net cash flows used in investing activities	(743.9)	(940.2)
Net cash flows used in financing activities	(1,225.4)	(1,248.1)
Net increase(decrease) in cash and cash equivalents	560.3	(818.5)
Cash and cash equivalents at the beginning of the year	2,419.8	3,011.1
Exchange gain on cash and cash equivalents	31.1	15.2
Cash and cash equivalents at the end of the year	3,011.2	2,207.8

(1) Operating Activities

Net cash flows from operating activities was THB1,369.8 million for the year ended December 31, 2022 and was primarily from our profit before tax for the period of THB1,887.4 million, as adjusted for reconciliation of net profit in cash receivable (payable) provided by operating activities of THB798.4 million, primarily comprising depreciation and amortization of THB669.8 million, and the increase in operating assets and liabilities of THB854.0 million, primarily comprising an increase of trade and other receivables of THB283.0 million and an increase of inventories of THB322.1 million partly offset by a decrease of trade and other payables THB103.6 million, including cash paid for corporate income tax of THB462.0 million.

(2) Investing Activities

Net cash flows from investing activities were THB940.2 million for the year ended December 31, 2022, which was primarily from the acquisition of subsidiaries amounting to THB810.7 million, the purchase of property, plant and equipment amounting to THB524.0 million and the purchase of intangible assets amounting to THB38.3 million.

(3) Financing Activities

Net cash flows used in financing activities was THB1,248.1 million for year ended December 31, 2022, which was primarily from dividend payment of THB907.4 million and the payment for lease liabilities of THB202.6 million.

(4) Capital Expenditures

Capital expenditures for the fiscal year ended 31 December 2021 and 2022 were THB288.1 million and THB507.68 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 2021 and 2022, 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 2021 and 2022.

	Year Ended December 31,	
	2021	2022
	million THB	million THB
Lease liabilities	1,423.0	4,664.9
Derivatives	341,344	253.4
Capital expenditure commitments	251.6	38.31
Non-cancellable operating leases	28.3	23.3

The details of commitments and contingent liabilities are disclosed in the note of 2022 financial statements no. 5.1.3 (b) Maturity of financial liabilities and no. 32 Commitments and contingencies.

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, 2021 and 2022, our current ratio was 3.00 times and 3.04 times, respectively.

2. Total Liabilities to Equity Ratio

As at December 31, 2021 and 2022, our total liabilities to equity ratio 0.49 times and 0.43 times, respectively. The total liabilities to equity ratio decreased as at December 31, 2022, primarily due to a decrease in liabilities.

3. Interest-Bearing Debt to Equity Ratio

As at December 31, 2021 and 2022, our interest-bearing debt to equity ratio was 0.12 times and 0.09 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, 2022, the Company provided guarantees for loans for its subsidiaries amounting to THB25 million, and USD 3 million (December 31, 2021: THB30 million, and USD 3 million).

As at 31 December 2022, the Group and the Company had outstanding bank guarantees of THB84.77 million and THB68.89 million, respectively (December 31, 2021: THB65.42 million and THB64.76 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

Economic conditions, politics, government policies, industry conditions and competition, development in information technology, changes in consumer behavior and purchasing power, raw material price volatility and climate change are factors affecting the Company's business operation, both domestically and internationally. The Board of Directors and the management have monitored the situation to formulate strategies and plans to be consistent with the business context in each period of time. Meanwhile, the risk management process from both internal and external factors are also managed to help strengthen value addition in business operations as well as increase competitiveness and adaptive mechanisms to rapidly respond to changes. The details of key risk management are disclosed in the section 2 Risk Management.

10.8 Moving towards sustainable business operation

The Company is committed to conducting business with good governance through the consideration of value addition for those involved. We also take responsibility and create value to society as well as preserve the environment.

■ Economic and governance

The Company is committed to creating an excellent management system in all dimensions for the maximum customer satisfaction, meanwhile, being a good business. We also comply with relevant laws and proceed the taxes payment properly. The business ethics/ regulations/ policies/ targets in each subject are clearly defined. Furthermore, we encourage creating understanding and motivating employees at all levels to follow them to achieve their intents and goals.

- **Society**

The Company intends to be an organization that creates sustainable value for society. We have been conducting many projects to support education and improve the quality of life for society and communities. In addition, the Company also places importance on being the top-of-mind organization for employees so that we can attract talents to join the organization. We also go through human resource management process that helps to supervise and motivate employees to drive success for the organization and retain potential employees.

- **Environment**

The Company strives to be an organization displaying responsibility for the environment. We have set a goal to become a zero-greenhouse gas emission organization by the year 2050 through the efficient use of energy and water managements, elevating waste and non-used materials management towards Circular Economy, and the creation of innovative products and services. This includes innovations in operational processes that help reduce environmental impact and promote the maximum use of resources to help transform the world for the better.

TOA PAINT (THAILAND) PUBLIC COMPANY LIMITED

CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

31 DECEMBER 2022

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 2022, 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 2022
- 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 including Independence Standards issued by the Federation of Accounting Professions (TFAC Code) that are relevant to my audit of the consolidated and separate financial statements, and I have fulfilled my other ethical responsibilities in accordance with the TFAC Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key audit matters

Key audit matters are those matters that, in my professional 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
<p>Recognition of revenue from sales</p> <p>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.</p> <p>The Group's revenue from sales comprises sales transactions with a large number of customers. Revenue is recognised net of rebates, incentives and discounts arising from a variety sale promotion scheme 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 because of complexity and variety of calculation of the variable considerations and the estimation made on sale returns.</p> <p>Revenue from sales of goods for the year ended 31 December 2022 in the consolidated and separate financial statements were Baht 20,649 million and Baht 16,411 million, respectively. Accrued trade promotions (included in trade and other payables) as at 31 December 2022 in the consolidated and separate financial statements were Baht 609.87 million and Baht 318.61 million, respectively. These balances were significant to the Group's and the Company's financial statements.</p> <p>I focussed on the audit on accuracy of revenue recognition because of the variable considerations and estimated sale returns involved management's significant judgement based on their experience and historical relevant information of each instance.</p>	<p>My key audit procedures included:</p> <ul style="list-style-type: none"> • 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 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. <p>As a result of the above audit procedures, I did not note any significant exceptions to 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.</p>

Key audit matter	How my audit addressed the key audit matter
<p><i>Impairment assessment of investments in subsidiaries</i></p> <p>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.</p> <p>According to TAS 36, Impairment of Assets, the Company must test for impairment of investment in subsidiaries when there is any indication of impairment.</p> <p>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.</p> <p>In this regard, the Company did not recognise any impairment loss on investments in subsidiaries during the year because the recoverable amount was over than the carrying value of investment in subsidiaries.</p> <p>I focussed on this matter because the assessment of recoverable amounts of investment in subsidiaries, requires significant management judgement about the future operating results of the business and the discount rate applied.</p>	<p>My key audit procedures included:</p> <ul style="list-style-type: none"> • Testing 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, assessing the reasonableness of model's logic for calculation 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. <p>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.</p>

Key audit matter	How my audit addressed the key audit matter
<p>Business combination</p> <p>Refer to Note 4.2 'Accounting policy for business combination', Note 7 'Critical accounting estimates and judgements' and Note 33 'Business combination' to the financial statements.</p> <p>The Group has significant business combinations during the year as follows.</p> <ul style="list-style-type: none"> - On 9 March 2022, the Group acquired 51% of shares in Gypmantech Co., Ltd. (GMT) for a consideration of Baht 800 million. - On 1 July 2022, the Group acquired 80% of shares in Fast-Mix Co., Ltd. (Fast-Mix) for a consideration of Baht 81.5 million. <p>Management assessed and concluded that the acquisitions were business combinations in accordance with TFRS 3, Business Combinations. Management engaged an independent valuer to assess fair value of net assets acquired and execute for purchase price allocation of both business combination during the year.</p> <p>As of 31 December 2022, the processes of net assets' fair valuation and purchase price allocation for GMT have been completed. Management recorded Baht 534.8 million for the fair value of net assets acquired and Baht 265.2 million of goodwill from business acquisition in the consolidated financial statements.</p> <p>The net assets' fair valuation and purchase price allocation for Fast-Mix is in progress. The process of valuation and allocation is in the period of 12 months in accordance with TFRS 3, Business Combinations.</p> <p>I focussed on this matter because the value of the above business combination transaction is of material value to the consolidated financial statements. In addition, the valuation of the acquired net assets required the exercise of significant judgement by management. This also affected the recognition of goodwill recognised from business acquisitions.</p>	<p>My key audit procedures included:</p> <ul style="list-style-type: none"> • Obtaining an understanding and evaluating management's judgment applied in determining accounting method for the business combinations, to determine whether these transactions were in accordance with TFRS 3, Business Combinations. • Assessing the qualifications of an independent valuer as to whether they were competent, independent, and licenced by the Securities and Exchange Commission. • Testing information used in identification and measurement of acquired net assets against the purchase price allocation. • 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 the methods and the range of discounted rate by reference to the nature and risk identified in the 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. <p>From the above procedures, I did not find any significant remarks regarding the accounting method used by the Group. The key assumptions used by management to determine fair value of net assets acquired are consistent with the available supporting evidence.</p>

Key audit matter	How my audit addressed the key audit matter
<p>Goodwill impairment assessment</p> <p>Refer to Note 4.10 'Accounting policy for goodwill', Note 7 'Critical accounting estimates and judgements' and Note 18 'Goodwill' to the financial statements.</p> <p>As of 31 December 2022, the Group had goodwill of Baht 383.12 million recorded in the consolidated financial statements.</p> <p>The Group's goodwill arose from past acquisitions of import and distribution tiles, manufacture and distribution of gypsum board and production and distribution of building materials businesses. The Group is required to test for goodwill impairment annually in accordance with the requirements of the Thai Financial Reporting Standards.</p> <p>I focussed on the goodwill impairment assessment because the goodwill balance is material to the consolidated financial statements. The Group's management uses its judgement and future projections to determine the recoverable amount for the cash-generating units, which includes goodwill.</p> <p>The recoverable amount is based on its fair value less costs of disposal through the discounted future cash flows forecast method. The key assumptions used to estimate the net future cash flows discounted to net present value are the sale growth, cost of sales, selling and administrative expenses and discount rate.</p>	<p>My key audit procedures included:</p> <ul style="list-style-type: none"> • Testing 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, business plan for such cash-generating units 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, assessing the reasonableness of model's logic for calculation 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. <p>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.</p>

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

27 February 2023

TOA Paint (Thailand) Public Company Limited
Statements of Financial Position
As at 31 December 2022

		Consolidated		Separate	
		financial statements		financial statements	
	Notes	2022	2021	2022	2021
		Baht	Baht	Baht	Baht
Assets					
Current assets					
Cash and cash equivalents	9	2,207,858,133	3,011,171,933	1,192,101,993	2,001,478,582
Financial assets measured at fair value					
through profit or loss	6,10	4,114,794,411	4,610,503,790	3,853,370,798	4,354,270,116
Trade and other receivables	11	3,639,956,240	3,237,061,403	2,951,173,885	2,619,445,683
Current portion of hire purchase receival	12	51,694,487	48,574,592	49,646,648	46,166,614
Short-term loans to related parties	31 d)	-	-	177,328,074	44,536,500
Short-term loans to others	10	9,521,579	9,930,886	-	-
Inventories	13	3,292,673,488	2,619,369,960	1,798,686,177	1,607,213,686
Derivative assets	6	10,393,654	-	10,106,814	-
Other current assets		203,464,569	218,869,461	62,623,338	71,099,290
Total current assets		13,530,356,561	13,755,482,025	10,095,037,727	10,744,210,471
Non-current assets					
Non-current portion of trade receivables	11	-	-	623,593,158	459,494,128
Hire purchase receivables	12	185,279,482	166,613,955	181,301,131	162,560,993
Investments in subsidiaries	14	-	-	4,705,856,773	3,824,356,773
Investment property		7,423,723	10,073,723	7,423,723	10,073,723
Property, plant and equipment	15	3,480,648,284	2,704,563,785	1,284,449,361	1,147,471,222
Right-of-use assets	16	1,226,440,874	1,343,752,006	976,640,950	1,090,392,026
Intangible assets	17	239,919,707	253,949,075	177,963,814	218,348,033
Goodwill	18	383,123,953	49,573,303	-	-
Deferred tax assets	19	168,104,959	147,692,643	104,879,442	98,889,933
Other non-current assets		117,075,314	64,895,754	1,918,647	3,749,275
Total non-current assets		5,808,016,296	4,741,114,244	8,064,026,999	7,015,336,106
Total assets		19,338,372,857	18,496,596,269	18,159,064,726	17,759,546,577

Director _____ Director _____

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 2022

		Consolidated financial statements		Separate financial statements	
		2022 Baht	2021 Baht	2022 Baht	2021 Baht
Notes					
Liabilities and equity					
Current liabilities					
Short-term borrowings					
from financial institutions	20	101,333,992	289,081,892	-	200,000,000
Trade and other payables	21	3,881,930,077	3,830,712,715	2,956,614,495	3,053,617,863
Short-term borrowings from others	20	4,093,044	7,565,001	-	-
Current portion of long-term loans from financial institutions	20	3,302,344	120,704	-	-
Income tax payable		206,618,307	205,619,256	192,217,390	174,950,435
Current portion of lease liabilities	20	162,398,021	151,514,429	131,442,187	126,773,310
Derivative liabilities	6	-	6,395,366	-	6,395,366
Other current liabilities		89,094,485	96,559,522	53,730,454	56,672,728
Total current liabilities		4,448,770,270	4,587,568,885	3,334,004,526	3,618,409,702
Non-current liabilities					
Long-term borrowings from financial institutions	20	49,535,159	-	-	-
Lease liabilities	20	916,813,141	1,025,973,035	878,905,979	980,867,553
Employee benefit obligations	22	352,090,890	417,230,458	268,097,852	350,007,904
Deferred tax liabilities	19	80,930,377	6,956,617	-	-
Other non-current liabilities		6,230,357	7,805,950	-	-
Total non-current liabilities		1,405,599,924	1,457,966,060	1,147,003,831	1,330,875,457
Total liabilities		5,854,370,194	6,045,534,945	4,481,008,357	4,949,285,159

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 2022

	Notes	Consolidated		Separate	
		financial statements		financial statements	
		2022	2021	2022	2021
		Baht	Baht	Baht	Baht
Liabilities and equity (Cont'd)					
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		5,635,542,803	5,110,080,329	5,719,241,285	4,896,174,374
Other components of equity		(836,093,499)	(816,725,395)	(34,617,716)	(79,345,756)
Equity attributable to owners of the parent		12,792,882,104	12,286,787,734	13,678,056,369	12,810,261,418
Non-controlling interests		691,120,559	164,273,590	-	-
Total equity		13,484,002,663	12,451,061,324	13,678,056,369	12,810,261,418
Total liabilities and equity		19,338,372,857	18,496,596,269	18,159,064,726	17,759,546,577

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 2022

		Consolidated		Separate	
		financial statements		financial statements	
		2022	2021	2022	2021
	Notes	Baht	Baht	Baht	Baht
Revenue from sales		20,649,400,467	17,570,465,716	16,411,492,028	14,195,941,013
Cost of sales		(14,645,453,865)	(11,823,349,439)	(11,855,147,009)	(9,616,296,249)
Gross profit		6,003,946,602	5,747,116,277	4,556,345,019	4,579,644,764
Dividend income		11,601,726	22,656,279	28,558,996	22,628,399
Other income	30	165,094,421	114,914,754	165,129,155	112,218,235
Selling expenses		(2,603,779,910)	(2,177,348,613)	(1,524,345,045)	(1,387,650,420)
Administrative expenses		(1,397,371,345)	(1,338,212,834)	(1,002,174,930)	(1,064,884,496)
Net gain (loss) on exchange rates		(146,835,097)	50,791,498	52,242,253	164,584,305
Gain (loss) from fair value of financial assets measured at fair value through profit or loss		(107,063,523)	69,206,127	(109,282,441)	68,533,790
Finance cost	25	(38,189,215)	(34,812,466)	(31,710,535)	(31,257,201)
Profit before income tax		1,887,403,659	2,454,311,022	2,134,762,472	2,463,817,376
Income tax	27	(452,567,679)	(528,038,517)	(418,936,040)	(485,867,467)
Profit for the year		1,434,835,980	1,926,272,505	1,715,826,432	1,977,949,909
Other comprehensive income (expense):					
Items that will not be reclassified to profit or loss					
Remeasurements of post-employment benefit obligations, net of tax	27	56,879,405	(32,143)	44,462,356	-
Total items that will not be reclassified to profit or loss		56,879,405	(32,143)	44,462,356	-
Items that will be reclassified subsequently to profit or loss					
Currency translation differences, net of tax		(68,685,280)	83,273,386	-	-
Changes in fair value of financial assets measured at fair value through other comprehensive income, net of tax		265,684	(4,568,000)	265,684	(4,568,000)
Total items that will be reclassified subsequently to profit or loss		(68,419,596)	78,705,386	265,684	(4,568,000)
Other comprehensive expense for the year, net of tax		(11,540,191)	78,673,243	44,728,040	(4,568,000)
Total comprehensive income for the year		1,423,295,789	2,004,945,748	1,760,554,472	1,973,381,909
Profit (loss) attributable to:					
Owners of the parent		1,418,221,995	1,955,053,710	1,715,826,432	1,977,949,909
Non-controlling interests		16,613,985	(28,781,205)	-	-
		<u>1,434,835,980</u>	<u>1,926,272,505</u>	<u>1,715,826,432</u>	<u>1,977,949,909</u>
Total comprehensive income (expense) attributable to:					
Owners of the parent		1,398,853,891	2,029,184,933	1,760,554,472	1,973,381,909
Non-controlling interests		24,441,898	(24,239,185)	-	-
		<u>1,423,295,789</u>	<u>2,004,945,748</u>	<u>1,760,554,472</u>	<u>1,973,381,909</u>
Earnings per share					
Basic earnings per share (Baht)	28	0.70	0.96	0.85	0.97

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 2022

Consolidated financial statements														
Attributable to owners of the parent														
Notes	Issued and paid-up share capital	Share premium	Retained earnings		Translation of financial statements	Other components of equity			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 is in fair value of post- y investments at employment ue through other benefit obligations	s in fair value of							
Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	
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	-	-	-	-	-	-	-	-	-	-	-	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		2,029,000,000	5,761,532,800	202,900,000	5,110,080,329	(285,274,411)	(71,446,332)	(4,568,000)	(194,893,523)	(260,543,129)	(816,725,395)	12,286,787,734	164,273,590	12,451,061,324
Opening balance as at 1 January 2022		2,029,000,000	5,761,532,800	202,900,000	5,110,080,329	(285,274,411)	(71,446,332)	(4,568,000)	(194,893,523)	(260,543,129)	(816,725,395)	12,286,787,734	164,273,590	12,451,061,324
Changes in equity for the year														
Business combination	33	-	-	-	-	-	-	-	-	-	-	517,117,075	517,117,075	
Dividends	29	-	-	(892,759,521)	-	-	-	-	-	-	(892,759,521)	(14,712,004)	(907,471,525)	
Comprehensive income (expense) for the year		-	-	-	1,418,221,995	(76,564,845)	56,931,057	265,684	-	-	(19,368,104)	1,398,853,891	24,441,898	1,423,295,789
Closing balance as at 31 December 2022		2,029,000,000	5,761,532,800	202,900,000	5,635,542,803	(361,839,256)	(14,515,275)	(4,302,316)	(194,893,523)	(260,543,129)	(836,093,499)	12,792,882,104	691,120,559	13,484,002,663

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 2022

Separate financial statements								
Note	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 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		<u>2,029,000,000</u>	<u>5,761,532,800</u>	<u>202,900,000</u>	<u>4,896,174,374</u>	<u>(74,777,756)</u>	<u>(4,568,000)</u>	<u>12,810,261,418</u>
Opening balance as at 1 January 2022		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
Changes in equity for the year								
Dividends	29	-	-	-	(892,759,521)	-	-	(892,759,521)
Comprehensive income (expense) for the year		-	-	-	1,715,826,432	44,462,356	265,684	1,760,554,472
Closing balance as at 31 December 2022		2,029,000,000	5,761,532,800	202,900,000	5,719,241,285	(30,315,400)	(4,302,316)	13,678,056,369

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 2022

		Consolidated financial statements		Separate financial statements	
		2022 Baht	2021 Baht	2022 Baht	2021 Baht
Notes					
	Profit before income tax	1,887,403,659	2,454,311,022	2,134,762,472	2,463,817,376
	Adjustments for:				
	Depreciation and amortisation	26	669,848,433	615,477,211	386,112,580
	(Reversal) expected credit loss of financial assets		1,478,954	14,807,734	41,611,873
	Impairment loss on investment in subsidiaries		-	-	-
	(Reversal) loss on decrease in value of inventories		(25,927,952)	17,538,468	(22,072,026)
	Gain on sale of property, plant and equipment		23,695,311	10,070,522	22,534,394
	(Reversal) loss from impairment of property and plant	15	(6,311,392)	6,311,392	(6,311,392)
	(Gain) loss on sale of intangible assets		-	22,442,745	(1,402,260)
	(Gain) loss from lease cancellation and modification		(1,199,759)	(1,092,321)	26,835
	(Gain) loss on sale of financial assets measured at fair value through profit or loss	10	411,228	(22,528,397)	1,836,130
	Employee benefit expenses	22	57,733,897	41,005,897	31,752,638
	(Gain) loss from fair value of financial assets measured at fair value through profit or loss	10	106,652,295	(46,677,730)	107,446,311
	Interest income		(36,639,367)	(28,577,364)	(38,990,996)
	Finance costs	25	38,189,215	34,812,466	31,710,535
	Dividend income		(11,580,816)	(22,656,279)	(28,558,996)
	Unrealised loss on exchange rates		(11,711,023)	(19,774,523)	(58,668,135)
	Currency translation differences		(6,230,578)	53,533,435	-
	Changes in working capital				
	Trade and other receivables		(283,022,795)	(286,127,087)	(520,247,632)
	Hire purchase receivables		(5,042,142)	(22,324,635)	(6,208,385)
	Inventories		(322,161,065)	(450,442,704)	(171,351,297)
	Other current assets		7,879,683	(1,703,022)	205,494
	Other non-current assets		(80,812,980)	(4,930,329)	1,830,630
	Trade and other payables		(103,587,979)	819,144,365	(81,825,572)
	Other current liabilities		(6,063,330)	2,372,428	5,328,185
	Employee benefit obligations paid	22	(59,632,189)	(63,277,772)	(58,084,747)
	Other non-current liabilities		(1,575,592)	(977,049)	-
	Cash generated from operating activities		1,831,793,716	3,120,738,473	1,771,436,639
	Income tax paid		(462,020,433)	(591,090,483)	(418,840,603)
	Net cash generated from operating activities		1,369,773,283	2,529,647,990	1,352,596,036
					2,530,054,179

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 2022

	Notes	Consolidated		Separate	
		financial statements		financial statements	
		2022	2021	2022	2021
		Baht	Baht	Baht	Baht
Cash flows from investing activities					
Payments for additional investment in subsidiaries	14	-	-	(881,500,000)	(263,749,900)
Payments for acquisition of subsidiaries, net of cash in subsidiaries	33	(810,703,241)	(91,609,831)	-	-
Payments for purchase of intangible assets		(38,306,772)	(118,725,860)	(24,498,135)	(103,801,435)
Payments for purchase of property, plant and equipment		(523,999,535)	(269,783,926)	(347,600,934)	(189,398,388)
Payments for purchase of financial assets measured at fair value through profit or loss		(12,106,030,504)	(13,556,890,903)	(10,044,163,341)	(12,355,693,903)
Proceeds from sales of financial assets measured at fair value through profit or loss		12,500,466,354	13,235,799,395	10,441,747,374	12,020,568,786
Payments for short-term loans to related parties		-	(9,930,886)	(190,772,000)	(54,862,500)
Proceeds from short-term loans to related parties		-	-	52,425,731	16,880,769
Payments for short-term loans to others		409,307	-	-	-
Proceeds from sales of intangible assets		-	-	10,675,000	-
Proceeds from sales of property, plant and equipment		5,307,766	28,317,569	494,724	1,803,970
Interest received		21,082,905	16,254,986	22,319,561	15,657,267
Dividends received		11,564,635	22,640,824	28,542,815	22,612,944
Net cash used in investing activities		(940,209,085)	(743,928,632)	(932,329,205)	(889,982,390)
Cash flow from financing activities					
Cash received from increase in parent's equity in a subsidiary		-	135,000,100	-	-
Payments for lease liabilities	16	(202,684,938)	(211,034,973)	(160,682,587)	(192,238,447)
Repayments to long-term borrowings from financial institutions		49,535,162	(3,970,770)	-	-
Repayments to short-term borrowings from financial institutions		(542,370,743)	(1,139,513,940)	(200,000,000)	(900,000,000)
Proceed from short-term loans from financial institutions		358,660,883	1,160,275,212	-	900,000,000
Repayments to short-term borrowings from others		(249,357)	-	-	-
Payments for interest expense		(3,563,177)	(4,970,561)	(71,643)	(773,151)
Payments for dividends	29	(907,471,526)	(1,161,219,024)	(892,759,521)	(1,156,511,585)
Net cash used in financing activities		(1,248,143,696)	(1,225,433,956)	(1,253,513,751)	(1,349,523,183)
Net increase in cash and cash equivalents		(818,579,498)	560,285,402	(833,246,920)	290,548,606
Cash and cash equivalents at the beginning of the year		3,011,171,933	2,419,777,535	2,001,478,582	1,692,311,452
Exchange gain on cash and cash equivalents		15,265,698	31,108,996	23,870,331	18,618,524
Cash and cash equivalents at the end of the year		2,207,858,133	3,011,171,933	1,192,101,993	2,001,478,582
Significant non-cash transactions					
Dividend receivable		54,435	38,255	-	-
Transfer of inventories to equipment, net		5,275,680	4,399,517	1,950,832	2,116,962
Transfer of equipment to intangible assets, net	17	-	99,000	-	99,000
Payables from purchases of property, plant and equipment and intangible assets		46,569,904	62,871,142	43,398,857	56,871,277
Payables from purchases of financial assets measured at fair value through profit or loss		1,152,860	303,640	1,330,023	303,640
Receivables from sales of financial assets measured at fair value through profit or loss		254,047	5,194,820	254,047	5,194,820
Acquisition of right-of-use assets under lease contracts	16	78,430,814	264,234,456	33,979,675	219,904,930

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 27 February 2023.

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 2022 and have no significant impact to the Group

- a) **Interest rate benchmark (IBOR) reform - phase 2, amendments to TFRS 9, TFRS 7, TFRS 16 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.

3.2 Amended financial reporting standards that are effective for accounting period beginning or after 1 January 2023 which are relevant to the Group

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) **Amendment to TAS 16 - Property, plant and equipment** clarified to prohibit entities from deducting from the cost of an item of PP&E any proceeds received from selling any items produced while the entity is preparing that asset for its intended use.
- b) **Amendment to TAS 37 - Provisions, contingent liabilities and contingent assets** clarified that, in considering whether a contract is onerous, the direct costs of fulfilling a contract include both the incremental costs of fulfilling the contract and an allocation of other costs directly related to fulfilling the contract. Before recognising a separate provision for an onerous contract, the entity must recognise any impairment losses that have occurred on the assets used in fulfilling the contract.
- c) **Amendment to TFRS 3 - Business combinations** clarified some minor amendments to update its references **to the Conceptual Framework for Financial Reporting and added a consideration for the recognition of liabilities** and contingent liabilities acquired from business combinations. The amendments also confirmed that contingent assets shouldn't be recognised at the acquisition date.
- d) **Amendment to TFRS 9 - Financial Instruments** clarified which fees should be included in the 10% test for the derecognition of financial liabilities. It should only include fees between the borrower and lender.

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 (such as trademark) 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.

Trademark	10 years
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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.

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.

Revenues 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 2022, 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 uses 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.

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 2022							
	US Dollar Baht'000	Euro Baht'000	Yen Baht'000	Pound Baht'000	Riels Cambodia Baht'000	Ringgit Malaysia Baht'000	Yuan Baht'000
Cash and cash equivalents	384,493	-	-	-	33	-	-
Trade and other receivables	91,800	-	2,067	-	-	-	-
Deposit	-	-	-	-	-	-	19,736
Trade and other payables	162,541	34,978	8,771	-	-	-	586
Foreign currency forward	315,117	-	-	-	-	-	-
Consolidated financial statements 31 December 2021							
	US Dollar Baht'000	Euro Baht'000	Yen Baht'000	Pound Baht'000	Riels Cambodia Baht'000	Ringgit Malaysia Baht'000	Yuan 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	-	-	-	-	-	-

TOA Paint (Thailand) Public Company Limited
Notes to the consolidated and separate financial statements
For the year ended 31 December 2022

Separate financial statements 31 December 2022							
	US Dollar Baht'000	Euro Baht'000	Yen Baht'000	Pound Baht'000	Riels Cambodia Baht'000	Ringgit Malaysia Baht'000	Yuan Baht'000
Cash and cash equivalents	308,226	-	-	-	-	-	-
Trade and other receivables	1,197,669	-	-	-	-	-	-
Short-term loans to related parties	198,696	-	-	-	-	2,706	-
Trade and other payables	162,893	34,978	8,771	-	-	-	-
Foreign currency forward	292,440	-	-	-	-	-	-

Separate financial statements 31 December 2021							
	US Dollar Baht'000	Euro Baht'000	Yen Baht'000	Pound Baht'000	Riels Cambodia Baht'000	Ringgit Malaysia Baht'000	Yuan 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	-	-	-	-	-	-

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 2022 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 2022					
Gross carrying amount - trade receivables	3,165,322	198,206	87,417	331,954	3,782,899
Loss allowance	4,812	11,420	4,774	262,556	283,562
	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 2022					
Gross carrying amount - trade receivables	2,389,866	142,980	185,530	985,285	3,703,661
Loss allowance	2,966	8,545	2,812	192,563	206,886

The loss allowances for trade receivables as at 31 December reconcile to the opening loss allowances as follows:

	Consolidated financial statements		Separate financial statements	
	2022 Thousand Baht	2021 Thousand Baht	2022 Thousand Baht	2021 Thousand Baht
Opening loss allowance at 1 January	344,666	343,518	220,332	205,393
Acquisition of subsidiaries	3,964	1,206	-	-
Increase in loss allowance recognised in profit or loss during the year	4,876	16,793	28,885	25,101
Receivables written off during the year as uncollectible	(62,627)	(19,451)	(42,332)	(10,162)
Currency translation differences	(7,317)	2,600	-	-
Closing loss allowance at 31 December	283,562	344,666	206,885	220,332

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 2,208 million (2021: Baht 3,011 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	
	2022 Baht'000	2021 Baht'000	2022 Baht'000	2021 Baht'000
Bank overdraft	130,400	95,000	75,000	75,000
Loans	4,629,166	4,358,418	4,150,000	3,950,000
	4,759,566	4,453,418	4,225,000	4,025,000

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 2022					
Short-term borrowings					
from financial institutions	101,334	-	-	101,334	101,334
Trade and other payables*	3,272,056	-	-	3,272,056	3,272,056
Lease liabilities	195,748	551,017	544,766	1,291,531	1,079,211
Total financial liabilities that are not derivatives	3,569,138	551,017	544,766	4,664,921	4,452,601
Derivatives					
Foreign currency forward contract**	253,371	-	-	253,371	253,371
Total derivatives	253,371	-	-	253,371	253,371
	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

	Separate financial statements				
	Within 1 year Baht'000	1 - 5 years Baht'000	Later than 5 years Baht'000	Total Baht'000	Book value of liabilities Baht'000
Maturity of financial liabilities as at 31 December 2022					
Trade and other payables*	2,638,004	-	-	2,638,004	2,638,004
Lease liabilities	160,916	513,812	538,221	1,212,949	1,010,348
Total financial liabilities that are not derivatives	2,798,920	513,812	538,221	3,850,953	3,648,352
Derivatives					
Foreign currency forward contract**	230,694	-	-	230,694	230,694
Total derivatives	230,694	-	-	230,694	230,694
	Separate financial statements				
	Within 1 year Baht'000	1 - 5 years Baht'000	Later than 5 years Baht'000	Total Baht'000	Book value of liabilities 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

* 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 2022, the Group's debt-to-equity ratio was 0.43:1 (2021: 0.49:1) and the Company's was 0.33:1 (2021: 0.39:1).

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	
	2022	2021	2022	2021	2022	2021	2022	2021
	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	457,553	471,729	3,657,241	4,138,775	-	-	4,114,794	4,610,504
Derivative assets								
Foreign exchange forward contract	-	-	10,394	-	-	-	10,394	-
Total financial assets	457,553	471,729	3,667,635	4,138,775	-	-	4,125,188	4,610,504
Financial liabilities								
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	
	2022	2021	2022	2021	2022	2021	2022	2021
	Baht'000	Baht'000	Baht'000	Baht'000	Baht'000	Baht'000	Baht'000	Baht'000
	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	454,330	469,499	3,399,041	3,884,771	-	-	3,853,371	4,354,270
Derivative assets								
Foreign exchange forward contract	-	-	10,107	-	-	-	10,107	-
Total financial assets	454,330	469,499	3,409,148	3,884,771	-	-	3,863,478	4,354,270
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.

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	
	2022 Baht'000	2021 Baht'000
Revenue from external customers (determined by customer's location)		
Thailand	17,221,956	14,869,896
Overseas	3,427,444	2,700,570
Total	20,649,400	17,570,466
	Consolidated financial statements	
	2022 Baht'000	2021 Baht'000
Non-current assets (other than financial instruments and deferred tax assets)		
Thailand	3,907,054	2,785,389
Overseas	1,474,493	1,591,634
Total	5,381,547	4,377,023
Financial assets	259,078	216,398
Deferred tax assets	168,105	147,693
	5,808,730	4,741,114

For the years 2022 and 2021, 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	
	2022 Baht'000	2021 Baht'000	2022 Baht'000	2021 Baht'000
Cash at bank and on hand	9,014	4,851	609	1,055
Short-term bank deposits	2,198,844	3,006,321	1,191,493	2,000,424
Total	2,207,858	3,011,172	1,192,102	2,001,479

10 Financial assets and financial liabilities

As at 31 December 2022, 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, which their book values are as follows:

	Consolidated financial statements					
	2022			2021		
	Current Baht'000	Non-current Baht'000	Total Baht'000	Current Baht'000	Non-current Baht'000	Total Baht'000
Other receivables	58,022	-	58,022	65,991	-	65,991
Hire purchase receivables	54,440	185,393	239,833	52,264	167,629	219,893
Short-term loans to others	9,522	-	9,522	9,931	-	9,931
	121,984	185,393	307,377	128,186	167,629	295,815
<u>Less</u> Allowance for expected credit loss						
- Hire purchase receivables	(2,745)	(114)	(2,859)	(3,689)	(1,015)	(4,704)
Total	119,239	185,279	304,518	124,497	166,614	291,111
	Separate financial statements					
	2022			2021		
	Current Baht'000	Non-current Baht'000	Total Baht'000	Current Baht'000	Non-current Baht'000	Total Baht'000
Other receivables	45,590	-	45,590	53,990	-	53,990
Hire purchase receivables	52,392	181,415	233,807	49,856	162,844	212,700
Short-term loans to related parties	201,402	-	201,402	67,809	-	67,809
	299,384	181,415	480,799	171,655	162,844	334,499
<u>Less</u> Allowance for expected credit loss						
	(26,819)	(114)	(26,933)	(26,962)	(283)	(27,245)
Total	272,565	181,301	453,866	144,693	162,561	307,254

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	
	2022 Fair value Baht'000	2021 Fair value Baht'000	2022 Fair value Baht'000	2021 Fair value Baht'000
Current assets				
Debt securities	3,595,752	4,073,188	3,337,552	3,819,185
Listed equity securities	519,042	537,316	515,819	535,085
	4,114,794	4,610,504	3,853,371	4,354,270

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	
	2022 Baht'000	2021 Baht'000	2022 Baht'000	2021 Baht'000
Fair value gains (losses) on equity securities at FVPL	(73,544)	36,383	(74,537)	36,295
Fair value gains (losses) on debt securities at FVPL	(33,108)	10,295	(32,909)	9,850
Gains (losses) on sale of equity and debt securities	(411)	22,528	(1,836)	22,389
	(107,063)	69,206	(109,282)	68,534

10.3 Financial assets at FVOCI

a) 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	
	2022 Baht'000	2021 Baht'000
Loss recognised in other comprehensive income	-	5,710
Total	-	5,710

11 Trade and other receivables

	Consolidated financial statements		Separate financial statements	
	2022 Baht'000	2021 Baht'000	2022 Baht'000	2021 Baht'000
Current				
Trade receivables - related parties (Note 31 c)	158,369	128,108	846,141	766,858
Trade receivables - others	3,340,968	2,963,990	2,027,041	1,770,446
Total current trade receivables - net	3,499,337	3,092,098	2,873,182	2,537,304
Other receivables - related parties (Note 31 c)	2,652	6,911	6,859	9,234
Other receivables - others	55,370	59,080	38,731	44,756
Accrued income - related parties (Note 31 c)	-	5,000	227	5,000
Prepaid expenses	70,340	62,839	28,019	19,669
Others	12,257	11,133	4,156	3,483
Total other receivables - net	140,619	144,963	77,992	82,142
Total current trade and other receivables - net	3,639,956	3,237,061	2,951,174	2,619,446
Non-current				
Non-current portion of trade receivables				
Trade receivables - related parties (Note 31 c)	-	-	623,593	459,494
Total non-current trade receivables - net	-	-	623,593	459,494
Total	3,639,956	3,237,061	3,574,767	3,078,940

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 4.88 - 9.56%.

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	
	2022	2021	2022	2021
	Baht'000	Baht'000	Baht'000	Baht'000
<u>Trade receivables - related parties</u>				
Within 3 months	152,552	128,108	414,087	390,192
3 - 6 months	5,817	-	127,455	115,807
6 - 12 months	-	-	180,240	142,739
Over 12 months	-	-	825,789	645,424
Total	158,369	128,108	1,547,571	1,294,162
<u>Less</u> Loss allowance	-	-	(77,837)	(67,810)
Total trade receivables - related parties, net	158,369	128,108	1,469,734	1,226,352
<u>Trade receivables - others</u>				
Within 3 months	3,012,770	2,655,592	1,975,779	1,681,309
3 - 6 months	192,389	183,307	15,525	18,866
6 - 12 months	87,417	80,238	5,291	11,518
Over 12 months	331,954	389,519	159,495	211,275
Total	3,624,530	3,308,656	2,156,090	1,922,968
<u>Less</u> Loss allowance	(283,562)	(344,666)	(129,049)	(152,522)
Total trade receivables - others, net	3,340,968	2,963,990	2,027,041	1,770,446
Total trade receivables - net	3,499,337	3,092,098	3,496,775	2,996,798

12 Hire purchase receivables

Hire purchase receivables as at 31 December 2022 include the following:

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
	Baht'000	Baht'000	Baht'000	Baht'000
Minimum lease receivables of hire purchase receivables:				
Not later than one year	74,014	69,818	71,714	67,270
Later than 1 year but not later than 5 years	191,513	171,530	187,093	167,193
Later than 5 years	38,653	36,374	38,653	36,347
	304,180	277,722	297,460	270,810
<u>Less</u> Unearned interest income	(45,089)	(41,114)	(44,814)	(41,108)
<u>Less</u> Undue input VAT	(19,258)	(17,419)	(18,839)	(17,001)
<u>Less</u> Allowance for doubtful	(2,859)	(4,000)	(2,859)	(3,973)
Present value of hire purchase receivables	236,974	215,189	230,948	208,728
Hire purchase receivables				
- Current	51,695	48,575	49,647	46,167
- Non-current	185,279	166,614	181,301	162,561

13 Inventories

	Consolidated financial statements		Separate financial statements	
	2022 Baht'000	2021 Baht'000	2022 Baht'000	2021 Baht'000
Raw material	1,369,339	1,021,034	791,629	671,509
Work in progress	223,571	235,931	194,291	213,637
Finished goods	1,496,451	1,261,416	663,732	638,696
Packing materials	102,524	91,437	37,665	32,667
Spare parts and factory supplies	77,052	33,988	35,616	33,988
Goods in transit	96,226	65,550	93,691	56,727
	3,365,163	2,709,356	1,816,624	1,647,224
Less: Allowance for net realisable value	(72,490)	(89,986)	(17,938)	(40,010)
Total	3,292,673	2,619,370	1,798,686	1,607,214

Cost of sales recognised in statements of comprehensive income during the year 2022 amount of Baht 11,855.15 million (2021: Baht 9,616.30 million) and Baht 14,645.45 million (2021: Baht 11,823.35 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	
	2022 Baht'000	2021 Baht'000	2022 Baht'000	2021 Baht'000
Beginning balance	89,986	68,877	40,010	34,424
Acquisition of subsidiaries	10,425	-	-	-
Add: Increase during the year	22,448	63,727	17,938	40,010
Less: Reversed during the year	(48,376)	(46,188)	(40,010)	(34,424)
Currency translation differences	(1,993)	3,570	-	-
Ending balance	72,490	89,986	17,938	40,010

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.

TOA Paint (Thailand) Public Company Limited
Notes to the consolidated and separate financial statements
For the year ended 31 December 2022

14 Investments in subsidiaries

As at 31 December 2022, 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	
			2022	2021	2022	2021	2022	2021
			%	%	%	%	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	103,750
Incosource Company Limited	Thailand	Engaging in business of hardware products and tools	55	55	45	45	165,000	165,000
Gypmantech Company Limited	Thailand	Manufacture and distribution of gypsum board	51	-	49	-	800,000	-
Fast-Mix Company Limited	Thailand	Manufacture and distribution of construction materials	80	-	20	-	81,500	-
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	52	48	48	-	-
Phawatri Intertrade Co., Ltd.	Thailand	Import and distribution tiles	52	52	48	48	-	-
Less: Allowance for impairment							(807,893)	(807,893)
Total							4,705,857	3,824,357

Movements of investments in subsidiaries for the year ended 31 December 2022 are as follows:

	Separate financial statements Baht'000
Opening book value - net	3,824,357
Increase in investment	881,500
Increase in impairments	-
Closing book value - net	4,705,857

The significant movements of investments in subsidiaries are as follow:

Gypmantech Company Limited

The Company's Extraordinary General Meeting No. 1/2021 on 16 December 2021 passed a resolution to enter into share purchase agreement of Gypmantech Co., Ltd. for 2,626,500 common shares which were at 51% of the total issued shares. The total investment value is Baht 800 million. The Company paid the consideration on 9 March 2022 (Note 33).

Fast-Mix Company Limited

The Company's Board of Directors meeting No.4/2022 on 12 May 2022 has a resolution to approve the acquisition of ordinary shares in Fast-Mix Company Limited ("Fast-Mix") for 376,000 shares, representing 80% of Fast-Mix's issued and paid-up capital. The Company paid the consideration on 1 July 2022 (Note 33).

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					
	Gypmantech Company Limited		Incosource Company Limited		Total	
	2022	2021	2022	2021	2022	2021
	Baht'000	Baht'000	Baht'000	Baht'000	Baht'000	Baht'000
Current assets	508,511	-	262,247	299,283	770,758	299,283
Current liabilities	82,373	-	19,174	959	101,547	959
Total net current assets	426,138	-	243,073	298,324	669,211	298,324
Non-current assets	381,367	-	22,335	187	403,702	187
Non-current liabilities	15,265	-	6,814	-	22,079	-
Total net non-current assets	366,102	-	15,521	187	381,623	187
Net assets	792,240	-	258,594	298,511	1,050,834	298,511
Non-controlling interests	388,198	-	116,367	134,330	504,565	134,330

b) Summarised statement of comprehensive income

	For the year ended 31 December					
	Gypmantech		Incosource			
	Company Limited		Company Limited		Total	
	2022	2021	2022	2021	2022	2021
	Baht'000	Baht'000	Baht'000	Baht'000	Baht'000	Baht'000
Gain (loss) attributable to non-controlling interests	44,224	-	(17,963)	(670)	26,261	(670)

c) Summarised statement of cash flows

	For the year ended 31 December					
	Gypmantech		Incosource			
	Company Limited		Company Limited		Total	
	2022	2021	2022	2021	2022	2021
	Baht'000	Baht'000	Baht'000	Baht'000	Baht'000	Baht'000
Net decrease in cash and cash equivalents	(20,451)	-	(135,908)	(1,569)	(156,359)	(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 2021								
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
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	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

TOA Paint (Thailand) Public Company Limited
Notes to the consolidated and separate financial statements
For the year ended 31 December 2022

	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 2022								
Opening net book amount	220,873	6,749	1,477,453	721,063	86,455	43,045	148,926	2,704,564
Exchange differences	(6,148)	-	(35,841)	(8,226)	(1,058)	(129)	(182)	(51,584)
Acquisition of subsidiaries (Note 33)	45,681	1,900	428,024	240,814	5,257	6,534	27,041	755,251
Additions	-	-	2,741	64,851	11,169	10,335	418,586	507,682
Transfer in (out)	-	-	36,109	62,447	5,080	1,490	(105,126)	-
Transfer from inventories	-	-	-	8,707	-	-	-	8,707
Disposals	-	-	(19,795)	(3,823)	(352)	(11)	(5,022)	(29,033)
Depreciation charge	-	(364)	(145,330)	(222,630)	(38,175)	(14,781)	-	(421,280)
(Reversal) Impairment	-	-	1,269	4,525	478	-	39	6,311
Closing net book amount	260,406	8,285	1,744,630	867,728	68,854	46,483	484,262	3,480,648
At 31 December 2022								
Cost	260,406	11,393	2,885,287	3,974,445	421,318	194,049	484,262	8,231,160
<u>Less</u> Accumulated depreciation	-	(3,108)	(1,140,657)	(3,106,717)	(352,464)	(147,566)	-	(4,750,512)
Net book amount	260,406	8,285	1,744,630	867,728	68,854	46,483	484,262	3,480,648

TOA Paint (Thailand) Public Company Limited
Notes to the consolidated and separate financial statements
For the year ended 31 December 2022

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 2021							
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
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

TOA Paint (Thailand) Public Company Limited
Notes to the consolidated and separate financial statements
For the year ended 31 December 2022

	Separate financial statements						Total 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 2022							
Opening net book amount	4,542	561,352	351,053	56,669	35,809	138,046	1,147,471
Additions	-	13	12,309	1,306	4,727	315,734	334,089
Transfer in (out)	-	9,152	30,481	2,271	-	(41,904)	-
Transfer from inventories	-	-	1,951	-	-	-	1,951
Disposals	-	(19,080)	(3,633)	(305)	(11)	-	(23,029)
Depreciation charge	(364)	(66,431)	(80,546)	(24,514)	(10,489)	-	(182,344)
(Reversal) Impairment	-	1,269	4,525	478	-	39	6,311
Closing net book amount	4,178	486,275	316,140	35,905	30,036	411,915	1,284,449
At 31 December 2022							
Cost	7,286	1,283,545	2,343,729	323,072	138,650	411,915	4,508,197
<u>Less</u> Accumulated depreciation	(3,108)	(797,270)	(2,027,589)	(287,167)	(108,614)	-	(3,223,748)
Net book amount	4,178	486,275	316,140	35,905	30,036	411,915	1,284,449

Short-term borrowings from financial institutions are secured on land, buildings and machinery of a subsidiary to the value of Baht 244 million (2021: Baht 162 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	
	2022 Baht'000	2021 Baht'000	2022 Baht'000	2021 Baht'000
Land	510,379	550,429	322,189	356,642
Properties	632,795	701,553	591,125	661,943
Motor vehicles	83,267	91,770	63,327	71,807
Total	1,226,441	1,343,752	976,641	1,090,392

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	
	2022 Baht'000	2021 Baht'000	2022 Baht'000	2021 Baht'000
Depreciation charge of right-of-use assets:				
Land	37,721	33,373	34,453	29,300
Properties	103,064	102,391	79,858	87,858
Motor vehicles	40,808	41,512	31,158	31,705
Total	181,593	177,276	145,469	148,863
Addition to the right-of-use assets during the year	78,431	264,234	33,980	219,905
Total cash outflow for leases	214,955	250,006	170,609	216,378
Expense relating to short-term leases	915	27,252	558	13,847
Expense relating to leases of low-value assets	11,355	11,720	9,368	10,293

17 Intangible assets

	Consolidated financial statements				
	Computer software Baht'000	Computer software under installation Baht'000	Trademark Baht'000	Customer base Baht'000	Total Baht'000
At 1 January 2021					
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	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
For the year ended 31 December 2022					
Opening net book amount	207,061	26,566	-	20,322	253,949
Exchange differences	2	-	-	-	2
Acquisition of subsidiaries (Note 33)	548	-	11,283	-	11,831
Additions	4,811	33,513	-	-	38,324
Transfer in (out)	39,021	(39,021)	-	-	-
Amortisation charge	(59,943)	-	(921)	(3,322)	(64,186)
Closing net book amount	191,500	21,058	10,362	17,000	239,920
At 31 December 2022					
Cost	489,557	21,058	11,283	23,252	545,150
<u>Less</u> Accumulated amortisation	(298,057)	-	(921)	(6,252)	(305,230)
Net book amount	191,500	21,058	10,362	17,000	239,920

	Separate financial statements		
	Computer software Baht'000	Computer software under installation Baht'000	Total Baht'000
At 1 January 2021			
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
At 31 December 2021			
Cost	438,411	11,957	450,368
<u>Less</u> Accumulated amortisation	(232,020)	-	(232,020)
Net book amount	206,391	11,957	218,348
For the year ended 31 December 2022			
Opening net book amount	206,391	11,957	218,348
Additions	3,276	20,812	24,538
Transfer in (out)	1,181	(1,181)	-
Write-off	(9,273)	-	(9,273)
Amortisation charge	(55,649)	-	(55,649)
Closing net book amount	146,376	31,588	177,964
At 31 December 2022			
Cost	432,642	31,588	464,230
<u>Less</u> Accumulated amortisation	(286,266)	-	(286,266)
Net book amount	146,376	31,588	177,964

Amortisation recognised in profit and loss that are related to intangible assets are as follows:

	Consolidated financial statements		Separate financial statements	
	2022 Baht'000	2021 Baht'000	2022 Baht'000	2021 Baht'000
Cost of goods sold	1,995	2,168	1,979	2,157
Selling expense	2,582	1,278	2,479	1,173
Administrative expense	59,609	61,239	51,191	57,774

18 Goodwill

	Consolidated financial statements	
	2022 Baht'000	2021 Baht'000
For the year ended 31 December		
Opening net book amount	49,573	-
Acquisition of subsidiaries (Note 33)	333,551	49,573
Closing net book amount	383,124	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	
	2022 Baht'000	2021 Baht'000	2022 Baht'000	2021 Baht'000
Deferred tax assets	391,097	393,684	324,164	342,782
Deferred tax liabilities	303,923	252,948	219,285	243,892
Deferred tax asset - net	87,174	140,736	104,879	98,890

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 2021	41,214	81,088	214,367	48,243	384,912
Acquisition of subsidiaries	242	90	-	-	332
(Credited) charged 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
At 1 January 2022	41,028	76,241	223,681	52,734	393,684
Acquisition of subsidiaries (Note 33)	-	408	-	500	908
(Credited) charged to profit or loss	(920)	(2,513)	(19,991)	34,451	11,027
Charged to other comprehensive income	-	(14,218)	-	(354)	(14,572)
Exchange differences	(55)	187	-	(82)	50
At 31 December 2022	40,053	60,105	203,690	87,249	391,097

TOA Paint (Thailand) Public Company Limited
Notes to the consolidated and separate financial statements
For the year ended 31 December 2022

	Consolidated financial statements		
	Right-of-use assets Baht'000	Depreciation Baht'000	Total Baht'000
Deferred tax liabilities			
At 1 January 2021	206,760	31,060	237,820
Acquisition of subsidiaries	-	7,960	7,960
Charged to profit or loss	6,566	602	7,168
At 31 December 2021	213,326	39,622	252,948
At 1 January 2022	213,326	39,622	252,948
Acquisition of subsidiaries (Note 33)	-	79,154	79,154
Charged (credited) to profit or loss	(18,853)	(9,326)	(28,179)
At 31 December 2022	194,473	109,450	303,923

	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 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
At 1 January 2022	25,944	66,275	221,528	29,035	342,782
Charged (credited) to profit or loss	(135)	(5,266)	(19,459)	17,424	(7,436)
Charged to other comprehensive income	-	(11,116)	-	(66)	(11,182)
At 31 December 2022	25,809	49,893	202,069	46,393	324,164

	Separate financial statements		
	Right-of-use assets Baht'000	Depreciation Baht'000	Total Baht'000
Deferred tax liabilities			
At 1 January 2021	204,175	31,060	235,235
Charged to profit or loss	7,053	1,604	8,657
At 31 December 2021	211,228	32,664	243,892
At 1 January 2022	211,228	32,664	243,892
Credited to profit or loss	(22,459)	(2,148)	(24,607)
At 31 December 2022	188,769	30,516	219,285

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 141.91 million (2021: Baht 110.56 million) (from tax losses of Baht 635.27 million (2021: Baht 473.86 million)), to carry forward against future taxable income; these tax losses of Baht 635.27 million (2021: Baht 473.86 million) will expire during 2026 to 2028.

20 Borrowings

	Consolidated financial statements		Separate financial statements	
	2022 Baht'000	2021 Baht'000	2022 Baht'000	2021 Baht'000
Current				
Short-term borrowings from financial institutions	101,334	289,082	-	200,000
Short-term borrowings from others	4,093	7,565	-	-
Current portion of long-term loans from financial institutions	3,302	121	-	-
Lease liabilities	162,398	151,514	131,442	126,773
Total current borrowings	271,127	448,282	131,442	326,773
Non-current				
Long-term loan from bank	49,535	-	-	-
Lease liabilities	916,813	1,025,973	878,906	980,868
Total non-current borrowings	966,348	1,025,973	878,906	980,868
Total borrowings	1,237,476	1,474,255	1,010,348	1,307,641

As at 31 December 2022, the Company has promissory notes as short-term borrowings from financial institutions which interest rate was ranging between 3.00% to 4.85% per annum (2021: 0.80% to 3.00% per annum).

As at 31 December 2022, 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	
	2022 Baht'000	2021 Baht'000	2022 Baht'000	2021 Baht'000
Minimum lease payments of finance lease liabilities:				
Not later than one year	195,748	187,716	160,916	158,858
Later than 1 year but not later than 5 years	551,017	287,321	513,812	244,293
Later than 5 years	544,766	947,940	538,221	935,957
	1,291,531	1,422,977	1,212,949	1,339,108
<u>Less</u> Future finance charges on finance leases	(212,320)	(245,490)	(202,601)	(231,467)
Present value of finance lease liabilities	1,079,211	1,177,487	1,010,348	1,107,641
Finance lease liabilities				
- Current	162,398	151,514	131,442	126,773
- Non-current	916,813	1,025,973	878,906	980,868
	1,079,211	1,177,487	1,010,348	1,107,641
Present value of finance lease liabilities:				
Not later than one year	162,398	151,514	131,442	126,773
Later than 1 year but not later than 5 years	465,601	269,909	431,798	231,775
Later than 5 years	451,212	756,064	447,108	749,093
	1,079,211	1,177,487	1,010,348	1,107,641

21 Trade and other payables

	Consolidated financial statements		Separate financial statements	
	2022 Baht'000	2021 Baht'000	2022 Baht'000	2021 Baht'000
Trade payables	2,548,278	2,606,393	2,019,099	2,186,499
Trade payables - related parties (Note 31 c)	101,958	221,623	219,155	231,586
Other payables - related parties (Note 31 c)	5,937	9,169	24,590	8,828
Other payables - other parties	279,304	254,334	195,037	192,464
Accrued expenses - other parties	946,453	739,194	498,734	434,241
Total	3,881,930	3,830,713	2,956,615	3,053,618

22 Employee benefit obligations

	Consolidated financial statements		Separate financial statements	
	2022 Baht'000	2021 Baht'000	2022 Baht'000	2021 Baht'000
Statements of Financial Position:				
Retirement benefits	343,755	409,222	261,019	343,448
Other long-term benefits	8,336	8,008	7,079	6,560
Liability in the statement of financial position	352,091	417,230	268,098	350,008
Profit or loss charge included in operating profit for:				
Retirement benefits	56,142	39,958	30,101	30,663
Other long-term benefits	1,592	1,047	1,652	820
Profit or loss	57,734	41,005	31,753	31,483
Remeasurement	(71,098)	40	(55,578)	-

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	
	2022 Baht'000	2021 Baht'000	2022 Baht'000	2021 Baht'000
At 1 January	417,230	437,567	350,008	379,997
Current service cost	49,663	34,307	26,338	26,217
Interest expense	8,071	6,699	5,415	5,267
	474,964	478,573	381,761	411,481
Remeasurements:				
Loss from change in financial assumptions	(75,779)	-	(64,730)	-
Experience loss	4,681	40	9,152	-
	(71,098)	40	(55,578)	-
Acquisition of subsidiaries (Note 33)	9,504	453	-	-
Exchange differences	(1,647)	1,442	-	-
Payment from plans:				
Benefit payment	(59,632)	(63,278)	(58,085)	(61,473)
At 31 December	352,091	417,230	268,098	350,008

TOA Paint (Thailand) Public Company Limited
Notes to the consolidated and separate financial statements
For the year ended 31 December 2022

The significant actuarial assumptions used of retirement benefits were as follows:

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Discount rate	3.38 - 10.37	1.69 - 10.37	3.44	1.69
Salary growth rate	5.00 - 12.00	4.00 - 12.00	5.00	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	
	2022	2021	2022	2021	2022	2021
Discount rate	1%	1%	Decrease by 1.04%	Decrease by 0.88%	Increase by 1.19%	Increase by 1.04%
Salary growth rate	1%	1%	Increase by 1.19%	Increase by 1.05%	Decrease by 1.04%	Decrease by 0.87%

	Separate financial statements					
	Change in assumption		Impact on defined benefit obligation			
			Increase in assumption		Decrease in assumption	
	2022	2021	2022	2021	2022	2021
Discount rate	1%	1%	Decrease by 1.07%	Decrease by 0.88%	Increase by 1.22%	Increase by 1.03%
Salary growth rate	1%	1%	Increase by 1.23%	Increase by 1.04%	Decrease by 1.07%	Decrease by 0.87%

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 year.

The weighted average duration of the defined benefit obligation is 12 - 23 years (2021: 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 2022					
Retirement benefits	60,220	70,742	66,417	981,197	1,178,575
At 31 December 2021					
Retirement benefits	31,295	70,778	112,146	758,126	972,345
	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 2022					
Retirement benefits	49,559	59,084	48,608	656,241	813,492
At 31 December 2021					
Retirement benefits	28,385	62,415	82,970	582,175	755,945

23 Share capital and premium on share capital

	Number of Shares Shares	Ordinary Shares Baht	Share Premium Baht	Total Baht
At 31 December 2021 and 2022	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 (2021: 2,090,000,000 shares) with a par value of Baht 1 per share (2021: 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	
	2022 Baht'000	2021 Baht'000	2022 Baht'000	2021 Baht'000
Short-term borrowings	3,364	5,175	66	3,441
Short-term borrowings from others	193	54	-	-
Lease liabilities	34,632	29,583	31,645	27,816
Total finance costs	38,189	34,812	31,711	31,257

26 Expenses by nature

	Consolidated financial statements		Separate financial statements	
	2022 Baht'000	2021 Baht'000	2022 Baht'000	2021 Baht'000
Raw materials and consumables used	10,622,778	8,425,687	8,408,419	6,938,666
Changes in inventories of finished goods and work in process	(251,512)	(317,769)	(5,691)	(221,851)
Advertising and promotion expenses	631,972	497,624	377,115	313,472
Salary and wages and other employee benefits	2,955,543	2,602,230	1,859,640	1,804,296
Depreciation and amortisation	669,848	615,477	386,113	408,229
Subcontractor costs	32,496	31,261	18,120	15,770
Rental expenses	65,176	51,442	30,264	26,752
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	
	2022 Baht'000	2021 Baht'000	2022 Baht'000	2021 Baht'000
Current tax:				
Current tax on profits for the year	491,774	524,500	436,108	472,961
Total current tax	491,774	524,500	436,108	472,961
Deferred income tax:				
(Increase) Decrease in deferred tax assets (Note 19)	(11,027)	(3,629)	7,436	4,250
(Decrease) Increase in deferred tax liabilities (Note 19)	(28,179)	7,168	(24,607)	8,657
Total deferred income tax	(39,206)	3,539	(17,171)	12,907
Total income tax expense	452,568	528,039	418,937	485,868

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	
	2022 Baht'000	2021 Baht'000	2022 Baht'000	2021 Baht'000
Profit before tax	1,887,404	2,454,311	2,134,762	2,463,817
Tax rate	15% - 25%	15% - 25%	20%	20%
Accounting profit before tax multiplied by applicable tax rate	376,268	476,463	426,952	492,763
Tax effect of:				
Adjustment to income tax assets for taxable loss from previous year	(3,996)	(12,198)	-	(12,198)
Income which is not taxable	(21,364)	(23,648)	(5,712)	(22,628)
Expenses not deductible for tax purpose	41,987	39,607	22,728	36,415
Additional expense deductions allowed	(26,279)	(9,560)	(25,031)	(8,484)
Tax losses for which no deferred income tax asset was recognised	85,697	57,749	-	-
Others	255	(374)	-	-
Tax charge	452,568	528,039	418,937	485,868

The tax (charge)/credit relating to component of other comprehensive income is as follows:

	Consolidated financial statements					
	2022			2021		
	Before tax Baht'000	Tax charge Baht'000	After tax Baht'000	Before tax Baht'000	Tax charge Baht'000	After tax Baht'000
Remeasurement on defined benefit obligation	71,097	(14,218)	56,879	(40)	8	(32)
Other comprehensive income	71,097	(14,218)	56,879	(40)	8	(32)

	Separate financial statements					
	2022			2021		
	Before tax Baht'000	Tax charge Baht'000	After tax Baht'000	Before tax Baht'000	Tax charge Baht'000	After tax Baht'000
Remeasurement on defined benefit obligation	55,578	(11,116)	44,462	-	-	-
Other comprehensive income	55,578	(11,116)	44,462	-	-	-

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	
	2022	2021	2022	2021
Basic earnings per share				
Profit attributable to the ordinary equity holders of the Company (Baht'000)	1,418,222	1,955,054	1,715,826	1,977,950
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)	0.70	0.96	0.85	0.97

There are no potential dilutive ordinary shares in issue during 2022 and 2021.

29 Dividends

The Company

The Company's Board of Directors meeting No.6/2022 on 15 August 2022 has a resolution to approve the payment of interim dividends from the operating results of January to June 2022 at Baht 0.25 per share for 2,029,000,000 shares, totaling Baht 507.25 million. The dividends were paid on 13 September 2022.

The Company's 2022 Annual General meeting of Shareholders on 25 April 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, totaling Baht 385.51 million. The dividends were paid on 23 May 2022.

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.

Gypmantech Co., Ltd.

Gypmantech Co., Ltd.'s Extraordinary General Meeting of Shareholders No.1/2022 on 19 December 2022 has a resolution to approve the payment of dividends from the operating results under BOI for the year 2021 at Baht 5.83 per share for 5,150,000 shares, totaling Baht 30.02 million. The dividends were paid on 28 December 2022.

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	
	2022 Baht'000	2021 Baht'000	2022 Baht'000	2021 Baht'000
Interest income	36,639	28,577	36,603	28,763
Service income	43,388	36,946	52,805	51,270
Rental income	8,469	9,517	11,535	12,007
Others	76,598	39,875	64,186	20,178
Total	165,094	114,915	165,129	112,218

31 Related party transactions

a) Sales of goods and services and other income

	Consolidated financial statements		Separate financial statements		Pricing policies
	2022 Baht'000	2021 Baht'000	2022 Baht'000	2021 Baht'000	
Sales of goods					
Subsidiaries	-	-	995,269	809,752	Reference to market price
Other related parties	555,407	451,986	550,708	447,427	Reference to market price
Revenue from services					
Subsidiaries	-	-	17,563	14,323	Contract price
Other related parties	4,597	6,155	4,597	6,155	Contract price
Rental income					
Subsidiaries	-	-	3,246	3,130	Contract price
Other related parties	8,099	8,870	8,099	8,681	Contract price
Other income					
Subsidiaries	-	-	24,882	3,852	Contract price
Other related parties	32	857	32	857	Contract price
Interest income					
Subsidiaries	-	-	2,484	1,332	3.00% - 3.50% per annum

b) Purchases of goods and services

	Consolidated financial statements		Separate financial statements		Pricing policies
	2022 Baht'000	2021 Baht'000	2022 Baht'000	2021 Baht'000	
Purchases of goods					
Subsidiaries	-	-	1,072,733	54,775	Reference to market price
Other related parties	740,591	1,384,149	715,317	1,349,035	Reference to market price
Subcontractor expenses					
Other related parties	2,411	2,411	2,411	2,411	Contract price
Rental expenses					
Subsidiaries	-	-	131	63	Contract price
Other related parties	519	559	519	559	Contract price
Payments on lease liabilities					
Subsidiary	-	-	720	-	Contract price
Other related parties	97,237	120,827	96,437	120,049	Contract price
Interest expense					
Subsidiaries	-	-	20	-	Reference to market price
Other related parties	29,419	27,912	29,345	27,816	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	
	2022 Baht'000	2021 Baht'000	2022 Baht'000	2021 Baht'000
Receivables				
Subsidiaries	-	-	1,315,799	1,101,643
Other related parties	161,021	140,019	161,021	138,943
Payables				
Subsidiaries	-	-	140,917	20,931
Other related parties	107,895	230,792	102,828	219,483
Lease liabilities				
Subsidiary	-	-	587	-
Other related parties	925,521	1,024,064	923,292	1,021,036

d) Short-term loans to related parties

The movements of short-term loans to related parties are as follow:

	Separate financial statements	
	2022 Baht'000	2021 Baht'000
Opening book value, net	44,537	3,473
Additions of loans and interest income during the period	192,359	53,830
Repayments received of principal and interest during the period	(53,699)	(17,429)
Exchange differences	(5,869)	4,663
Closing book value, net	177,328	44,537

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 (2021: 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	
	2022 Baht'000	2021 Baht'000	2022 Baht'000	2021 Baht'000
Salaries and other short-term employee benefits	83,048	78,798	83,048	78,798
Post-employment benefits	1,271	1,229	1,271	1,229
Total	84,319	80,027	84,319	80,027

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	
	2022 Baht'000	2021 Baht'000	2022 Baht'000	2021 Baht'000
Property, plant and equipment	25,799	222,773	25,799	222,773
Intangible assets	12,515	28,819	12,515	20,506
Total	38,314	251,592	38,314	243,279

b) Non-cancellable operating leases

The Group leases land, building, motor vehicles and equipment under non-cancellable lease agreements.

As at 31 December 2022 and 2021 commitments for minimum payments in relation to non-cancellable leases are payable as follows:

	Consolidated financial statements		Separate financial statements	
	2022 Baht'000	2021 Baht'000	2022 Baht'000	2021 Baht'000
Within 1 year	14,377	18,301	7,628	9,778
Later than 1 year but not later than 5 years	8,969	10,021	4,350	7,713
Later than 5 years	-	-	-	-
Total	23,346	28,322	11,978	17,491

c) Guarantees

As at 31 December 2022, the Company has guaranteed bank credit facilities of subsidiaries approximately Baht 25 million and USD 3 million (31 December 2021: Baht 30 million and USD 3 million).

As at 31 December 2022, the Group and the Company have outstanding bank guarantees of approximately Baht 84.77 million and Baht 68.89 million, respectively. (31 December 2021: Baht 65.42 million and Baht 64.76 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 for work contracts, recall assets and claim damages for 2 cases totalling approximately Baht 108.23 million.

- The first case which has claimed damages totalling Baht 77.87 million is still being considered by the trial court. The court will hold hearing of verdict on 21 February 2023. 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 claimed damages 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

Gypmantech Company Limited

On 9 March 2022, the Group acquired 51% of the share capital of Gypmantech Company Limited ("GMT") for a total consideration of Baht 800 million. As a result, GMT is a subsidiary of the Group. The Group expects that these investments will be able to expand the Group's business into the gypsum 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 9 March 2022, an acquisition date.

	GMT Baht'000
Consideration net transferred - Cash	800,000
Recognised amounts of identifiable acquired assets and liabilities are as follows:	
	GMT Baht'000
Cash and cash equivalents	46,985
Trade and other receivables	104,264
Inventories	308,885
Other current assets	13,648
Property, plant and equipment	743,658
Right-of-use assets	8,193
Intangible assets	11,791
Other non-current assets	286
Trade and other payables	(91,057)
Income tax payable	(2,294)
Other current liabilities	(1,953)
Lease liabilities	(8,193)
Employee benefit obligations	(6,425)
Deferred tax liabilities	(79,154)
Identifiable net assets (100%)	1,048,634
<u>Less</u> Non-controlling interests (49%)	(513,831)
Net assets acquired	534,803
<u>Add</u> Goodwill	265,197
	800,000

Purchase consideration - Cash outflow

	GMT Baht'000
Outflow of cash to acquire subsidiary, net of cash acquired	
Cash consideration	800,000
<u>Less</u> Balances acquired - Cash	(46,985)
Net outflow of cash - Investing activities	<u>753,015</u>

Acquired identifiable intangible assets - Trademark

The fair value of the trademark of GMT of Baht 11.28 million, was estimated by discounted cash flow.

The fair value estimates are based on discount rates of 13.2% and growth rate of 3%. 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 GMT been consolidated from 1 January 2022, the consolidated income statement for the year ended 31 December 2022 would be increased by not exceeding 5% and the profit for the period would not be materially different.

Fast-Mix Company Limited

On 1 July 2022, the Group acquired 80% of the issued and paid-up shares capital, 376,000 shares of Fast-Mix Company Limited ("Fast-Mix") from the TOA group Holding Company limited (TOAGH), At the price of 216.76 baht per share, totaling 81.5 million baht. Fast-Mix is primarily operated in the production and distribution of construction materials.

The following table summarises the consideration paid and the amounts of acquired assets and liabilities recognised on 1 July 2022, an acquisition date.

	Fast-Mix Baht'000
Consideration net transferred – Cash	<u>81,500</u>

Recognised amounts of identifiable acquired assets and liabilities are as follows:

	Fast-Mix Baht'000
Cash and cash equivalents	23,812
Trade and other receivables	15,801
Inventories	22,604
Other current assets	104
Property, plant and equipment	11,592
Right-of-use assets	253
Intangible assets	41
Deferred tax assets	908
Trade and other payables	(52,972)
Income tax payable	(2,183)
Other current liabilities	(196)
Lease liabilities	(253)
Employee benefit obligations	(3,079)
Identifiable net assets (100%)	<u>16,432</u>
<u>Less</u> Non-controlling interests (20%)	<u>(3,286)</u>
Net assets acquired	13,146
<u>Add</u> Goodwill	<u>68,354</u>
	<u>81,500</u>

Purchase consideration - Cash outflow

	Fast-Mix Baht'000
Outflow of cash to acquire subsidiary, net of cash acquired	
Cash consideration	81,500
<u>Less</u> Balances acquired - Cash	<u>(23,812)</u>
Net outflow of cash - Investing activities	<u>57,688</u>

Net assets acquired from the above acquisition are stated at provisioning value on the date of acquisition. The Group is in the process of completing appraising the net assets acquired and adjusting transactions to be consistent with the Group's accounting policies. The adjustments to fair value of assets and liabilities will be made upon the completion of the process.

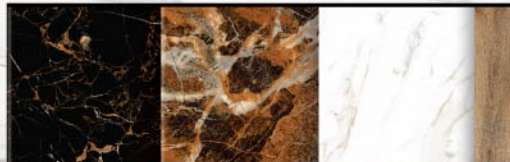
Had Fast-Mix been consolidated from 1 January 2022, the consolidated income statement for the year ended 31 December 2022 would be increased by not exceeding 5% and the profit for the period would not be materially different.

34 Events occurring after the reporting period

The Company's Board of Directors meeting No.2/2023 on 27 February 2023 has a resolution to approve the payment of dividends from the operating results of July to December 2022 at Baht 0.25 per share for 2,029,000,000 shares, totalling Baht 507.25 million.

Attachments

TILE
COLLECTION
Interior & Exterior | Wall & Floor Tiles



TOA Gypsum Lighter More Durable Stronger

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: 78 years old

Education/Training	Shares held ⁽¹⁾	Family relationship between directors/management	Work Experience			
			Past 5 Years - Present (as at December 31, 2022)			
			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: 16 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, 2022.



2. Mrs. Laor Tangkaravakoon

Position: Vice Chairman/ Member of the Executive Committee
Appointment Date: December 6, 2016
Age: 75 years old

Education/Training	Shares held ⁽¹⁾	Family relationship between directors/management	Work Experience			
			Past 5 Years - Present (as at December 31, 2022)			
			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, 2022.



3. Mr. Vonnarat Tangkaravakoon

Position: Director/ Member of the Executive Committee/ Authorized Director

Appointment Date: February 1, 1998

Age: 51 years old

Education/Training	Shares held ⁽¹⁾	Family relationship between directors/management	Work Experience			
			Past 5 Years - Present (as at December 31, 2022)			
			Period	Position	Company	Nature of Business
- 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	Position in the Company & Subsidiaries:			
			1998 - Present	Director/ 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.
			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: 55 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, 2022.



4. Mr. Jatuphat Tangkaravakoon

Position: Director/ Chairman of the Executive Committee/ Member of the Nomination and Remuneration Committee/ Authorized Director/ Chief Executive Officer/ Acting Senior Vice President, Business Development and Construction Chemicals Division/ Acting Vice President, Retail Sales Division

Appointment Date: February 1, 2001

Age: 49 years old

Education/Training	Shares held ⁽¹⁾	Family relationship between directors/management	Work Experience			
			Past 5 Years - Present (as at December 31, 2022)			
			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 Senior Vice President, Business Development and Construction Chemicals Division/ Acting Vice President, Retail Sales Division	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	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.
			2022 - Present	Director	Gypman Tech Co., Ltd.	Manufacturing and distribution of gypsum boards
			Present	Director	TOA Paint (Vietnam) Co., Ltd.	Manufacture, import, 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, 2022)			
			Period	Position	Company	Nature of Business
			Present	Director	TOA Paint Products Sdn. Bhd.	Manufacture and distribution of decorative paint and coating products and chemicals.
			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: 22 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, 2022.



5. Mr. Nattavuth Tangkaravakoon

Position:

Director/ Authorized Director

Appointment Date:

August 1, 2002

Age:

48 years old

Education/Training	Shares held ⁽¹⁾	Family relationship between directors/management	Work Experience			
			Past 5 Years - Present (as at December 31, 2022)			
			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	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: 23 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, 2022.



6. Mrs. Busatree Wanglee

Position:

Director/ Member of Executive Committee/ Authorized Director/ Executive Vice President - Office of the Chief Executive Officer

Education/Training	Shares held ⁽¹⁾	Family relationship between directors/management	Work Experience			
			Past 5 Years - Present (as at December 31, 2022)			
			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	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: 27 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, 2022.



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: **68 years old**

Education/Training	Shares held ⁽¹⁾	Family relationship between directors/management	Work Experience			
			Past 5 Years - Present (as at December 31, 2022)			
			Period	Position	Company	Nature of Business
<ul style="list-style-type: none"> - 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 (AAP 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 Program, Wharton University of Pennsylvania, USA 	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/ Member of Audit Committee/ Chairman of the Nomination and Remuneration Committee	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: 1 company			
			Competitive Position related to Company's Business: None			
			Past Experience:			
			2019 – 2021	Director and Chairman of the Audit Committee	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	Dhipaya Insurance PCL.	Insurance
			2017 – 2019	Independent Director and member of Audit Committee	Siam Solar Power Public Company Limited	Electricity manufacturing and distribution

Education/Training	Shares held ⁽¹⁾	Family relationship between directors/management	Work Experience			
			Past 5 Years - Present (as at December 31, 2022)			
			Period	Position	Company	Nature of Business
- 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			2014 – 2015	Deputy Managing Director of Finance and Accounting	Thai Oil PCL.	Refinery and supplier of petroleum products, and related businesses.
			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, 2022.



8. Mrs. Chanatip Weerasubpong

Position: Independent Director/ Member of the Audit Committee

Appointment Date: December 6, 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, 2022)			
			Period	Position	Company	Nature of Business
<ul style="list-style-type: none"> - 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: 2 companies			
			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, 2022)			
			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, 2022.



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: 68 years old

Education/Training	Shares held ⁽¹⁾	Family relationship between directors/management	Work Experience			
			Past 5 Years - Present (as at December 31, 2022)			
			Period	Position	Company	Nature of Business
<ul style="list-style-type: none"> - 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:			
			2020 - Present	Director/ Chairman of the Audit Committee/ Independent Director	Civil Engineering Public Company Limited	Construction business including all types of civil work
			Position in Non-Listed Companies: 11 companies			
			Competitive Position related to Company's Business: None			
			Past Experience:			
			2022 – 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
			2018 – 2021	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.
			2015 – 2019	Independent Director, Chairman of the Corporate Governance Committee, and Member of the	MCOT PCL.	Operating various multi-media businesses such as television, radio, news service, and electronic media.

Education/Training	Shares held ⁽¹⁾	Family relationship between directors/management	Work Experience			
			Past 5 Years - Present (as at December 31, 2022)			
			Period	Position	Company	Nature of Business
				Risk Management Committee		
			2018 – 2019	Director	Tobacco Authority of Thailand	State enterprise and the sole legal entity permitted to produce tobacco products.
			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, 2022.



10. Miss Taweeporn Patanakitraung

Position: Member of the Executive Committee/ Chief Financial Officer/ Person Supervising the Accounting
Appointment Date: June 1, 1993
Age: 56 years old

Education/Training	Shares held ⁽¹⁾	Family relationship between directors/management	Work Experience			
			Past 5 Years - Present (as at December 31, 2022)			
			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.
			2022 - Present	Director	British Paints Co., Ltd.	Distribution of decorative paint products
			2022 - Present	Director	Gypman Tech Co., Ltd.	Manufacturing and distribution of gypsum boards
			Position in Listed Companies: None			
			Position in Non-Listed Companies: None			
			Competitive Position related to Company's Business: None			
			Past Experience:			

Education/Training	Shares held ⁽¹⁾	Family relationship between directors/management	Work Experience			
			Past 5 Years - Present (as at December 31, 2022)			
			Period	Position	Company	Nature of Business
			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		
			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, 2022.



11. Mr. Nantapon Boonlua

Position: Vice President, Marketing Division

Appointment Date: February 16, 2021

Age: 41 years old

Education/Training	Shares held ⁽¹⁾	Family relationship between directors/management	Work Experience			
			Past 5 Years - Present (as at December 31, 2022)			
			Period	Position	Company	Nature of Business
- Master's Degree in Business, Department of Marketing, Faculty of Commerce and Accountancy, Thammasat University	None	None	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, 2022.



12. Mr. Winai Chaiburanont

Position: Senior Vice President, Operations Division / Vice President, Innovation and R&D (Technical Director)

Appointment Date: July 19, 2021

Age: 52 years old

Education/Training	Shares held ⁽¹⁾	Family relationship between directors/management	Work Experience			
			Past 5 Years - Present (as at December 31, 2022)			
			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, 2022.



13. Mr. Chatchawat Rungthong

Position: Vice President, Digital Transformation

Appointment Date: August 1, 2021

Age: 55 years old

Education/Training	Shares held ⁽¹⁾	Family relationship between directors/management	Work Experience			
			Past 5 Years - Present (as at December 31, 2022)			
			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, 2022.



14. Miss Srikanlaya Pensri

Position: Company Secretary/ Senior Manager, Company Secretary and Investor Relations

Appointment Date: July 23, 2018

Age: 45 years old

Education/Training	Shares held ⁽¹⁾	Family relationship between directors/management	Work Experience			
			Past 5 Years - Present (as at December 31, 2022)			
			Period	Position	Company	Nature of Business
<ul style="list-style-type: none"> - 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, 	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, 2022)			
			Period	Position	Company	Nature of Business
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 2022 1. AGM Checklist 2022 2. Preparation of Form 56-1 One Report 3. Evaluation of AGM's quality in 2022 4. CGR 2023 Coaching on the topic of <i>In-depth seminar on survey guidelines for CGR projects 2023</i> 5. Accounting knowledge that AC should not miss by the Office of the Securities and Exchange Commission 6. Guidelines for ESG Integration in Equity Analysis and Presentation in Analyst Research Reports by SEC and CFA Institute and CFA Society 7. Seminar to disseminate study results of the Value of Audit project 8. Techniques for Adding Value to Listed Companies from a Securities Analyst's Perspective Class 2 by the Stock Exchange of Thailand and the Investment Analysts Association (IAA)						

Note: ⁽¹⁾ Including shares, both directly and indirectly, held by spouse and minor child as at December 31, 2022.

Changes in TOA Shares Held by the Directors and Management in 2022

No.	Name	Position	Shares held as at December 31, 2021	Shares held as at December 31, 2022	Increase/ (Decrease) in TOA shares held in 2022	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, Authorized Director, Chief Executive Officer, Acting Senior Vice President of Business Development and Construction Chemicals Division, and Acting Vice President of Retail Sales Division	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)	-	-	-	-
	Spouse and minor children		-	-	-	-
13	Mr. Chatchawat Rungthong	Vice President, Digital Transformation	-	-	-	-
	Spouse and minor children		-	-	-	-

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. Vomarat Tangkaravakoon	Mr. Jatuphat Tangkaravakoon	Mr. Nattavuth Tangkaravakoon	Mrs. Busatree Wanglee	Mr. Pongcherd Jameekornkul	Mr. Chairat Kosolvathawongs	Miss Feungladda Chirawiboon	Mr. Paitoon Lertpenmaetha	Mr. Worapoj Supimaras	Miss Taweeporn Patanakitraung	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	Mr. Mongkon Tangchaipitak	Mr. Supachai Hirunyanitiwatna	Mr. Surakij Hirunyanitiwatna	Mr. Siripoj Sirintrapun	Mr. Narin Trisukosol	Miss Thitapas Piyasitbussaya	Miss Wipa Kaewboran	Mr. Charti Mahalao
1	Captain Coating Co., Ltd.			I		I																						
2	British Paints Co., Ltd.										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											
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									I						I	
16	Phawatri Intertrade Co., Ltd.			I								I									I						I	
17	Incosource Co., Ltd.			I								I																
18	Gypman Tech Co., Ltd.			I								I									I	I	I					
19	Fast-Mix Co., Ltd.																				I			I	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 (รักษาการ กรรมการผู้จัดการ)		I			
Bang Yai Din Thong Co., Ltd.			I	I					
Primus Autohaus Co., Ltd.	I		I		I				
Primus Autohaus Pattaya Co., Ltd.					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				
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			
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, 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		
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					
Thawal Co., Ltd.				I					
Northeast Rubber Plc.								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
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								
Promptcha 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						
ADS Logistics 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.									
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
Glow SPP2 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 SPP3 Co., Ltd.									I
Glow IPP Co., Ltd.									I
Glow IPP 2 Holding Co., Ltd.									I
Silkspan Co., Ltd.					I				
Lottofood (Thailand) Co., Ltd.	I								
Premier Quality Starch Plc.								I	
Thai Coconut Plc.								I	
The Siam Commercial Bank Plc.							I		

Remark: X = Chairman V = Vice Chairman I = Director II = Executive Director III = Management Member

2.3 Members of management team for TOA's subsidiaries and related companies

Company/ Director	Miss Taweepon 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, 2022)		
					Period	Position	Company
Mr. Attapol Watjarapairoj Assistant Vice President, Internal Audit Division Appointment Date: September 2, 2019	53	- 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, 2022

Attachment 4: Assets Used in Operations and Information of Asset Valuation

1. Property, plant, and equipment

As at December 31, 2022, 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 2022 (Million THB)	Ownership	Obligation
1	Land	260.40	Leasehold right and ownership	Land and land improvements of Captain Coating Co., Ltd. were mortgaged with financial institutions amounting to THB355,000,000.
2	Land Improvements	8.3	Ownership	None
3	Buildings and building improvements	1,744.83	Leasehold right and ownership	Buildings and building improvement of Captain Coating Co., Ltd. were mortgaged with financial institutions amounting to THB355,000,000
4	Machinery and equipment	867.73	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	68.85	Ownership	None
6	Motor vehicles	46.48	Ownership	None
7	Assets under installation and construction in progress	484.26	Ownership	None
Total Net Book Value		3,480.65		

2. Right-of-use assets

As at December 31, 2022, the right-of-use assets had net book value after deduction of accumulated depreciation on the consolidated financial statements amounting to THB1,226.44 million as follows:

No.	Item	Net Book Value as of December 31, 2022 (Million THB)	Details
1	Land	510.38	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	632.79	Right-of-use assets from leasing buildings, offices, and warehouses.

No.	Item	Net Book Value as of December 31, 2022 (Million THB)	Details
3	Motor vehicles	83.27	Right-of-use assets from leasing cars and forklifts.
Total Net Book Value		1,226.44	

3. Intangible Assets

As at December 31, 2022, the intangible assets had net book value after deduction of accumulated amortization on the consolidated financial statements amounting to THB239.92 million as follows:

No.	Item	Net Book Value as of December 31, 2022 (Million THB)	Details
1	Computer software	191.50	Acquiring computer software licenses such as SAP, MS Windows, etc.
2	Computer software under installation	21.06	Acquiring computer software licenses such as SAP rollout, SAP HANA, etc.
3	Trademark	10.36	The fair value of the trademark derived from acquiring shares of Gypman Tech Co., Ltd.
4	Customer base	17.00	The fair value of the customer base derived from acquiring shares of Phacha Enterprise Co., Ltd. and Phawatri Intertrade Co., Ltd.
Total		253.92	

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, 2022, 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.

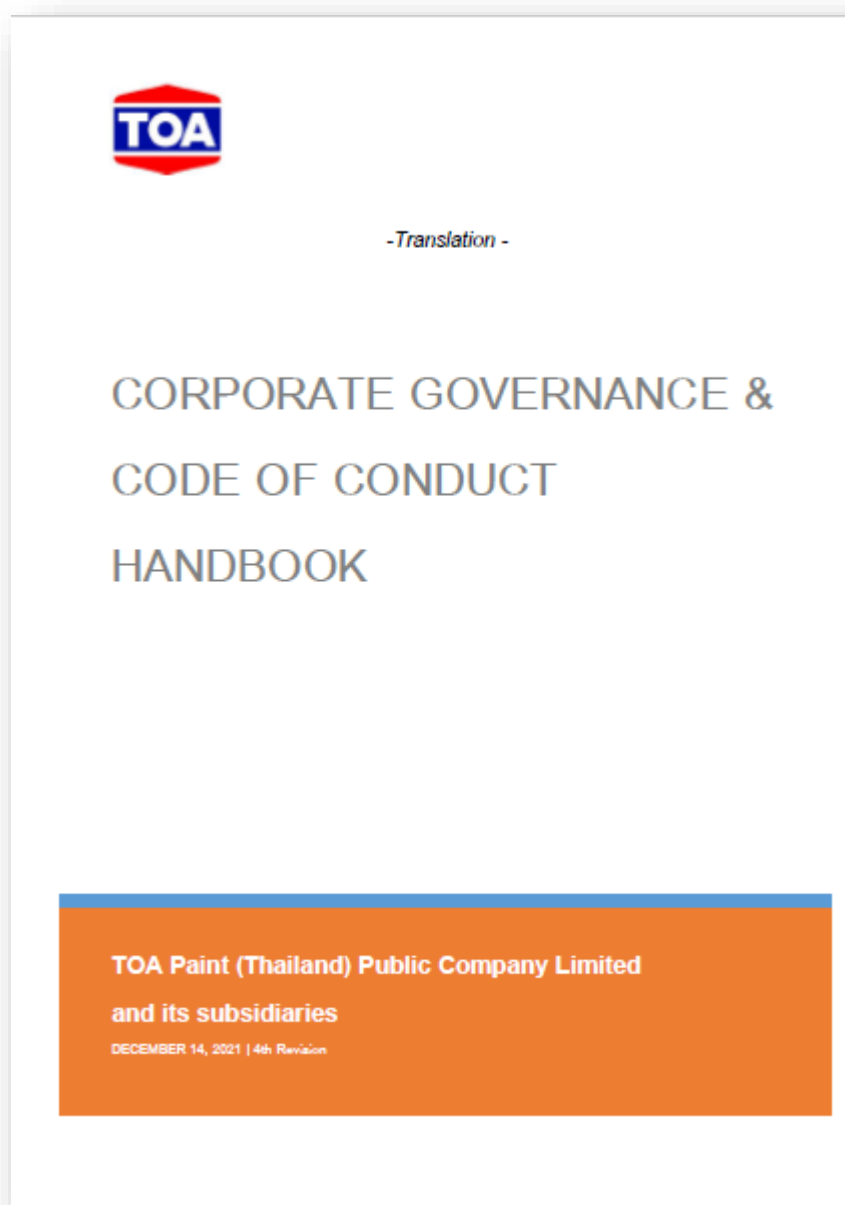
6. Information of Asset Valuation

-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>





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