

- Information Memorandum -

TOA PAINT (THAILAND) PUBLIC COMPANY LIMITED (TOA)

Head Office

31/2 Moo 3, Bangna-Trad Road, Bang Sao Thong, Samut Prakan 10570,
Thailand
Tel. 02-335-5875 Fax. 02-312-8919 Website www.toagroup.com

Plant Location

1. Bangna Plant
31/1 and/or 31/2 Moo 3, Bangna-Trad Road, Bang Sao Thong, Samut
Prakan 10570, Thailand
Tel. 02-335-5555 Fax. 02-312-8919
2. Samrong Plant
104 Soi Phook Mit, Pu Chao Saming Phrai Road, Samrong Tai, Amphoe
Phra Padaeng, Samut Prakan 10130, Thailand
Tel. 02-384-2250, 02-394-1885-6 Fax. 02-384-0763
3. Samut Prakan Plant
906 and 917 Moo 15, Bang Sao Thong, Samut Prakan 10570, Thailand
Tel. 02-706-1794-6 Fax. 02-706-1791
4. Cambodia Plant
No. IB36, National Road No. 3, Phorm Sre Chom Rov, Sang Kat Chom
Chao, Khan Porsenchey, Phnom Penh, Cambodia
Tel. 855-77-97-87-77 Fax. –
5. Malaysia Plant
PT Lot 63802, Jalan Telok Gong, Telok Gong, 42000 Port Klang,
Selangor, Malaysia
Tel. 603-3134-1629 Fax. 603-3134-1581
6. Yangon Plant
No. 120 Mahawgani Street, Shwepyitha Industrial Zone (1), Yangon
Region, Myanmar
Tel. 01-614149 Fax. –
7. Vientiane Plant
Unit 6, Ban Nahai, Hatxaifong District, Vientiane Capital, Lao PDR
Tel. 02 -1810 2082 Fax. 02-081-2278

8. Vietnam Plant
Lot L2.3, Road No. 2, Tan Dong Hiep A Industrial Park, Tan Dong Hiep
Ward, Di An Town, Binh Duong Province, Vietnam
Tel. 0650-3729525, 0650-3775004 Fax. 0650-3729530

<u>Listing Date</u>	As at October 10, 2017 (Trading commencement on October 10, 2017)
<u>Listing Securities</u>	2,029,000,000 ordinary shares at the par value of THB 1 per share, totaling THB 2,029,000,000
<u>Company's Capital</u>	as of October 10, 2017 (Trading commencement) Registered and paid-up capital THB 2,029,000,000
<u>Secondary Market</u>	Stock Exchange of Thailand (SET)
<u>Offering Price</u>	THB 24.0 per share
<u>Offering Date</u>	<ul style="list-style-type: none">• For retail investors and the Company's patrons: September 27-29, 2017• For institutional investors (including domestic cornerstone investors, foreign investors and foreign cornerstone investors) : October 2-4, 2017

Objectives and plans for utilizing the capital increase

Use of Proceeds	Approximate Amount (THB million)	Approximate Time Frame
1. To expand our business in Thailand and overseas, including developing and improving our internal operational efficiencies	2,000.0 – 2,100.0	Within 2019
2. Working capital.	3,787.6 - 3,887.2	Within 2019
Total	5,387.6 - 5,887.2	

The foregoing discussion represents our best estimate of our allocation of the net proceeds from the sale of the Primary Shares based upon our current plans. Actual expenditures may vary from these estimates and we may find it necessary to reallocate the net proceeds differently from the above estimation or for other purposes.

We will not receive any proceeds from the sale of the Vendor Shares by the Wybrant Holding Limited.

Green Shoe Option none

Conflict of Interests Measures

The Tangkaravakoon family, our major shareholder, invests in the manufacture and distribution of two groups of paint and coating products through companies held by TOA Group Holding Co., Ltd. (“**TOAGH**”) (TOGH will hold 30.0% shareholding in TOA after this offering) : (1) paint and coating products for retail end user customers through TOAGH’s investment in TOA, and (2) industrial paint and coating products, including paints used in the automobile industry, furniture industry, and shipping industry, through TOAGH’s investment in TOA Venture Holding Co., Ltd. (“**TOAVH**”).

There is a clear separation between the scope of our business and the business of TOAVH, and the key raw materials required for the operation of our business are procured independently of TOAVH. However, the board of directors of TOAGH, at the Meeting of the Board of Directors No. 4/2017 held on April 26, 2017, approved an investment policy for products for general end user customers. Under this policy, we will become TOAGH’s flagship company operating the paint and coating products business for general end user customers, both in Thailand and overseas. If TOAGH receives an offer to invest in any paint and coating products businesses for general end user customers, TOAGH will notify us accordingly. TOAGH does not have any policies to invest in paint and coating products businesses for general end user customers, whether directly or through any of its other subsidiaries.

In addition, on August 8, 2017, TOAGH entered into a non-compete agreement with us. Under the agreement, TOAGH agreed not to operate or invest in, whether directly or indirectly, businesses related to decorative paint and coating products and non-decorative paint and coating products for general end user customers (the “**Agreed Paint Businesses**”) which were in competition with our Agreed Paint Businesses in Thailand, Myanmar, Cambodia, Laos, Vietnam, Indonesia, Malaysia, Singapore, the Philippines, and Brunei (the “**Agreed Countries**”), unless pursuant to an investment through us. If TOAGH wishes to operate the Agreed Paint Businesses in countries other than the Agreed Countries, TOAGH will have to obtain shareholders’ approval from no less than three-fourths of the total votes of the shareholders present and entitled to vote at a meeting of TOA’s shareholders, excluding votes of interested shareholders, and provided that no objections to the approval for TOAGH to proceed with such action are raised by the shareholders holding (in aggregate) 10.0% or more of the total votes of the shareholders present at the meeting.

In this regard, the definition of “Agreed Paint Businesses” does not extend to the operation of a business for the manufacture and distribution of woodwork products for general end users (excluding industrial groups), which Sherwood Chemicals Public Company Limited (“**SWC**”) (in which TOAGH indirectly holds approximately 36.0% of the total issued and sold shares through TOAVH, a subsidiary of TOAGH) currently operates and/or will operate in the future. TOAGH agrees to procure the following:

- (1) TOAGH’s subsidiaries (with the exception of TOA) will not operate the Agreed Paint Businesses in any of the Agreed Countries;

- (2) in the event that the total shareholding of TOAGH (including any individuals under section 258 of the SEC related to TOAGH) in SWC exceeds 50.0% of the total issued and sold shares of SWC, TOAGH shall take all necessary actions (which shall not be in contravention of the law) to prevent SWC from operating the Agreed Paint Businesses in the Agreed Countries; and
- (3) the following individuals shall not operate the Agreed Paint Businesses in any of the Agreed Countries above:
 - a. Mr. Prachak Tangkaravakoon, for as long as Mr. Prachak Tangkaravakoon is still a director of TOAGH and/or TOA, or a major shareholder of TOAGH;
 - b. Mr. Vonnarat Tangkaravakoon, for as long as Mr. Vonnarat Tangkaravakoon is still a director of TOAGH and/or TOA, or a major shareholder of TOAGH; and
 - c. Mr. Jatuphat Tangkaravakoon, for as long as Mr. Jatuphat Tangkaravakoon is still a director of TOAGH and/or TOA, or a major shareholder of TOAGH.

The non-compete agreement will terminate when TOAGH, Mr. Prachak Tangkaravakoon, Mr. Vonnarat Tangkaravakoon and Mr. Jatuphat Tangkaravakoon, including any persons under section 258 of the Securities and Exchange Act B.E. 2535 (as amended) ("SEC Act") related to them, together hold less than 10.0% of the total shares with voting rights in TOA, or when TOA no longer has a responsibility to comply with the requirements specified by the Notification of the Capital Market Supervisory Board promulgated under Section 56 of the SEC Act, as amended.

Any amendment or addition to the non-compete agreement requires the approval of the shareholders' meeting of TOA by no less than three-fourths of the total votes of the shareholders present and entitled to vote, excluding votes of interested shareholders, and provided that no objections to the amendment or addition are made by shareholders holding (in aggregate) 10.0% or more of the total votes of the shareholders present at the meeting.

SWC main business involves the production and distribution of insect repellent and insecticides, with the production and distribution of wood dye and teak oil products forming a minor part of its business. SWC's wood dye and teak oil products may bear some similarities to our wood coating products. However, these similarities are not substantial and do not result in a material conflict of interest, as wood dye and teak oil products are not ours or SWC's main products, and are only related products aimed to increase the range of products to meet customer demands. Furthermore, the development, production, and marketing of the wood dye and teak oil products are conducted independently by both us and SWC.

Mr. Nattavuth Tangkaravakoon is not in the group of individuals that TOAGH has to ensure will not operate the Agreed Paint Businesses in any of the countries specified in the non-compete agreement between TOAGH and TOA as Mr. Nattavuth Tangkaravakoon does not specialize in the business of paint

and coating products for general end user customers, which requires strong branding and distribution networks that are different from that of the industrial paints business of which Mr. Nattavuth Tangkaravakoon is a director and executive.

There is a clear separation between the scope of our business and the business of the Divested Companies¹, and the key raw materials required for the operation of our business belong to us. The trademarks registered by us and the Divested Companies with the relevant authorities, both in Thailand and abroad, for marketing our respective products, are also separate. We have a separate management structure from that of the Divested Companies, with only six members of the Tangkaravakoon family acting as directors of both the Company and the Divested Companies, namely, Mr. Prachak Tangkaravakoon, Mrs. La-Or Tangkaravakoon, Mr. Vonnarat Tangkaravakoon, Mr. Jatuphat Tangkaravakoon, Mr. Natthavuth Tangkaravakoon, and Mrs. Busatree Wanglee. The aforementioned persons (with the exception of Mr. Natthavuth Tangkaravakoon) are also our executive committee members.

In addition, our charter of the board of directors prescribes measures to prevent conflicts of interest. If a director operates a business or holds office as a director or in the management in another company (other than us, an affiliate company, and SWC) which operates a business of production and distribution of decorative paint and coating products, wood coating products, and industrial products for general end users in a manner that competes with us (whether directly or indirectly), the board of directors may take any action they deem appropriate to eliminate this conflict of interest. Furthermore, in the event that any director resigns from his/her position by rotation, the board of directors will not re-appoint that member to the board, unless there is an appropriate reason to do so. The re-appointment of such a director to the board must be approved by the meeting of shareholders in accordance with the applicable law.

Type of Business and Nature of Operation

We are the leading paint and coating producer and distributor in Thailand. According to Frost & Sullivan, we are the largest retail decorative paint and coating manufacturer in Thailand based on sales revenue, with an approximately 48.7% market share in 2016. In addition, we have a wide manufacturing and distribution footprint across the AEC. According to Frost & Sullivan, we had an approximately 13.0% market share of the paint and coating market in the AEC in 2016.

¹ "Divested Companies" refer to TOA Performance Coating (Vietnam) Co., Ltd., TOA Performance Coating Corporation Co., Ltd., TOA Paint (Malaysia) Sdn. Bhd., TOA Union Paint (Thailand) Co., Ltd., TOA Chugoku Paint Co., Ltd., ITOA Auto Sales Co., Ltd., Sherwood Chemicals Public Company Limited, Takata TOA Co., Ltd., YMP Press & Dies (Thailand) Co., Ltd., TOA Paint (India) Private Limited, TOA-ISM Auto Refinish Paint Co., Ltd., and Conchubar Energy Private Limited;

1. Product Characteristics

We classify our paint and coating products manufactured and distributed by the Company into two main categories

(1) Decorative Paint and Coating Products

We differentiate premium and medium to economy paints and coatings and other decorative products based on a combination of the character, quality, functionality and price of the decorative paints and coatings. This enables us to provide our customers with a full range of decorative paint and coating products to choose from.

a) Premium decorative paint and coating products

Our premium decorative paint and coating products are formulated with certain main characteristics superior to standard decorative paint and coating products that command premium level pricing, such as ease of application, good surface coverage, color choices and long-term durability which is adapted for our tropical climate. Such premium products are manufactured using technologies that provide value-added features to respond to customers' demand including increased weather resistance, elasticity, application on cracked surfaces, enhanced washability, heat reflection and protection and moisture resistance. In addition, our premium products are developed to be safe for users and dwellers due to their relatively low odor and VOCs when compared with other paints sold in the market.

Premium products are a strategic focus of our decorative paint and coating products business. We position our SuperShield branded products as best-in-class decorative paint and coating products to cater to customers looking for latest available technology and innovation. Our premium products are marketed as high performance decorative paint and coating products to cater to professional users.

b) Medium to Economy

Our 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 our premium decorative paint and coating products. Our 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, we are able to reach a wider market beyond the market for our premium products. Medium grade paints and coatings are positioned as entry-level products targeting first-time end user customers who prefer a more cost-efficient solution. We have invested in the creation of a brand to assist these customers in familiarizing themselves with our brand and making decisions to purchase. Such end user customers 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 more affordable price than premium grade paints. Medium grade paints are also targeted at the Government sector as our medium grade products meet the Thai Industrial Standards,

qualifying us to compete for Government sector projects. Our economy grade paints and coatings are positioned as a customer retention tool for end user 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 TOA and our overseas subsidiaries include 4 Seasons, Supertech, Super Matex, KOBE and Mandarin Duck.

c) Other Decorative Products

Other decorative products comprises colorants used for Auto Tinting Machines, as well as decorative thinners, being solvents used to dilute paints, make paints easier to use and/or apply, or clean up paints and equipment.

(2) Non-Decorative Paint and Coating Products

Our non-Decorative Paint and Coating Products are including a) Wood Coatings, b) Construction Chemicals, c) Heavy Duty Coatings, d) hardware and e) other non-decorative Products. We have a portfolio of approximately 2,775 SKUs for the non-decorative paint and coating products that we market and distribute under 89 brands, including our in-house brands such as TOA, Wood Stain, HeavyGuard, TOA Construction Chemicals, WIN and KOBE, as well as third party brands for products not manufactured by us such as RYOBI.

a) Wood Coatings

We produce and distribute paint and coating products for wood doors, windows, floors (both indoor and outdoor), walls, furniture and siding. Our wood coating products consist of polyurethane topcoats, lacquers, varnishes, wood stains, fiber cements and spray paint for general work.

b) Construction Chemicals

We produce and distribute construction chemicals, such as TOA 201 Roofseal (high-quality polyurethane glue), TOA Polyurethane Sealant (finished skim coat for smoothing) and TOA 102 D-Cote, that are either used directly on construction materials or added to construction materials for use at construction sites. Our construction chemicals confer certain properties to construction materials, including improving workability and enhancing performance of the construction materials, adding functionality, and protecting of the construction materials or the finished structure constructed from the construction materials. When construction chemicals are applied or added to construction materials, they typically undergo chemical reactions such as cross-linking, or physical change.

c) Heavy Duty Coatings

We produce and market heavy duty coatings under the HeavyGuard brands for application on various surfaces, such as steel and concrete, factory buildings and floors, as well as for use as small fishing boats, tank and pipe coatings. Our heavy duty coating products are primarily topcoats or primers and are

typically applied to surfaces which have to withstand heavy loads, high impact and exposure to corrosion or extreme conditions. Heavy duty coatings minimize cracks or deterioration of surfaces which may otherwise often necessitate costly repairs.

d) Hardware

Hardware comprises sales of hardware, power tools, Shell brand products and Chaintrite brand products. The hardware and related products we market and sell are used by our end user customers for surface treatment and decoration. The main hardware products we market and sell are aerosol sprays, abrasive paper and adhesive latex. We produce the aerosol sprays and adhesive latex in-house while abrasive paper is distributed as a trading product and not produced in our production plants. Our spray products are acrylic-based or nitrocellulose-based, fast-drying and can be used on wood, metal and plastics. Our topcoat sprays are high gloss and come in many colors while our primer sprays serve to maximize the adhesion between the substrate and the topcoat. We purchase some hardware trading products from suppliers, including some abrasive paper purchased from TOA Performance Coating Corporation Co., Ltd., a related company, after considering various factors, including the quality, price and payment terms, and whether the hardware being considered is aligned with the needs of our target customers.

The power tools we distribute are not produced in-house but are instead sourced from third party suppliers. Such power tools are commonly used by our end user customers for surface preparation and coating application and include laser devices, concrete hammers, high pressure washers, bench grinders, wrenches/cordless drills, rotary hammers, impact drills, circular saws, miters saws, scroll saws, jigsaws, cutting saws, auto feed planers, heat guns, blowers, routers, concrete cutters, grass shears, die grinders, angle grinders, polishers, pad-orbital sanders, trimmers and screwdrivers.

e) Other Non-decorative Products

Other non-decorative products comprise special architectural coatings and Auto Tinting Machines. Special architectural coatings give surfaces different finishing patterns or effects, which are different from general decorative paints and are suitable for both exterior and interior application.

We produce and market special architectural coatings under the TOA architectural or SuperShield brands. In addition to the special architectural coatings produced and distributed by TOA and our overseas subsidiaries, Imagica Co., Ltd. distributes special architectural coatings under the Fractalis brand.

We also categorize the sales revenue generated from sales of Shell brand products manufactured by the Shell Company of Thailand Limited, as well as Chaintrite brand products manufactured by Sherwood Chemicals Public Company Limited, which are trading products we distribute under hardware. Shell brand products are generally waterproofing material for use as a bituminous primer on permeable surfaces such materials as asbestos cement, roofing felt and mastic asphalt. Chaintrite brand products are typically termiticide, insecticide and wood preservatives.

Auto Tinting Machines are automated computer-programed color tinting machines that can create more than 10,000 different color shade variations with a high level of accuracy in as little as three minutes while meeting factory production quality standards. In addition to the benefit of prompt service and customization to meet customers' demands for color shades, Auto Tinting Machines help with inventory management to reduce the need for certain inventory. For example, dealers with Auto Tinting Machines can reduce their inventory for ready-mixed paints produced in factories, as they can create various shades of paints in-store that suit the needs of end user customers.

2. Revenue Structure

Revenue structure by product group.

	Year ended December 31,						Six months ended June 30,			
	2014		2015		2016		2016		2017	
	THB million	%	THB million	%	THB million	%	THB million	%	THB million	%
Decorative Paint and Coating Products	11,312.8	68.8	11,769.7	70.3	11,330.5	69.5	5,845.4	70.1	5,319.6	68.9
Non-decorative Paint and Coating Products	4,317.7	26.2	4,413.5	26.3	4,459.6	27.4	2,233.6	26.8	2,123.4	27.5
Other Business Products ⁽¹⁾	818.5	5.0	569.4	3.4	507.2	3.1	261.5	3.1	274.9	3.6
Sales	16,449.0	100.0	16,752.6	100.0	16,297.3	100.0	8,340.5	100.0	7,717.9	100.0

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

Revenue structure by distribution channel

	Year ended December 31,						Six months ended June 30,			
	2014		2015		2016		2016		2017	
	THB million	%	THB million	%	THB million	%	THB million	%	THB million	%
Retail Dealers	12,751.8	77.5	13,112.7	78.3	12,474.5	76.5	6,373.1	76.4	5,707.4	73.9
Modern Trade	1,823.0	11.1	1,984.1	11.8	2,176.8	13.4	1,147.2	13.8	1,154.5	15.0
Other Channels ⁽¹⁾	1,874.2	11.4	1,655.8	9.9	1,646.0	10.1	820.2	9.8	856.0	11.1
Sales	16,449.0	100.0	16,752.6	100.0	16,297.3	100.0	8,340.5	100.0	7,717.9	100.0

Note: (1) "Other Channels" primarily comprise sales revenue from distribution through projects, exports and distribution to the Divested Companies and related companies.

Revenue structure by geography

	Year ended December 31,						Six months ended June 30,			
	2014		2015		2016		2016		2017	
	THB million	%	THB million	%	THB million	%	THB million	%	THB million	%
Thailand	14,682.1	89.3	14,795.4	88.3	14,176.3	87.0	7,374.4	88.4	6,843.8	88.7
Overseas	1,766.9	10.7	1,957.2	11.7	2,121.0	13.0	966.1	11.6	874.1	11.3
Vietnam	1,084.6	6.6	1,260.2	7.5	1,332.4	8.2	561.1	6.7	472.8	6.1
Others ⁽¹⁾	682.3	4.1	697.0	4.2	788.6	4.8	405.0	4.9	401.3	5.2
Sales	16,449.0	100.0	16,752.6	100.0	16,297.3	100.0	8,340.5	100.0	7,717.9	100.0

Note: (1) "Others" mainly comprise sales revenue from customers in Laos, Malaysia, Indonesia, Myanmar, and Cambodia.

3. Target Customers and Distribution Channels

Target Customers of the Company are End User and contractors. Our 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. We also provide our customers with training to educate them about our products and their applications.

4. Distribution Channels

We sell our products through the extensive distribution network we have developed as the following details below:

(1) Retail Dealers

In our retail distribution channel, retail dealers, including paint and hardware stores and home maintenance stores, who are principally in Thailand, purchase our products and then sell our products to professional (e.g. painters and decorators) or BIY retail customers. Our Thai retail dealer distribution network includes approximately 6,217 retail dealer shops and spans a total of 77 provinces and approximately 790 districts throughout Thailand. TOA Color World Solution Services are available through certain dealers that have our Auto Tinting Machines. As at June 30, 2017, we had 4,140 and 1,791 Auto Tinting Machines in Thailand and the other AEC countries, respectively. We do not own or franchise any retail dealers and our retail dealers generally distribute our products on a non-exclusive basis.

As at June 30, 2017, our revenue from the sale of our products by retail dealers in Thailand was mainly from retail dealers located in the Bangkok Metropolitan and its vicinity areas. The table below shows a breakdown by geography of the approximate number of retail dealers in the AEC who purchase products from us as at June 30, 2017.

Country	Retail Dealers
Thailand	6,217
Vietnam	810
Others ⁽¹⁾	1,044
Approximate number of retail dealers in the AEC	8,071

Note: (1) "Others" comprise retail dealers in Laos, Malaysia, Indonesia and Myanmar.

We believe that our widespread distribution network in Thailand is one of our key strengths enabling us to engage in mass market sales and provide our customers with accessibility to our products.

(2) Modern Trade

The modern trade distribution channel includes integrated construction material and home building and home improvement chain stores such as HomeWorks, Thai Watsadu, Global House, Mega Home and Boonthavorn in Thailand, HomePro in Thailand and Malaysia, Asia Center and Pro 1 in Myanmar, and Mitra 10 and Depo Bagunan in Indonesia. As at June 30, 2017, this distribution channel included a total of 47 distributors. We enter into agreements on an annual basis with modern trade distributors setting out the agreed trade terms which include our yearly rebates, marketing fees, distribution center fees, and anniversary promotion discounts. We also have a standard pricing policy for modern trade distributors.

We have a strong relationship with the modern trade key account holders at a senior management level. We also have a specialized team tasked with managing sales and marketing for our key modern trade distributors. In Thailand, as at June 30, 2017, we engage approximately 623 product consultants from our subsidiary, Professional PC Services Co., Ltd.'s that are placed with modern trade distributors to provide advice to consumers directly. Where we have modern trade distribution overseas, product consultants are also placed with modern trade distributors but such product consultants in those overseas jurisdictions are either employees of our overseas subsidiaries or engaged locally. By promoting and selling our products, we believe product consultants help to increase modern trade sales, and in turn, drive an increase in market share. In addition, our sales force is also equipped to follow up with after-sales services and provide support as necessary.

(3) Other Channels

In addition to retail dealers and modern trade, we also distribute our products through other channels consisting of projects, exports and distribution to the Divested Companies and related companies. The project distribution channel generally involves direct distribution to customers for on-site application or via contractors. We have supplied property developers and real estate companies such as Sansiri, Land & Houses, Q House, Property Perfect and Golden Land Property in Thailand, Cowell Development, Tamara Land, SpringHill Group and AKR Land in Indonesia, Hoang Anh Gia Lai 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. Our products have also been used by contractors for public projects in Thailand, Laos and Myanmar.

The exports distribution channel involves the wholesale export of our products from Thailand to wholesalers and retail dealers in the other seven 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. In jurisdictions in which we have begun to operate, and where we have yet to establish a widespread network of retail dealers, we use a wholesale distribution approach. To remain in-step with technological advances and changing consumer behavior, we are in the preliminary stages of testing a platform for an e-commerce distribution channel that is expected to offer on-demand services to end user customers who make direct online purchases from us but will receive the products they ordered from one of our retail dealers that is located within close proximity to such end user. We plan to leverage on our wide distribution network to provide end user customers with easy accessibility to our products.

We currently have an online ordering system for retail dealers to place their orders with us online. However, this online system does not allow for online payment. We plan to set up an online payment system that will provide retail dealers with the option to make an online payment when they place their orders.

5. Sources of Supply

(1) Production Plants

The following table provides certain information regarding our eight production plants as at June 30, 2017.

No.	Owner/Lessee	Location	Year	Main Products	Ownership	Production Shifts
1	The Company (TOA)	Bangna Plant	1982	Decorative paint and coating products and non-decorative paint and coating products	Leasehold (TOA has a long-term lease for the land and some buildings from TOAC and PT Real Estate)	Operates five days/week and alternate Saturdays: <ul style="list-style-type: none"> Emulsion and enamel paint (three shifts/day)
2	The Company (TOA)	Samrong Plant	1972	Wood and heavy duty coatings, thinner and aerosol paints	Leasehold (TOA has a long-term lease for the land from PT Real Estate and Mrs. Sae Linoi)	Operates five days/week and alternate Saturdays <ul style="list-style-type: none"> Lacquer and thinner (two shifts/day) Sprays (one shift/day)
3	Captain Coating Co., Ltd.	Samut Prakan Plant ⁽¹⁾	2010	Decorative paints and coatings, wood coatings and construction chemicals	Freehold (owned by Captain Coating Co., Ltd.)	Operates five days/week and alternate Saturdays

No.	Owner/Lessee	Location	Year	Main Products	Ownership	Production Shifts
		Samut Prakan Plant	2015	Decorative paints and coatings	Freehold (owned by Captain Coating Co., Ltd.)	Operates five days/week and alternate Saturdays
4	TOA Paint Vietnam Co., Ltd.	Vietnam Plant	2004	Emulsion paints, enamel paints, thinners, wood coatings, construction chemicals and aerosol sprays	Leasehold (TOA Paint (Vietnam) Co., Ltd. has a lease from The DAPARK Construction and Real Estate Joint Stock Corporation) ⁽²⁾	Operates six days/week (including Saturdays): <ul style="list-style-type: none"> • one shift/day with some sections operating two shifts/day
5	TOA Paint Products Sdn. Bhd.	Malaysia Plant	2004	Emulsion paints, enamel paints, thinners and wood coatings	Leasehold (TOA Paint Products Sdn. Bhd. has a lease from the Samatimb Enterprise Sdn. Bhd.)	Operates five days/week: <ul style="list-style-type: none"> • one shift/day
6	TOA Paint (Laos) Co., Ltd.	Vientiane Plant	2008	Emulsion paints, enamel paints, thinners and wood coatings	Leasehold (TOA Paint (Laos) Co., Ltd. has a long-term lease from Mr. Khammoon Vongkhamchan and Mrs. Khampoon Vongkhamchan)	Operates six days/week: <ul style="list-style-type: none"> • one shift/day
7	TOA Paint (Myanmar) Co., Ltd. ⁽³⁾	Yangon Plant	2013	Emulsion paints, enamel paints, thinners and wood coatings	Leasehold (TOA Paint (Myanmar) Company Limited has a lease from U Thant Sin Naing)	Operates five and a half days/week (including a half day on Saturday)
8	TOA Skim Coat (Cambodia) Co., Ltd.	Cambodia Plant	2017	Skim coats and wall coating chemicals	Leasehold (TOA Skim Coat (Cambodia) Co., Ltd. has a lease from Mr. Sok Hout)	Operates six days/week

Notes:

- (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 purposes of sharing of 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.
- (2) TOA Paint (Vietnam) Co., Ltd. entered into a land lease agreement with The DAPARK Construction and Real Estate Joint Stock Corporation, an industrial estate developer. The land lease agreement has a lease term starting from March 14, 2004 to December 20, 2050. However, there are inconsistencies between the Land Use Right Certificate and the term under the land lease agreement.
- (3) We are in the process of expanding our business in the AEC by setting up our first production plant in Indonesia, second production plant in Cambodia, as well as relocating the existing Yangon Plant to a new location in the Thilawa Special Economic Zone of Myanmar.

The Company's current unutilized capacity provides flexibility to meet future demand growth. The following table shows the production capacity as at June 30, 2017 and utilization rates of our production plants for the years ended December 31, 2014, 2015 and 2016 and the six months ended June 30, 2017:

Plant	Capacity (in million gallons per year) As at June 30, 2017	Utilization rate (%) ¹⁾			
		For the years ended December 31			For the six months ended June 30, 2017
		2014	2015	2016	
Thailand:	74.1	60.2	59.0	59.7	54.3
Bangna Plant	50.4	65.3	65.5	68.1	62.9
Others Plant ⁽²⁾	23.7	47.8	44.0	41.4	36.0
AEC (excluding Thailand)⁽³⁾	13.9	30.9	32.9	33.7	30.2
Total	88.0⁽⁴⁾	55.4	54.8	55.5	50.5

Note:

- (1) Utilization rate is calculated by annualized adjustment based on three shifts per day and plants running for 24 hours per day.
- (2) "Others" refers to the Samrong Plant and Samut Prakan Plant.
- (3) Does not include the production capacity of TOA Skim Coat (Cambodia) Co., Ltd.
- (4) Total production capacity does not take into account the reduction in capacity expected with the shutdown of the Yangon Plant that is being relocated to a new location in the Thilawa Special Economic Zone in Myanmar.

(2) Raw Materials

The cost of our raw materials is the most important component of the total cost of sales of our products. Raw materials accounted for 69.9%, 68.0% and 66.4% of our cost of sales for the years ended December 31, 2014, 2015 and 2016 and 66.8% and 66.3% of our cost of sales for the six months ended June 30, 2016 and 2017, respectively. The main raw materials we require for our products are pigments, binders, extenders, solvents and additives which we procure from within Thailand and overseas sources:

Main raw material	Category	Use in
Titanium Dioxide (TiO ₂)	Pigment	Emulsion paint, Enamel paint
Acrylic Emulsion	Binder	Acrylic emulsion paint
Acrylic Binders	Binder	Emulsion paint
Soya Bean Oil	Binder	Alkyd resin
Texanol	Solvent	Emulsion paint
White Spirit Solvent	Solvent	Enamel paint
Fungicide Additives	Additive	Emulsion paint

Our key raw materials consist of titanium dioxide, solvents and binders, the prices of which largely follow oil prices, and the supply and demand for these key raw materials. This is particularly the case for

titanium dioxide, a key raw material used in our 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. The average moving cost of titanium dioxide of TOA for the years ended December 31, 2014, 2015 and 2016 and the six months ended June 30, 2017, when compared with the average moving cost for the corresponding preceding accounting period, fluctuated between -10.6% to 9.8% from the respective preceding accounting period.

For the six months ended June 30, 2017, TOA imported approximately 10.1% of the total raw materials purchased for its production. We strive to source high-quality raw materials. Before contracting with a raw material supplier, we perform a supplier audit to ensure its production process fulfills our requirements. For all our production plants, incoming raw materials are inspected through various processes to ensure that they fulfill our quality standards. For example, we conduct inspections to ensure the number, quality, size and weight meet our expectations, as well as conduct inspections to ensure that properties such as color, fineness and percentage of solid content are within standard expectations. We also record data properties of raw materials set out in certificates of analysis from the producers of such raw materials to ensure each batch of raw materials we receive meets our standard expectations.

We have strong, long-standing relationships with our key raw material suppliers and maintain multiple supplier relationships for our primary raw materials in order to minimize production disruptions due to a shortage of raw materials and/or significant price increases. In addition to our leading position in the decorative paint and coating industry in Thailand, we are also an important customer for our top suppliers in the AEC. We also have periodic management meetings with our 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.

While we use both organic petroleum-based or derived materials and inorganic materials in our production, a majority of our raw materials for the production of coatings are chemicals that are produced or derived from petrochemicals that we need to import. The prices of our raw materials typically fluctuate with foreign exchange rates and petrochemical prices.

Our sourcing of suppliers of high-quality raw materials is an ongoing process and we continually look at alternative sources of supply as well as explore alternative materials and technological solutions to reduce costs. Other cost reduction measures include the reduction of the amounts of raw materials required in our product formulae. For example, we have explored a reduction in the amount of titanium dioxide (TiO₂) used to manufacture our products to decrease our consumption of titanium dioxide and our costs.

Our procurement department helps us control and manage our costs and monitor the timely delivery of our raw materials. Resource planning is carried out by our production planning department. The combined roles of our production planning and procurement departments help us to ensure that prices of raw materials can be negotiated by consolidating and combining our purchases. Our procurement department is responsible for evaluating our needs and determining whether purchases are made by way of a purchase or

supply agreement or whether multiple-orders or single-order purchases are made, as well as supporting our suppliers to switch to local production instead of importing raw materials.

(3) Suppliers

As at June 30, 2017, we had a number of active suppliers for our main raw materials. For the years ended December 31, 2014, 2015 and 2016, and the six months ended June 30, 2016 and 2017, purchases made from our top five suppliers accounted for 34.5%, 35.3%, 34.6%, 34.7% and 36.9%, respectively, of TOA's total raw material purchases. No single supplier accounted for more than 10.0% of our consolidated cost of sales for the years ended December 31, 2014, 2015 and 2016 and the six months ended June 30, 2016 and 2017.

TOA makes payments for raw materials costs, packaging costs, cost of trading goods and services to our suppliers and service providers in Thai Baht and foreign currency. For the years ended December 31, 2014, 2015 and 2016, and the six months ended June 30, 2016 and 2017, 90.1%, 88.9%, 90.4%, 90.5% and 91.4% of TOA's payments for raw materials costs, packaging costs, cost of trading goods and services to suppliers and service providers were made in Thai Baht, respectively. The remaining amount of payments to suppliers and service providers was made in foreign currencies, mostly in U.S. Dollars. For the years ended December 31, 2014, 2015 and 2016, and the six months ended June 30, 2016 and 2017, 8.3%, 9.8%, 8.2%, 8.2% and 7.3% of TOA's payments for raw materials costs, packaging costs, cost of trading goods and services to suppliers and service providers were made in U.S. Dollars, respectively. While we may plan to purchase raw materials in advance to manage our exposure to increases in prices of our raw materials, we generally do not hedge our position using financial products or derivatives because we believe our major competitors also import from similar suppliers, and trade using the relevant foreign currency.

In selecting our suppliers, we consider a number of different factors, such as the quality of the raw materials, efficiency, reliability, production capacity, price, and service provided etc. We are generally not dependent on any specific supplier for raw materials as we can contract with other suppliers, with the exception of nitrocellulose. Our 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, we have in-house capabilities to produce certain raw materials we require, namely binders, and the ability to implement the use of alternative raw materials if a need arises. For example, in 2016, TOA produced 84.1% of its alkyd binders in-house and outsourced the remainder. We are also exploring the feasibility of changing the use of nitrocellulose in our product formulae to acrylic to mitigate a shortage of or inability to obtain nitrocellulose.

Our contracts with our suppliers are typically no longer than one year. On a case by case basis, we may consider entering into contracts with a term longer than a year in order to obtain better pricing terms and/or to secure supplies. The majority of our material purchases are by way of spot orders. We also have rebate agreements with certain suppliers of our main raw materials.

6. Market Competition

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

For our business operations in Southeast Asia, as at the date of this Offering Circular, our 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 consolidation within the paint and coating industry, competition has increased as our competitors have grown in scale.

Although our products may be in direct competition with certain products produced by global paint and coating manufacturers, we believe we have a competitive advantage by focusing on distributing our products through our widespread retail distribution network which offers our end user customers easy access to our products throughout the country. As a result, the majority of our sales are derived from mass market sales through our retail distribution channel in Thailand. In contrast, we believe global paint and coating manufacturers tend to focus on wholesales in Thailand because they do not have an on the ground network that is as wide-reaching as compared to ours.

Environmental Impacts

None

Summary of Agreements

Please see detail in the attachment 1

Feasibility Study

None

Technical and Management Assistance

None

Future Projects

We have a policy to continuously expand our business with the aim of becoming the leading manufacturer of decorative paint and coating products in the AEC. Currently, the Group has an investment plan for the construction of production plants in Myanmar, Cambodia, and Indonesia, the details of which are summarized below:

Country	Location	Ownership	Estimated Investment (THB million)	Purpose	Expected Start Date	Estimated Completion Date
Indonesia	Kawasan Industri Millenium, Kabupaten Tangerang, Propinsi Banten	Land owner	670.0	Construction of a paint production plant	Q2 2017	Q2 2018
Myanmar	Thilawa Special Economic Zone	Leasehold right (expires June 4, 2064 and may be extended for another 25 years)	312.0	Construction of a paint production plant (relocation of plant from Yangon)	Q3 2017	Q3 2018
Cambodia	In the process of studying project feasibility	-	202.0	Construction of a paint production plant	Q4 2017	Q4 2018
Total			1,184.0			

Related Party Transactions

Please see detail in the attachment 2

Contingencies and Commitment

The following table illustrates the Company's important contractual obligations as of June 30, 2017

	Six months ended June 30, 2017
	(in THB million)
Commitments under loan agreements and operating leases	
Short-term loans from financial institutions	2,789.0
Long-term loans from financial institutions	
Payable within	
Up to one year	166.8
Over one year	83.0
Operating leases ⁽¹⁾	
Payable within	
Up to one year.....	169.1
Over one year and up to five years	335.0
Over five years	264.4
Commitments for capital expenditures	
Construction of buildings and building improvements and the purchase of machinery	72
Total	3,879.5

Note: (1) The Company has entered into operating leases in respect of leases of land, buildings, motor vehicles and equipment. The amounts indicated are the total future minimum payments required under these operating leases.

Certain Key Risk Factors

(1) Our business, financial condition, results of operations and prospects may be adversely affected by global, regional and national economic conditions.

Our business, financial condition, results of operations and prospects can be materially affected by economic conditions, such as changes in national, regional and local unemployment levels, industrial output, shifts in consumer spending patterns, credit availability and business and consumer confidence, in markets that we operate in, many of which have a strong correlation with the macroeconomic environment. Weakening or deteriorating economic conditions in Thailand or other countries and regions where we do business may adversely impact our sales revenue, the collection of accounts receivable, funding for working capital needs and expected cash flow generation from our existing business and our investments, any of which may adversely affect our business, financial condition, results of operations or prospects.

Deterioration in economic conditions or disruptions in credit markets also pose a risk to our commercial relationships with our customers, raw materials suppliers and creditors. If economic conditions deteriorate significantly, or if our customers or raw material suppliers are not able to refinance their existing credit lines or otherwise are forced to cease doing business, our business could be materially and adversely impacted.

We generally fund a portion of our seasonal working capital needs and obtain funding for other general corporate purposes through short-term loans. If any of the banks in these credit and financing facilities are unable to perform on their commitments or fail to provide us with necessary credit lines, this could adversely affect our ability to fund seasonal working capital needs and obtain funding for other general corporate purposes, and accordingly our liquidity, business, financial condition, results of operations and prospects could be adversely impacted. Although we currently have available credit facilities to fund our current operating needs, we cannot be certain that we will be able to replace our existing credit facilities, refinance our existing debt or obtain new credit facilities when necessary.

We also may finance a portion of our sales through trade credit. If credit markets are tight, some customers who require financing for their businesses may not be able to obtain necessary financing, which could cause our sales to decline. If our customers suffer financial difficulty, this could limit our ability to collect our accounts receivable, which could in turn adversely affect our business, financial condition or results of operations.

(2) Protracted duration of economic downturns in certain cyclical segments of the economy may depress the demand for some of our products and adversely affect our business, financial condition, results of operations or prospects.

Portions of our business involve the sale of paint, coatings and related products to certain sectors of the economy that are cyclical in nature, including, the industrial sector, and particularly in relation to

construction, housing, maintenance and home improvements. Disruptions in the overall economy and volatility in the financial markets could reduce consumer confidence and negatively affect the levels of discretionary consumer and business spending in these segments. This decrease in spending will likely reduce the demand for some of our products, which could adversely affect our business, financial condition, results of operations or prospects.

(3) We face intense competition, and if we fail to compete effectively, we may lose market share and our results of operations may be adversely affected.

We face substantial competition from international, national, regional and local competitors of various sizes, which manufacture, distribute and/or sell products similar to ours. Our large global leading competitors include Akzo Nobel (Netherlands), Jotun (Norway) and Nippon Paint (Japan), among others. We also compete with local domestic producers in the countries where we have operations, for example, Beger Paint in Thailand, 4 Oranges in Vietnam, Urai Panich in Laos and UPG in Myanmar. As we expand our business and diversify our product offerings, we may face competition for our new products or in new markets. Competition is primarily manifested in the form of new product innovation, pricing concessions and intensive advertising campaigns. Some of our competitors may have greater financial, research and development, marketing and other resources, as well as faster decision-making processes than we have. To sustain our competitive edge, we need to invest continuously in product development, advertising and promotional activities, product distribution and, as the case may require, reduce our cost of sales.

We price our products based on a combination of different factors, including our ability to differentiate our products from those of our competitors. However, we cannot assure you that our current or potential competitors will not provide products comparable or superior to those we provide and we cannot assure you that our competitors will not be able to adapt more quickly than we do to evolving industry trends or changing market requirements. It is also possible that there may be consolidation in the paint and coating industry among our competitors and that such competitors may rapidly grow in scale and acquire significant market share.

Furthermore, our competitors may substantially increase their advertising expenditures and promotional activities or to engage in irrational or predatory pricing behavior. We cannot assure you that we will be able to continue to compete effectively against current and future competitors. Increased competition may not only reduce our margins and result in loss of market share, but may also impact our revenues and growth, any of which could have a material adverse effect on our business, financial condition, results of operations and prospects.

(4) We are dependent on our retail dealers in our retail distribution channel for a substantial percentage of our sales.

As part of our distribution strategy, independent retail dealers, including paint and hardware stores and home maintenance stores, who are principally in Thailand, purchase our products and then sell our

products to professional retail customers (e.g. painters and decorators) or BIY retail customers. Retail distribution accounted for 77.5%, 78.3%, 76.5%, 76.4% and 73.9% of our sales revenue for the years ended December 31, 2014, 2015 and 2016, and the six months ended June 30, 2016 and 2017, respectively. The sales revenue from the retail dealers for the year ended December 31, 2016 and the six months ended June 30, 2017, were mainly from retail dealers in Bangkok and its vicinity. As at June 30, 2017, we have approximately 6,217 retail dealers located in 77 provinces in Thailand.

Retail dealers distribute our products on a non-exclusive basis. We do not own or franchise any dealers. Our reliance on our retail distribution channel means that the downstream sales performance of the retail dealers that we sell our products to and their ability to expand their business and sales networks for distributing our products are crucial to the future growth of our business. However, we have limited or no ability to manage the activities of our retail dealers and we cannot assure you that we can continue to maintain or increase the sales revenue we derive from our retail distribution channel or that our retail dealers will be able to sell our products over other competing brands they carry in-store.

In addition, according to Frost & Sullivan, while paint and coating manufacturers in Thailand have predominantly operated through retail distribution, there has been a rise in modern trade distribution. Frost & Sullivan opines that while the rise of the modern trade channel is likely to result in a downward pressure on margins in the short-term, such pressure is in-turn likely to promote sales among end user customers of paint and coating products who visit modern trade outlets and make purchases in consultation with in-store product consultants. If there is a shift of consumers from the retail channel to the modern trade channel, modern trade distribution may become more significant at the expense of retail distribution. Retail distribution and modern trade distribution have different distribution costs and trade conditions. For example, due to their size, modern trade distributors may have more bargaining power to request for longer credit terms and volume discounts, among others. Due to such differing distribution costs and trade conditions, we cannot assure you that we can continue to maintain or increase our profitability if there is a reduction in sales volume generated by our retail distribution channel. A reduction in sales volume generated by our retail distribution channel could have a material adverse effect on our business, financial condition, results of operations and prospects.

(5) Our business expansion might not be completed as planned, may exceed our original budget and might not achieve the intended economic results or commercial viability.

We have a strong presence in the AEC, having entered the markets of Vietnam, Laos, Myanmar, Indonesia and Malaysia. We believe that our future success to a large extent depends on our ability to expand our production capacity. We expect to commence production at three new production plants located in Indonesia, Myanmar and Cambodia in the second quarter of 2018, the third quarter of 2018 and the fourth quarter of 2018, respectively. The new production plant in Myanmar is being built for the purpose of relocating our existing Yangon Plant in Myanmar.

We plan to continue to look for opportunities to increase our existing production capacity, expand our product portfolio and improve the production technologies through our research and development team

and potential initiatives to be undertaken with research and development partners. Our expansion plans may involve risks, including the failure to obtain the relevant construction approvals, permits or licenses in a timely manner, or at all, utilization rates that are lower than our expectation and difficulty in obtaining financing and maintaining our cash flow.

We cannot assure you that we will be able to complete our expansion plans within budget, on schedule or at all. Our expansion plan may be adversely affected by factors such as lack of utilities and personnel, unexpected technical problems, natural disasters, inability to obtain required governmental permits and approvals, problems with construction of our existing or future production plants, logistic difficulties and any unforeseen legal or regulatory impediments introduced by the Government or governments of the jurisdiction in which we expand to. If there is any delay in the progress of our expansion plan, we might not be able to deliver our products in the quantity and quality demanded by our customers and hence, our reputation and future business opportunities may be adversely affected. Further, these plans, which include entering into new markets for production, might not achieve the intended economic results or commercial viability, which in turn may weaken our competitive position in the market and adversely affect our business, financial condition, results of operations and prospects.

(6) If we are unable to predict or meet consumer preferences or market trends, our products may lose their appeal to consumers.

Our business relies on continued consumer demand for our brands and products, and we must develop and sell products that correspond to the preferences of our end user consumers. To maintain our competitive position, we are required to consistently improve our existing products and develop new and innovative products to respond to consumer demands and market changes. In addition, consumers may change their choices and preferences when new products are launched or introduced by our competitors. The introduction of new and improved products to the market may result in existing products becoming obsolete and uncompetitive. Continual changes in consumer preferences and trends, particularly in relation to decorative paint and coating products, may result in end user customers substituting such products with other materials such as glass, wallpaper, and various types of tiling. Our success depends on our ability to predict and understand the tastes and habits of consumers and to offer products that correspond to those preferences and trends.

Failure to successfully analyze market trends and identify attractive product offerings may result in us being unable to benefit from development, production and marketing costs of unsuccessful new products or maintain the attractiveness of our products in the future. If we are unable to accurately predict shifts in consumer preferences, or if we fail to introduce new and improved products to satisfy those preferences, or if we fail to satisfy consumer preferences relative to our competitors, our business, financial condition, results of operations and prospects would be adversely affected. If we fail to offer new products, to rapidly develop products in faster growing and more profitable categories, or to execute our advertising and marketing strategy successfully, including appropriately predicting market demand for our products, our business, financial condition, results of operations and prospects would be adversely affected.

(7) Our efforts to innovate and develop our products may not be successful.

One of our key business strategies is the development of new products and brands to complement our existing product lines and the improvement of existing products to maintain our position in the competitive paint and coating market. For the years ended December 31, 2014, 2015 and 2016 and the six months ended June 30, 2016 and 2017, TOA spent THB66.0 million, THB64.4 million, THB64.1 million, THB32.2 million and THB35.3 million, respectively, on research and development. Our recent innovative products include TOA Note & Clean, an anti-graffiti coating launched in 2015 and TOA Eco Metal Primer, an environmentally-friendly metal primer launched in 2016 that is LEED-compliant.

The development of products can be complex, uncertain and costly. While we intend to continue to introduce new and improved products, our ability to successfully develop new products and improve existing products can be affected by many factors beyond our control, including our ability to predict and understand consumer preferences as well as our ability to meet the relevant regulatory standards and requirements. Further, market acceptance of a new brand or product is inherently uncertain and certain of the products we have introduced have not had the market acceptance or growth of other products.

The launch and development of a new brand or product and the improvement of existing products may involve considerable time and resources. Further, we may not be able to benefit from the related costs of research and development if such activities do not result in the successful development of a new product or the improvement of an existing product. Failure of any of our new brands or new products could lead to wasted resources and adversely affect our business, financial condition, results of operations and prospects.

The increasing concern for the environment and climate change may also lead to stricter regulations relating to VOCs and a shift in manufacturing trends to focus on water-based technologies, the manufacture of water-based acrylic polymers and binders that are compliant with environmental regulations and the production of low-VOC or no-VOC paints and coatings. Water-based technologies can reduce or eliminate the need for toxic chemicals, which can be dangerous if inhaled for prolonged periods of time. If we are unable to adapt or develop new products to address these concerns, our business, financial condition, results of operations and prospects may be adversely affected.

(8) We may encounter difficulties in expanding our distribution channels.

As part of our business strategy, we plan to expand our distribution channels in Thailand and Southeast Asia. For TOA's retail distribution channel, TOA plans to increase its access to retail dealers from approximately 5,527 retail dealers as at June 30, 2017 to approximately 6,000 retail dealers in Thailand by 2020 through increased cooperation with our existing retail dealers and developing relationships with new retail dealers, as well as increasing marketing activities to grow demand in each sales area. For our modern trade distribution channel, we plan to continue growing such market share over the next three years through increased marketing activities, and increasing the availability and accessibility of our products in areas of demand. We also plan to expand certain of our other channels such as projects and exports. For projects, we

plan to improve our reputation as a reputable and reliable business partner to retain existing customers and attract new customers to work with us. For our exports, we plan to increase the number of customers that we export to and increase sales volume to existing customers through increased marketing activities. However, the success of our expansion plan is subject to, among other things:

- our ability to hire, train and retain skilled sales and marketing personnel for the sale and distribution of our products;
- our ability to develop and maintain relationships with our customers;
- the availability of adequate management and financial resources;
- presence of adequate infrastructure and logistics for the delivery of our products; and
- adapting of operational and management systems to an expanded distribution network.

In addition, the expansion of distribution channels and products in new markets overseas is an ongoing and lengthy process, as we typically adopt a wholesale approach to gain brand recognition in new markets. We cannot assure you that we will be able to implement our expansion plan effectively or recruit competent sales and marketing personnel to support the increased distribution of our products. If we encounter difficulties in expanding our distribution network, our growth prospects would be limited, which would in turn have a material adverse effect on our business, financial condition, results of operations and prospects.

(9) Environmental regulations may cause us to incur significant increased costs, expenses and liabilities.

Our operations are subject to extensive environmental laws and regulations by local authorities in the countries in which we operate. These include laws and regulations pertaining to pollution, the protection of human health and the environment, air emissions, wastewater discharges, safety and occupational health, and the generation, handling, treatment, remediation, use, storage, release and exposure to hazardous substances and wastes. These requirements are complex, subject to frequent change and have tended to become more stringent over time. For example, increasing concern for the environment and climate change may lead to stricter regulations relating to global warming. We have incurred, and will continue to incur, increased costs and capital expenditures in complying with these laws and regulations and in obtaining and maintaining all necessary permits. For example, on April 23, 2014, Thailand issued the Ministry of Industry's Notification No. 4622 (B.E. 2557 (2014)) regarding industrial production standards for alkyd paints in order to control the amount of lead and other heavy metals in alkyd enamel paints which became effective in January 2017 (the "Thai Lead Paint Legislation"). Under the Thai Lead Paint Legislation, all enamel paint used for decorative and construction purposes which are manufactured and sold in Thailand must meet the following requirements:

- containing no more than 0.01% lead, mercury and cadmium (dry weight); and
- containing no more than 0.1% hexavalent chromium (dry weight).

In addition, all alkyd enamel paints that are manufactured and sold in Thailand should have affixed, a warning label relating to the potential dangers of the product, for example, "contains toxic substance" or "keep away from children."

We do not use heavy metals such as mercury and lead in our products and we have procedures in place to allow us to comply with environmental laws and regulations; however, there can be no assurance that we will at all times be in compliance with all of our obligations in the future and that we will be able to obtain or renew all licenses, consents or other permits necessary to allow us to operate our businesses. Any failure by us to comply with such laws and regulations could subject us to significant fines, penalties and other liabilities, negatively impact our reputation, and/or lead to loss of consumer confidence in our brands, which could have a material adverse effect on our business, financial condition, results of operations and prospects.

Our production plants have been the subject of environmental site examinations performed by regulators in the jurisdictions in which we operate in order to assess impacts on the environment. No major issues have been raised by the relevant regulators pursuant to such environmental site examinations and assessments. However, not all potential instances of either environmental non-compliance or soil and groundwater contamination or other non-compliance may have been identified, even at those sites where environmental site examinations and assessments have been conducted. Accordingly, we may discover previously unknown environmental impacts and the cost of remediating such impacts could be material, which could have a material adverse effect on our business, financial condition, results of operations and prospects. In addition, we and our third party logistics providers also handle and transport raw materials and paint and coating products which may be flammable, caustic, toxic and/or hazardous. If mishandled or released into the environment, these materials could cause substantial property damage or personal injuries resulting in significant legal claims against us. In addition, evolving regulations concerning the handling and transportation of certain materials could result in increased future capital or operating costs.

In addition, environmental laws and regulations, and their interpretations, are constantly evolving and it is impossible to predict accurately the effect that changes in these laws and regulations, or their interpretation, may have upon our business, financial condition, results of operations or prospects. For example, pending and proposed legislation and regulation in the jurisdictions in which we operate and elsewhere increase the possibility that our production plants will in the future be impacted by regulation or taxation of greenhouse gas emissions. If such legislation and regulation were enacted, this could result in additional costs and expenses, increases in costs for raw materials and energy, limitations on raw materials and energy source and supply choices and other compliance costs. If environmental laws and regulations, or their interpretation, become more stringent, the costs of compliance could increase. If we cannot pass along future costs to our customers, any increases could have a material adverse effect on our business, financial condition, results of operations and prospects.

(10) Our operations outside Thailand expose us to additional risks and uncertainties that could affect our financial condition and results of operations.

For the years ended December 31, 2014, 2015 and 2016, our sales revenue generated outside Thailand was 10.7%, 11.7% and 13.0% of our sales revenue, respectively. In the six months ended June 30, 2016 and 2017, our sales revenue generated outside Thailand was 11.6% and 11.3% of our sales revenue, respectively. Notwithstanding the benefits of geographic diversification, our ability to achieve and maintain profitable growth in foreign markets is subject to risks relating to the differing legal, political, social and regulatory requirements and economic conditions in the countries in which we operate. As a result of our operations outside Thailand, we are subject to certain inherent risks, including political and economic uncertainty, inflation rates, exchange rates, trade protection measures, local labor conditions and laws, restrictions on foreign investments, expatriation of cash and repatriation of cash, and weak intellectual property protection.

Currently, we operate five production plants outside Thailand and have offices and/or warehouses located in Vietnam, Laos, Myanmar, Cambodia, Indonesia and Malaysia. As a result, we are subject to economic, regulatory, political and other risks associated with operating within the AEC. As we expand our operations in these AEC countries and to new jurisdictions, our exposure to these risks increases. Therefore, our business may be adversely affected by economic, regulatory or political conditions or instability in any of the jurisdictions in which we operate or plan to operate, including natural disasters, financial crises, inflation or hyperinflation, currency devaluations, expatriation and repatriation and overseas transfer of cash, civil unrest, acts of terrorism, wars, international conflicts, difficulties in enforcement of contractual obligations (including in respect of payments and receivables and intellectual property rights), difficulties in adopting, complying with or changes in applicable local and international laws or regulations (including environmental laws and regulations, permit and authorization regimes, and as a result of new interpretations and more rigorous enforcement, as well as anti-corruption, anti-money laundering and economic sanctions laws and regulations), nationalization of property without fair compensation, corruption and extortion, and greater and tighter government regulation on cross-border trading, production and pricing. Furthermore, many emerging-market countries do not possess the full business, legal and regulatory infrastructure that would generally exist in more mature free market economies. In addition, the taxation, currency and customs legislation within such markets are subject to varying interpretations and changes, which can occur frequently and unpredictably. Any such conditions or instability could impact our operations and result in additional expenditure and other commercial and financial impacts being incurred by us in order to comply with or adapt to such conditions or instability. Consequently, this could have a material adverse effect on our business, financial condition, results of operations and prospects.

In addition to the level of business, legal and regulatory infrastructure that could differ across the various jurisdictions in which we operate, each economy may have different strengths and industry or trade focus, and end user customers residing in the different countries may not have the same preferences. We cannot assure you that we will be able to develop and implement successful growth or expansion strategies

in the jurisdictions in which we operate. We also cannot assure you that we will be able to identify the tastes and habits of consumers in such jurisdictions, and to offer products that appeal to those preferences and trends.

(11) We experience seasonal fluctuations in our business and a failure to manage such seasonality may cause our revenue and financial condition to be adversely affected.

A substantial portion of our sales revenue is derived from our domestic sales in Thailand. For the years ended December 31, 2014, 2015 and 2016 and the six months ended June 30, 2016 and 2017, sales revenue in Thailand was 89.3%, 88.3%, 87.0%, 88.4% and 88.7% of our sales revenue, respectively. Therefore, the seasonal fluctuations in our business are substantially due to our domestic sales in Thailand. Demand for paint and coating products is typically the weakest during monsoon season from July to August and improves with good weather in the fourth quarter that permits home improvement, maintenance and construction activities. As a result, our income and cash flow from operations may be greater in the first and fourth quarters due to end use market seasonality in Thailand. In addition, comparisons of our sales and results of operations of the third quarter each year with other periods within a single calendar year or in different calendar years may not necessarily be meaningful and should not be relied on as indicators of our performance for any future fiscal period. From time to time, adverse weather conditions in certain parts of Thailand and elsewhere have had an adverse effect on the sales of our paints, coatings and related products. Seasonal fluctuation in our revenue requires us to monitor and control our working capital carefully so as to provide our business with adequate cash for operations. Failure to manage seasonality in our business may cause our revenue and financial condition to be adversely affected.

(12) Significant capital expenditure including future development of new production plants have been, and may in the future continue to be, necessary to achieve our growth plans, which carry project and other risks.

Our growth plans require significant capital investments to expand, renovate or convert existing properties or production plants, to develop new properties or production plants or make major acquisitions or investment. We are in the process of expanding our production to two countries, namely Indonesia and Cambodia, and increasing the number of our production lines. We are also in the process of relocating our existing Yangon Plant to a new production plant in the Thilawa Special Economic Zone of Myanmar to increase production capacity in Myanmar. Our ability to successfully implement our growth strategy is subject to risks and uncertainties. We cannot assure you that we have sufficient experience and expertise with operating production plants in these new jurisdictions. Further, failure to match customers' demands in existing markets or new markets could have a material adverse effect on our business.

Projects that require significant capital expenditure also carry risks including:

- failure to complete a project within the prescribed project timetable and/or within budget; and

- failure of the project to perform according to prescribed operating specifications following its completion. For example, in relation to our new production plants, we may not be able to fully utilize the capacity we plan to generate or produce products that meet the required standard.

To accommodate our growth, we may need to implement a variety of new and upgraded operational systems, procedures and controls, particularly in the jurisdictions in which we operate outside of Thailand. We will also need to implement effective training programs to ensure consistently high-quality performance by our employees across jurisdictions. All of these measures will require substantial management effort.

If we are unable to effectively manage our growth, our business, financial condition, results of operations and prospects may be materially and adversely affected.

In addition, any significant increases in raw materials costs unforeseen in the project plan and any inability to sell the products produced at volumes and/or price levels envisaged in the project plan could adversely affect the success of our projects. Due to the significant amount of capital required and the long lead time between planning and completion of such projects, project failure could have a material adverse effect on our business, financial condition, results of operations and prospects.

(13) Failure to conduct our existing operations alongside our joint venture partners could adversely affect our financial condition and results of operations.

Three of our subsidiaries, TOA Paint (Myanmar) Company Limited in Myanmar, PT TOA Paint Indonesia in Indonesia and TOA Skim Coat (Cambodia) Co., Ltd. in Cambodia, are structured as joint ventures. (1) TOA Paint (Myanmar) Company Limited, our subsidiary in Myanmar, is a joint venture with Mantanakanok Company Limited, MK Company Limited and Ms. Thet Thet Nu Aung, (2) PT TOA Paint Indonesia, our subsidiary in Indonesia, is a joint venture with PT Budilestari Sentosa and (3) TOA Skim Coat (Cambodia) Co., Ltd., our subsidiary in Cambodia, is a joint venture with Mr. Sok Hout. Growth through the formation of joint ventures involves risks, including diversion of our management's time and attention from other business concerns, difficulties due to our lack of or limited prior experience in any new markets we may enter, conditions and/or restrictions set out in the joint venture agreements, and unforeseen claims and liabilities. In addition, we may experience risks specifically associated with the possibility that our joint venture partner may:

- have economic or business interests or goals that are not aligned with ours;
- take actions or omit to take any actions contrary to, or inconsistent with, our policies or objectives or good corporate governance practices or the law;
- be unable or unwilling to fulfill their obligations under the relevant joint venture agreement;
- have disputes with us as to scope of their responsibilities and obligations; or
- have financial difficulties.

Our failure to address these risks or resolve any deadlock situations arising out of disagreements with our joint venture partners or other problems encountered in connection with our existing or future joint ventures could cause us to fail to realize the anticipated benefits of such joint ventures and could adversely affect our business, financial condition, results of operations and prospects.

(14) We lease important assets such as land and buildings, including from entities owned by our major shareholders, and the termination of or our inability to renew such leases could affect our operational capabilities.

We have entered into lease agreements with certain entities owned by our major shareholders. For example, the land and buildings for our Bangna Plant and Samrong Plant are leased from TOAC and PT Real Estate. We have also entered into short-term lease agreements with private parties in Vietnam, Myanmar, Indonesia, and Malaysia. In addition, our subsidiary in Laos has entered into a long-term land lease agreement in relation to our factory and warehouse in Laos, which is currently in the process of being registered with the authorities. We cannot assure you that lessors of our leased assets will not terminate their lease agreements with us, or that we will be able to renew the lease agreements on the same or similar terms, or at all. If any of our leases are terminated or we fail to renew our lease agreements upon their respective expirations, we will not be able to continue using the relevant leased assets for our operations, including the production and storage of our products and our business, financial condition, results of operations and prospects may be materially and adversely affected.

In addition, in Vietnam, land belongs to the people of Vietnam and is administered by the State. Private freehold ownership is not available in Vietnam but land users have legal rights to use land and are granted with land use right certificates. TOA Paint (Vietnam) Co., Ltd. leases the land for its production plant and warehouse located at Tan Dong Hiep A Industrial Park, Tan Dong Hiep Ward, Di An Town, Binh Duong Province, Vietnam from The DAPARK Construction and Real Estate Joint Stock Corporation, an industrial zone developer, pursuant to a lease agreement which will expire in December 2050. On a leasehold basis, the Vietnam government issued a land use right certificate to TOA Paint (Vietnam) Co., Ltd. recording the rights of TOA Paint (Vietnam) Co., Ltd. to use the land located at Tan Dong Hiep A Industrial Park, Tan Dong Hiep Ward, Di An Town, Binh Duong Province, Vietnam for a period from the date of grant until September 2045. TOA Paint (Vietnam) Co., Ltd.'s Investment Registration Certificate may expire prior to the expiration of its lease agreement in September 2045. We cannot assure you that TOA Paint (Vietnam) Co., Ltd. will be able to obtain a new Investment Registration Certificate after its expiration. If TOA Paint (Vietnam) Co., Ltd. fails to obtain a new Investment Registration Certificate, it will be no longer be able to use the land for its production plant and warehouse. As TOA Paint (Vietnam) Co., Ltd. has paid for the land lease price in full for the entire term until December 2050, it may also be unable to recover the lease price in the amount of approximately VND 3,500,000,000 for the period between September 2045 and December 2050. Land use rights granted by the Vietnam government can also be revoked and the land users will be forced to vacate when redevelopment of the land is in the public interest. The public interest rationale is interpreted quite

broadly and the process of land appropriation may be less than transparent. The loss of any land use rights could have a material adverse effect on our business, financial condition, results of operations and prospects.

(15) The interests of our major shareholders may differ from or conflict with the interests of our other shareholders.

After the completion of the Combined Offering, members of the Tangkaravakoon family will collectively, directly and indirectly, own an aggregate of not less than 75.0% of our issued and outstanding shares, comprising 10.5% each through Mr. Prachak Tangkaravakoon and Mrs. La-or Tangkaravakoon and 13.5% each through Mr. Vonnarat Tangkaravakoon, Mr. Jatuphat Tangkaravakoon, Mr. Nattavuth Tangkaravakoon and Mrs. Busatree Wanglee, collectively.

By virtue of the Tangkaravakoon family's 75.0% collective stake in our issued and outstanding share capital after the completion of the Combined Offering, although not acting in concert, the Tangkaravakoon family may be able to control matters requiring approval by our shareholders and may be able to exert significant influence over our business when regulatory approvals are obtained, including:

- election of our directors;
- amount and timing of dividends and other distributions;
- acquisition of or merger with another entity;
- overall business strategies and policies; and
- issuance of new securities.

Circumstances may arise in which the interests of the Tangkaravakoon family or the interests of their associated companies may conflict with the interests of our other shareholders.

In addition, from time to time, we enter into, and we may enter into in the future, transactions with entities controlled by the Tangkaravakoon family and/or other related parties.

(16) Changes in the tax regimes and related government policies and regulations in the countries in which we operate could adversely affect our results.

We are subject to various taxes in the jurisdictions where we operate. Due to economic and political conditions, income tax rates in these various jurisdictions may be subject to significant change. Our future effective income tax rate could be affected by changes in the mix of earnings in countries with differing statutory tax rates, changes in the valuation of deferred tax assets or changes in tax laws or their interpretation. Any change to existing tax principles could adversely affect our effective tax rate or result in higher cash tax liabilities. If our effective income tax rate was to increase, our cash flows, financial condition and results of operations would be adversely affected.

Although we believe that our tax filing positions are appropriate, the final determination of tax audits or tax disputes may be different from what is reflected in our historical income tax provisions and accruals. If future audits find that additional taxes are due, we may be subject to incremental tax liabilities, possibly including interest and penalties, which could have a material adverse effect on our cash flows, financial condition and results of operations.

(17) Our failure to release our guarantee obligation totaling THB 4,245.9 million made for the benefit of certain of our related parties could have a material adverse effect on our business, financial condition or our ability to borrow funds.

As at June 30, 2017, the Company had guarantee obligations to certain of its related parties, namely, Best Auto Sales Co., Ltd, Phelps Dodge International (Thailand) Co., Ltd. and TOA Paint (Malaysian) Sdn. Bhd., totaling THB 4,245.9 million. As at July 31, 2017, the Company reduced its guarantee obligations to certain of its related parties to THB 3,945.8 million. At present, we have obtained consent letters allowing the Company to release all of such guarantee obligations upon performing all the relevant conditions, such as the listing of the Shares on the SET and the change of guarantor to other persons not within the Group, among others. If the Company fails to fulfill these conditions required by the relevant financial institutions or if there are any circumstances which result in the relevant financial institutions not releasing the Company from such guarantee obligations made for the benefit of those related parties, then any claim by the relevant financial institutions due to our guaranteed obligations in the case of any default by such related parties of their obligations could have a material adverse effect on our business, financial condition or our ability to borrow funds.

(18) Our business depends on a stable and adequate supply of raw materials, and our results of operations may be materially and adversely affected as a result of increases in the cost of raw materials or shortages in the availability of our raw materials.

Our financial results are significantly affected by the cost of raw materials. The main raw materials we require for our products are pigments, binders, extenders, solvents and additives which we procure from within Thailand and overseas sources. Raw materials accounted for 69.9%, 68.0% and 66.4% of our cost of sales for the years ended December 31, 2014, 2015 and 2016 and 66.8% and 66.3% of our cost of sales for the six months ended June 30, 2016 and 2017, respectively. Therefore, our production costs and profitability depend, in large part, on our ability to source and maintain a consistent and sufficient supply of raw materials at acceptable prices. If we are unable to obtain quality raw materials in the quantities that we require, our volume and/or quality of production may decline, which in turn may have a material adverse effect on our business, financial condition, results of operations and prospects.

The prices of raw materials fluctuate due to conditions outside of our control, including economic conditions, currency fluctuations, adverse weather conditions and other disasters, taxes and tariffs, and other unforeseen factors. While our raw materials supplies are generally available from various sources in sufficient

quantities, unexpected shortages or increases in the cost of any of our key raw materials, could have a material adverse effect on our business, financial condition, results of operations and prospects.

Our 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. We cannot assure you that our nitrocellulose suppliers will continue to supply us with nitrocellulose on commercially reasonable terms, or at all. Our inability to procure a supply of nitrocellulose to manufacture our products may have a material adverse effect on our business, financial condition, results of operations and prospects. Titanium dioxide (TiO₂), a pigment used to impart whiteness, brightness, opacity and ultraviolet protection, is a key raw material for our products, representing 19.1% of TOA's raw materials costs for the six months ended June 30, 2017. The price of titanium dioxide is determined globally and is subject to the forces of international, regional and domestic supply and demand. Any increase in raw materials costs, in particular the cost of titanium dioxide, without a corresponding increase in selling price would reduce our operating profit margins.

Some of TOA's raw materials are oil derivative products, in particular solvents used in our paint and coating products, and are usually manufactured by large petrochemical companies. As a result, the cost of production of these raw materials is affected by international and domestic prices of crude oil and refined petroleum products. Therefore, our business, financial condition, results of operations and prospects may be influenced by market prices for crude oil and other refined petroleum products which are subject to the forces of supply and demand in international, regional and domestic markets, as well as other factors beyond our control. In recent years, the prices of crude oil and petroleum products have fluctuated widely. While, lately, we have benefited from the easing of prices of certain raw materials as a result of lower crude oil prices, in particular white spirit solvents from mineral oil distillates and certain acrylic emulsion binders, the price of raw materials has in the past, and likely will in the future, be subject to volatility and uncertainty.

Our ability to pass on increases in the cost of raw materials is dependent upon market conditions and our cost position compared to competitors. There may be periods of time in which we may not be able to fully recover increases in the cost of raw materials due to a decrease in demand for, or oversupply of, our products. Any of the foregoing could have a material adverse effect on our business, financial condition, results of operations and prospects.

(19) We are subject to certain competition and antitrust laws, including the new trade competition law in Thailand.

Thailand has amended the existing law governing trade competition (i.e. the Trade Competition Act B.E. 2542 (1999)) and such law will be repealed in its entirety and replaced by the Trade Competition Act B.E. 2560 (2017), which will come into effect in October 2017 (the "New Trade Competition Law"). In order to foster free and fair trade competition and to create a level playing-field, the New Trade Competition Law focuses on four primary areas, namely: (1) the prohibition of the unlawful exercise of market dominance by dominant business operators (abuses of dominance); (2) the supervision of business mergers and

acquisitions which restrict trade competition, or the merger and acquisition of dominant business operators; (3) the prohibition of business agreements which restrict trade competition (restrictive agreements); and (4) the prohibition of behavior which constitutes unfair trade practices.

The effect of the New Trade Competition Law upon our business is that we may be considered a “dominant business operator.” Currently, the criteria of “dominant business operator” under the New Trade Competition Law have yet to be established. In addition, an independent body called the Trade Competition Committee (the “Committee”) has to be formed that will be responsible for the supervision of the compliance with the New Trade Competition Law and issuance of implementing legislation and rules. Based on the criteria of “dominant business operator” under the Trade Competition Act B.E. 2542 (1999), it is very likely that we may be considered a “dominant business operator.” As a result, we will be required to seek prior approval from the Trade Competition Committee should we plan to acquire, sell or merge with other businesses in Thailand in the future, and to comply with the rules on the prohibition of unlawful abuse of dominance, as well as other rules applicable to business operators in general, for example, the prohibition of any business agreement which restricts trade competition (restrictive agreements) and the prohibition of behavior which constitutes unfair trade practices. Given that the Committee has yet to be formed, there are uncertainties as to the direction of the implementing legislation and rules to be prescribed and notified by the Committee in the future, as well as the supervisory procedures of the New Trade Competition Law, the implementing legislation and the rules of the Committee, and whether and how such legislation will affect our business operations model in the future. The New Trade Competition Law imposes a severe penalty for any violation of prohibitions under the New Trade Competition Law, such as an administrative fine up to 10.0% of the income for the year if a violation is committed. In addition, the person who suffers damage from the violation of prohibitions under the New Trade Competition Law is entitled to claim damages from the violator. If a business operator fails to obtain prior approval from the Committee for a business acquisition, sale and merger, an administrative fine of up to 0.5% of the value of such transaction will be imposed. Due to the uncertainty surrounding the enforcement of the New Trade Competition Law, the implementing legislation and rules, we cannot assure you that our opportunities for business expansion will not be limited. For example, we may be faced with reduced opportunities for mergers and acquisitions, among other things. This may affect our ability and our subsidiaries’ ability to generate profit. Such uncertainty, in turn, may have an adverse effect upon our business, financial condition, results of operations and prospects.

Lawsuit

As at August 23, 2017, the Company and its Subsidiaries have not been sued as a defendant in any cases or litigation, including arbitration proceedings: (1) which may have an adverse effect on the assets of the Company and its Subsidiaries exceeding 5.0% of the shareholder’s equity; (2) which has a significant but unquantifiable effect on the business operations, financial status, operating results and business opportunities of the Company or its Subsidiaries; and (3) which do not arise in the ordinary course of business of the Company.

No. of Employees

As of June 30, 2017, the Company had 4,833 employees.

Company Background

Our 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, we also launched the “TOA” brand.

We began our expansion outside Thailand to other Southeast Asian countries in 1995 with the establishment of our first subsidiary, TOA Paint (Vietnam) Co., Ltd in Vietnam. In 1998, we commenced operations of our 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. We have since expanded our operations and production plants to Laos, Myanmar, Cambodia, Indonesia, and Malaysia. Our production plant in Cambodia owned by TOA Skim Coat (Cambodia) Co., Ltd. commenced commercial operation in June 2017 and another production plant owned by TOA Paint (Cambodia) Co., Ltd. is expected to commence commercial operation in 2018. As at June 30, 2017, we have 10 offices and eight production plants in six countries in the AEC, including Thailand.

Investment in Subsidiary/Associated/ Related Companies

As of June 30, 2017, the Company has investment in subsidiary/ associated/ related companies as follows:

Name	Type of Business	Paid-up capital (THB million)	% of shareholding	Investment cost as at June 30, 2017 (THB million) as shown in the Separate Financial Statements
Captain Coating Co., Ltd.	Manufacture and distribution of decorative paint and coating products and chemicals	299.999	100.0	300.0
British Paints Co., Ltd.	Distribution of decorative paint and coating products	374.998	100.0	375.0
Professional PC Service Co., Ltd.	Provision of product consultant services for decorative paint and coating products and chemicals	4.999	100.0	5.0
Imagica Co., Ltd.	Trading of architectural paints	876.382	100.0	5.0
TOA Paint (Vietnam) Co.,	Manufacture, import and distribution	57.592	100.0	876.4

Name	Type of Business	Paid-up capital (THB million)	% of shareholding	Investment cost as at June 30, 2017 (THB million) as shown in the Separate Financial Statements
Ltd.	of decorative paint and coating products and chemicals			
TOA Paint (Laos) Co., Ltd.	Manufacture and distribution of decorative and non-decorative paint and coating products	93.158	100.0	80.3
TOA Paint Products Sdn. Bhd.	Manufacture and distribution of decorative paint and coating products and chemicals	78.620	100.0	93.2
TOA Coating Sdn. Bhd.	Import and distribution of decorative paint and coating products and chemicals	80.301	100.0	57.6
PT TOA Paint Indonesia	Import and distribution of decorative and non-decorative paint and coating products	26.473	75.0	78.6
TOA Paint (Myanmar) Company Limited	Manufacture and distribution of decorative and non-decorative paint and coating products	4.999	65.0	26.5
PT TOA Coating Indonesia	Manufacture and distribution of decorative and non-decorative paint and coating products	0.349	99.0	463.6
TOA Skim Coat (Cambodia) Co., Ltd.	Manufacture and distribution of skim coat products	463.633	65.0	0.2
TOA Paint (Cambodia) Co., Ltd.	Manufacture and distribution of decorative and non-decorative paint and coating products	0.234	100.0	0.3
TOA Coating (Myanmar) Co., Ltd. ⁽¹⁾	Manufacture and distribution of decorative and non-decorative paint and coating products	405.053	99.0	405.1
Total Investment Capital				2,766.8
Less: allowance for impairment loss ⁽²⁾				(369.7)
Investments in subsidiaries - net				2,397.1

- Remarks: (1) At the Board of Directors Meeting No. 6/2017 on May 29, 2017, the Board of Directors resolved to approve the payment of the remaining share price at the amount of USD 9,900,000 of TOA Coating (Myanmar) Co., Ltd. and the Company made such payment of the share price on June 19, 2017.
- (2) Allowance for impairment loss includes TOA Paint (Vietnam) Co., Ltd., TOA Coating Sdn. Bhd., PT TOA Paint Indonesia, and TOA Paint Products Sdn. Bhd.

Change in Capital in the last 3 years

THB

Date	Capital increase (decrease)	After the increase (decrease)	Note
March 14, 2017	875,000,000	1,775,000,000	For adjust of capital structure for the listing on the Stock Exchange of Thailand.
October 6, 2017	1,775,000,000	2,029,000,000	For initial public offering.

Accounting Period January 1 to December 31

Auditor Mr. Supachai Panyawattano, Certified Public Accountant (Thailand) No. 3930
EY Office Limited

Registrar Thailand Securities Depository Company Limited (TSD)

Financial Advisor Kasikorn Securities Public Company Limited
Bualuang Securities Public Company Limited

Lead Underwriter Kasikorn Securities Public Company Limited
Bualuang Securities Public Company Limited

Dividend Policy

The Board of Directors may recommend annual dividends subject to the approval of the Company's shareholders at its annual general meetings. 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 a policy to pay dividends at the rate of not less than 40% of the Company's separate net profits after deducting corporate income tax and other reserve funds as required by law and as determined by the Company. The Board of Directors may also, for the interest of the shareholders, take into consideration other factors in paying dividends, such as the financial condition and results of operations of the Company, the Company's 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.

B.O.I. Certificate -None-

No. of Shareholders As of October 5, 2017 are as the following.

	No. of shareholders	No. of shares	% of paid-up capital
1. Strategic shareholders			
1.1 Directors, manager, and executive management including related persons and associated persons	6	913,000,000	44.99%
1.2 Shareholders who have a holding of above 5% including related persons	1	608,400,000	29.99%
1.3 Controlling Shareholders	-	-	-
2. Non-Strategic shareholders hold > 1 trading unit	12,554	507,600,000	25.02%
3. Non-Strategic shareholders hold < 1 trading unit	-	-	-
Total Shareholders	12,561	2,029,000,000	100.00%

Major Shareholders As of October 5, 2017 are as the following.

Name	Pre-IPO		Post-IPO	
	No. of shares	% of paid-up capital	No. of shares	% of paid-up capital
1. Tangkaravakoon's Family ^(a)	1,775,000,000	100.00	1,525,180,000	75.17
1.1 TOA Group Holding Co., Ltd.	608,400,000	34.28	608,400,000	29.99
1.2 Wybrant Holding Limited	253,600,000	14.28	-	-
1.3 Mr. Vonnarat Tangkaravakoon	182,600,000	10.29	182,600,000	9.00
1.4 Mr. Jatuphat Tangkaravakoon	182,600,000	10.29	182,600,000	9.00
1.5 Mr. Nattavuth Tangkaravakoon	182,600,000	10.29	182,600,000	9.00
1.6 Mrs. Busatree Wanglee	182,600,000	10.29	182,600,000	9.00
1.7 Mr. Prachak Tangkaravakoon	91,300,000	5.14	91,300,000	4.50
1.8 Mrs. La-or Tangkaravakoon	91,300,000	5.14	91,300,000	4.50
1.9 Miss Wannasiri Tangkaravakoon	-	-	2,000,000	0.10
1.10 Mrs. Wilai Tangkaravakoon	-	-	180,000	0.01
1.11 Mr. Kanes Tangkaravakoon	-	-	150,000	0.01
1.12 Mr. Chawin Tangkaravakoon	-	-	150,000	0.01
1.13 Mrs. Boonyapha Tangkaravakoon	-	-	100,000	0.00

Name	Pre-IPO		Post-IPO	
	No. of shares	% of paid-up capital	No. of shares	% of paid-up capital
1.14 Mr. Narongrit Tangkaravakoon	-	-	100,000	0.00
1.15 Mr. Athapol Tangkaravakoon	-	-	100,000	0.00
1.16 Mrs. Orrasa Tangkaravakoon	-	-	100,000	0.00
1.17 Miss Unawan Tangkaravakoon	-	-	100,000	0.00
1.18 Miss Thamolwan Tangkaravakoon	-	-	100,000	0.00
1.19 Mr. Apichai Tangkaravakoon	-	-	100,000	0.00
1.20 Mr. Peera Tangkaravakoon	-	-	100,000	0.00
1.21 Mr. Chaiwat Tangkaravakoon	-	-	100,000	0.00
1.22 Mr. Anurak Tangkaravakoon	-	-	100,000	0.00
1.23 Mr. Aphikrit Tangkaravakoon	-	-	100,000	0.00
1.24 Mr. Kavin Tangkaravakoon	-	-	100,000	0.00
1.25 Mr. Ronnarit Tangkaravakoon	-	-	100,000	0.00
2. UBS Securities Pte Ltd	-	-	218,750,000	10.78
3. AIA TH EQ 2 P	-	-	11,330,000	0.56
4. AIA TH EQ 1 P	-	-	7,870,000	0.39
5. Bualuang Long-Term Equity Fund	-	-	7,241,200	0.36
6. K Equity 70:30 LTF	-	-	3,421,100	0.17
7. Bangkok Life Assurance PCL	-	-	3,151,100	0.16
8. K Equity Dividend LTF	-	-	3,056,300	0.15
9. Provident Fund for EGAT Employees	-	-	2,808,800	0.14
10. K Flexible Equity RMF	-	-	2,625,200	0.13
11. General Public	-	-	243,566,300	12.00
Total	1,775,000,000	100.00	2,029,000,000	100.0

Note : (a) The disclosure of the name of the shareholders no. 1.1 – 1.23 in the table “Major Shareholders” above is solely for the purpose of showing to the investors the name and the shareholding of all shareholders using the surname “Tangkaravakoon”, and is not for the purpose of consideration of characteristics of relationships or behaviors which are deemed as an acting in concert, under clause 2 of Notification of the Capital Market Supervisory Board No. TorChor. 7/2552 Re: Acting in concert as a result of the nature of a relationship or behavior and requirements under Sections 246 and 247

(b) UBS Securities Pte Ltd. is the initial purchaser who will subsequently procure the purchase of the allocated shares by the international investors. None of these international investors are each allocated more than 5.0% of total shares after this share offering.

Remark: (1) The details of the shareholders of TOAGH are as follows:

Shareholders's Name	TOAGH	
	No. of shares	% of shareholding
1. Mr. Prachak Tangkaravakoon	100,000	20.00
2. Mrs. La-or Tangkaravakoon	100,000	20.00
3. Mr. Vonnarat Tangkaravakoon	75,000	15.00
4. Mr. Jatuphat Tangkaravakoon	75,000	15.00
5. Mr. Nattavuth Tangkaravakoon	75,000	15.00
6. Mrs. Busatree Wanglee	75,000	15.00
Total	500,000	100.00

- (2) The investment policy of TOAGH requires the Company to be the flagship company of TOAGH to operate the paint business as agreed and TOAGH has entered into a non-competition agreement with the Company.
- (3) Wybrant, which is an existing shareholder of the Company, offered for sale the total of its 253,600,000 ordinary shares together with the offer for sale of the Company 254,000,000 newly-issued ordinary shares to the public.

Foreign shareholders As of October 5, 2017

The Company has 86 foreign shareholders holding a total of 240,724,500 shares or 11.86 percent of the registered capital.

Remarks: The Company's restrictions regarding foreign shareholding is in accordance with Clause 11 of the Articles of Association which state that "the ordinary shares of the Company shall be freely transferred without restrictions and the shares held by foreign shareholders at any given period shall be a total of not exceeding forty-nine (49) percent of the total issued shares of the Company. Any share transfer which will cause the foreign shareholding of the Company to exceed the aforementioned proportion, the Company shall have the right to refuse such share transfer."

Board of Directors

<u>Name</u>	<u>Position</u>	<u>Starting Date</u>
1. Mr. Prachak Tangkaravakoon	Chairman of the Board and Executive committee member*	December 6, 2016
2. Mrs. La-or Tangkaravakoon	Vice-chairman of the Board and Executive committee member	December 6, 2016
3. Mr. Vonnarat Tangkaravakoon	Director and Executive committee member	February 1, 1998
4. Mr. Jatuphat Tangkaravakoon	Director, Chairman of the executive committee and Chief Executive Officer	February 1, 2001
5. Mr. Nattavuth Tangkaravakoon	Director	August 1, 2002
6. Mrs. Busatree Wanglee	Director and Executive committee member	June 1, 2001
7. Mrs. Prisana Praharnkhasuk	Director, Independent Director, and Chairman of the Audit Committee	December 29, 2016
8. Mrs. Chanatip Weerasubpong	Director, Independent Director, and Member of the Audit Committee	December 6, 2016
9. Mr. Veerasak Kositpaisal	Director, Independent Director, and Member of the Audit Committee	December 29, 2016

Remark: * Mr. Prachak Tangkaravakoon, Chairman of the Board of the Company, is not an Independent Director. Therefore, the Company has appointed Mr. Veerasak Kositpaisal as an Independent Director to jointly consider agendas for Board of Directors' Meetings to comply with the Good Corporate 2017 Governance guidance for listed companies. Moreover, the Board of Director's Meeting No. 5/2017 held on May 12, 2017 has resolved to amend the Board of Directors' Charter that in passing a resolution in any agenda where any director who is not an independent director has conflict of interest, at least two independent directors shall attend such meeting and cast votes.

Weerawong, Chinnavat & Partners Co., Ltd. is the company secretary and has duties and responsibilities as prescribed in the Securities and Exchange Act whereby Mr. Banphot Kittikinglert, a Senior Associate, shall act as the Coordinator.

Audit Committee

The Audit Committee includes:

Name	Title	Appointment Date
1. Mrs. Prisana Pranankhasuk	Chairman of the Audit Committee	December 29, 2016
2. Mr. Veerasak Kositpaisal	Member of the Audit Committee	December 29, 2016
3. Mrs. Chanatip Weerasubpong	Member of the Audit Committee	December 6, 2016

Mrs. Chanatip Weerasubpong and Mrs. Prisana Prahankhasuek are the Members of Audit Committee with sufficient knowledge and experience to perform their duty of auditing the reliability of the Company's financial statements.

Audit Committee Scope of Work

- (1) review the Company's financial reports to ensure the correctness 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 review of the financial reports;
- (2) review the internal control and internal audit system and ensure that they are suitable, sufficient and efficient;
- (3) assess the internal audit unit's independence, and approve the appointment, transfer, dismissal and evaluation of the performance of the chief of an internal audit and other department responsible for internal audit;
- (4) access to information at any level as well as invite executives, management, heads of units, staff or relevant persons to attend a meeting to provide information as well as deliver and provide relevant information as specified in the scope of authorities assigned by the Board of Directors;
- (5) consider and approve the annual budget, manpower and resources required for the internal audit and approve the internal audit plan and any material change to such plan including ensuring the operations of internal audit conform to the approved annual internal audit plan and International Standards for the Professional Practice of International Auditing, evaluating the quality of the internal audit performance annually and participating in meeting(s) with the head of internal audit to discuss important matters at least once a year;
- (6) the audit committee is required to review and maintain compliance with securities law, the rules and regulations of the SET, the Capital Markets Supervisory Board and the law relating to the business of the Company;

- (7) consider, select, and nominate an independent auditor, to propose the independent auditor's remuneration, and to attend a non-management meeting with the independent auditor at least once a year;
- (8) the audit committee is required to review related party transactions, or any transactions that may lead to conflicts of interest, acquisition and disposal transactions, and to ensure that they are done in compliance with laws and the regulations of the SET, SEC and the Capital Markets Supervisory Board and are reasonable and beneficial to the Company and shareholders;
- (9) prepare and disclose in the annual report, the result of the corporate governance conducted by the Audit Committee. Such report shall be signed by the Chairman of the Audit Committee and must contain the following details:
 - The opinion on the accuracy and correctness of information and reliability of the Company's financial reports.
 - The opinion on the sufficiency of the Company's internal audit system.
 - The opinion on the compliance with laws and the regulations of the SET, the Capital Markets Supervisory Board, and the law relating to the business of the Company. The opinion of the appropriateness of the audit committee.
 - The opinion on the suitability of the auditor
 - The opinion on any transactions that may lead to conflicts of interest.
 - The numbers of the Audit Committee Meeting and the attendance of each Audit Committee Member
 - Overall of opinions or observations obtained by the Audit Committee from the performance performed under the Charter; and
- (10) Other transactions deemed necessary to be disclosed to the shareholders and general investors under the scope of duties and responsibilities assigned by the Board of Directors.
- (11) review and monitor the risk management process;
- (12) annually review the Audit Committee charter;
- (13) review the results of operations in the previous year and report to the Board of Directors at least once a year;
- (14) hire or procure a professional specialist to provide opinions or suggestions to the relevant scope of work;
- (15) perform any other duties assigned by the Board of Directors with the Audit Committee's approval;

(16) In performing the abovementioned duties, the Audit Committee has direct responsibility to the Board of the Directors and the Board of Directors has the responsibility for the operation of the Company to the third parties.

(17) The Board of Directors has the authority to amend and change the definitions and the qualifications of the Independent Directors and the Charter of the Audit Committee to be in line with the Audit Committee's responsibilities so as to be in accordance with the criteria prescribed by the SEC Office, SET, the Capital Market Supervisory Board, and/or other provisions under other relevant laws.

Term of office:

- | | |
|------------------------|---------|
| 1. Executive committee | 3 years |
| 2. Audit Committee | 3 years |

(Including appointment and removal from the Audit Committee)

Listing Conditions -None-

Silent Period

Shareholders, who own common shares before the company's public offering, holding 1,115,950,000 shares or 55% of paid up capital after the initial public offering certify to the Stock Exchange of Thailand that their shares will not be sold for the period of one year from the first trading date. Upon the expiry of 6 months period of the prescribed time, those shareholders will be allowed to sell 25% of the total amount of shares prohibited for sale and the rest after one year.

Relaxation

-None-

Others

-None-

Statistical Summary

TOA Paint (Thailand) Public Company Limited

Year end	THB million		THB / Share			Percent
	Sales	Net Profit	Earnings Per Share ⁽¹⁾	Dividend Per Share ⁽¹⁾	Book Value Per Share ⁽¹⁾	Dividend to Net Profit ⁽²⁾
2014 (special-purpose financial statements of TOA and its Subsidiaries)	16,449.0	1,321.0	1.492	1.580	4.14	107.6
2015 (special-purpose financial statements of TOA and its Subsidiaries)	16,752.6	2,116.7	2.368	1.680	5.10	71.4
2016 (special-purpose financial statements of TOA and its Subsidiaries)	16,297.3	2,507.4	2.807	7.250	0.86	260.2
Six months ended June 30, 2017 (reviewed)	7,717.9	894.5	0.628	0.484	1.74	77.0

Par value THB 1

Remark: (1) This is calculated by adjusting the number of ordinary shares to reflect the effect of changing the par value of the ordinary shares from 900,000 shares with the par value of THB 1,000 each to 900,000,000 shares with the par value of THB1 each as if such change in par value had taken place at the beginning of 2014 (2) Dividend to net profit ratio is calculated by the dividend paid as set out in the cash flow statement for the relevant year/period divided by net profit.

TOA Paint (Thailand) Public Company Limited

Consolidated Financial Statements for the past three years and the six months ended June 30, 2017.

Statements of Financial Position:	Special-Purpose Financial Statements of TOA and its Subsidiaries						Financial Statements of TOA and its Subsidiaries	
	Year ended December 31						As at June 30	
	2014		2015		2016		2017	
	(THB million)	%	(THB million)	%	(THB million)	%	(THB million)	%
Assets								
<u>Current Assets</u>								
Cash and cash equivalents	1,224.2	9.7	2,241.0	17.3	1,713.4	17.8	1,515.6	16.0
Investments in trading securities - mutual fund	279.1	2.2	595.5	4.6	442.4	4.6	525.7	5.5
Trade and other receivables	3,075.5	24.3	2,974.0	22.9	2,839.6	29.4	2,605.0	27.5
Current portion of long-term hire purchase receivables	141.4	1.1	126.1	1.0	122.1	1.3	101.2	1.1
Short-term loans to related parties and interest receivables	3,201.8	25.3	2,775.2	21.4	-	-	-	-
Inventories	2,254.0	17.8	1,983.5	15.3	2,018.6	20.9	2,229.7	23.5
Other current assets	140.6	1.1	144.0	1.1	160.9	1.7	167.2	1.8
Total current assets	10,316.6	81.6	10,839.3	83.5	7,296.9	75.7	7,144.4	75.3
<u>Non-current assets</u>								
Pledged Bank Deposits	-	-	-	-	-	-	68.4	0.7
Long-term Hire Purchase Receivables, net of Current Portion	168.2	1.3	152.4	1.2	146.3	1.5	138.3	1.5
Other Long-term Investments	10.0	0.1	5.0	0.0	5.0	0.1	5.0	0.1
Investment Properties	-	-	-	-	19.6	0.2	18.3	0.2
Property, Plant and Equipment	1,973.4	15.6	1,838.0	14.2	1,935.4	20.1	1,870.8	19.7
Intangible Assets	114.3	0.9	97.4	0.7	158.1	1.6	151.5	1.6
Deferred Tax Assets	28.6	0.2	26.8	0.2	50.7	0.5	55.7	0.6

Statements of Financial Position:	Special-Purpose Financial Statements of TOA and its Subsidiaries						Financial Statements of TOA and its Subsidiaries	
	Year ended December 31						As at June 30	
	2014		2015		2016		2017	
	(THB million)	%	(THB million)	%	(THB million)	%	(THB million)	%
Other Non-current Assets	26.2	0.2	27.6	0.2	32.3	0.3	36.2	0.4
Total Non-current assets	2,320.7	18.4	2,147.2	16.5	2,347.5	24.3	2,344.2	24.7
Total assets	12,637.3	100.0	12,986.4	100.0	9,644.4	100.0	9,488.5	100.0
<u>Liabilities and shareholders</u>								
<u>Current liabilities</u>								
Short-term Loans from Financial Institutions	4,240.0	33.6	3,623.0	27.9	3,560.0	36.9	2,789.0	29.4
Trade and Other Payables	3,747.3	29.7	3,712.1	28.6	3,602.2	37.4	3,415.1	36.0
Current Portion of Long Term Borrowing from Financial Institutions	500.0	4.0	166.8	1.3	166.8	1.7	166.8	1.8
Current Portion of Long Term Borrowing from related party and interest payable – current portion	0.9	0.0	3.8	0.0	-	-	-	-
Dividend payables	-	-	-	-	688.5	7.1	-	-
Income Tax Payable	173.7	1.4	364.3	2.8	329.6	3.4	220.0	2.3
Other Current Liabilities	43.9	0.3	92.2	0.7	93.5	1.0	74.9	0.8
Total Current Liabilities	8,705.8	68.9	7,962.2	61.3	8,440.7	87.5	6,665.8	70.3
<u>Non-current liabilities</u>								
Long Term Borrowing from Financial Institutions - Net of Current Portion	-	-	184.4	1.4	166.4	1.7	83.0	0.9
Long Term Borrowing from related party and interest payable Net of Current Portion	23.0	0.2	14.0	0.1	-	-	-	-
Provision for Long-term Employee Benefits	160.8	1.3	217.5	1.7	242.2	2.5	246.1	2.6

Statements of Financial Position:	Special-Purpose Financial Statements of TOA and its Subsidiaries						Financial Statements of TOA and its Subsidiaries	
	Year ended December 31						As at June 30	
	2014		2015		2016		2017	
	(THB million)	%	(THB million)	%	(THB million)	%	(THB million)	%
Other Non-current Liabilities	18.7	0.1	19.2	0.1	17.1	0.2	15.7	0.2
Total Non-current liabilities	202.5	1.6	435.1	3.4	425.7	4.4	344.9	3.6
Total liabilities	8,908.3	70.5	8,397.3	64.7	8,866.4	91.9	7,010.7	73.9
Shareholders' Equity								
Share Capital								
Registered Capital	900.0	7.1	900.0	6.9	900.0	9.3	2,029.0	21.4
Issued and fully paid up capital	900.0	7.1	900.0	6.9	900.0	9.3	1,775.0	18.7
Retained earnings								
Appropriated – Legal reserve	90.0	0.7	90.0	0.7	90.0	0.9	90.0	0.9
Unappropriated	3,785.1	30.0	4,404.5	33.9	211.5	2.2	1,104.6	11.6
Other components of shareholders' equity	(407.4)	(3.2)	(419.8)	(3.2)	(398.7)	(4.1)	(472.6)	(5.0)
Shareholders' Equity	4,367.7	34.6	4,974.7	38.3	802.9	8.3	2,497.0	26.3
Non-controlling interests	0.6	0.0	(16.3)	(0.1)	(24.9)	(0.3)	(19.1)	(0.2)
Total shareholders' equity before the companies under group restructuring	4,368.3	34.6	4,958.4	38.2	778.0	8.1	2,477.9	26.1
The companies under group restructuring	(639.2)	(5.1)	(369.3)	(2.8)	-	-	-	-
Total shareholders' equity	3,729.1	29.5	4,589.1	35.3	778.0	8.1	2,477.9	26.1
Total liabilities and shareholders' equity	12,637.3	100.0	12,986.4	100.0	9,644.4	100.0	9,488.5	100.0

Statements of Comprehensive Income	Special-Purpose Financial Statements of TOA and its Subsidiaries								Financial Statements of TOA and its Subsidiaries	
	Year ended December 31						Six months ended June 30			
	2014		2015		2016		2016		2017	
	(THB million)	%	(THB million)	%	(THB million)	%	(THB million)	%	(THB million)	%
Revenues										
Sales	16,449.0	98.3	16,752.6	98.3	16,297.3	98.6	8,340.5	98.4	7,717.9	99.4
Dividend income	0.1	0.0	0.1	0.0	0.1	0.0	0.1	0.0	0.1	0.0
Other income	287.5	1.7	282.9	1.7	231.4	1.4	132.4	1.6	46.3	0.6
Total revenues	16,736.6	100.0	17,035.5	100.0	16,528.8	100.0	8,472.9	100.0	7,764.3	100.0
Expenses										
Cost of sales	11,473.0	68.6	10,773.9	63.2	10,094.6	61.1	5,092.2	60.1	5,020.4	64.7
Selling expenses	2,168.9	13.0	2,071.2	12.2	1,944.6	11.8	941.8	11.1	981.5	12.6
Administrative expenses	1,234.5	7.4	1,402.2	8.2	1,282.4	7.8	652.8	7.7	609.1	7.8
Total expenses	14,876.5	88.9	14,247.3	83.6	13,321.7	80.6	6,686.8	78.9	6,611.0	85.1
Profit before finance cost and income tax	1,860.1	11.1	2,788.2	16.4	3,207.1	19.4	1,786.1	21.1	1,153.2	14.9
Finance cost	(152.7)	(0.9)	(109.2)	(0.6)	(86.9)	(0.5)	(48.1)	(0.6)	(40.3)	(0.5)
Profit before income tax	1,707.5	10.2	2,679.0	15.7	3,120.2	18.9	1,738.0	20.5	1,112.9	14.3
Income tax	(386.5)	(2.3)	(562.3)	(3.3)	(612.9)	(3.7)	(332.4)	(3.9)	(218.4)	(2.8)
Profit for the year/period	1,321.0	7.9	2,116.7	12.4	2,507.4	15.2	1,405.6	16.6	894.5	11.5
Other comprehensive income:										
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</i>										
Exchange differences on translation of financial statements in foreign currency, net of income tax effect	(1.1)		12.5		20.5		(1.7)		(72.9)	
Other comprehensive income to be reclassified to profit or loss in subsequent periods – net of income tax	(1.1)		12.5		20.5		(1.7)		(72.9)	

Statements of Comprehensive Income	Special-Purpose Financial Statements of TOA and its Subsidiaries								Financial Statements of TOA and its Subsidiaries	
	Year ended December 31						Six months ended June 30			
	2014		2015		2016		2016		2017	
	(THB million)	%	(THB million)	%	(THB million)	%	(THB million)	%	(THB million)	%
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods:</i>										
Actuarial gains (losses), net of income tax effect	0.3		(27.1)		-		-		(0.2)	
Other comprehensive income not to be reclassified to profit or loss in subsequent periods – net of income tax	0.3		(27.1)		-		-		(0.2)	
Other comprehensive income for the year/period	(0.8)		(14.6)		20.5		(1.7)		(73.1)	
Total comprehensive income for the year/period	1,320.2		2,102.1		2,527.8		1,403.9		821.5	
Profit attributable to:										
Equity holders of the Company	1,342.7		2,131.3		2,525.9		1,409.4		893.1	
Non-controlling interests of the subsidiaries	(21.6)		(14.6)		(18.5)		(3.8)		1.4	
	1,321.0		2,116.7		2,507.4		1,405.6		894.5	
Total comprehensive income attributable to:										
Equity holders of the Company	1,341.8		2,118.9		2,547.0		1,407.4		819.1	
Non-controlling interests of the subsidiaries	(21.5)		(16.9)		(19.2)		(3.5)		2.4	
Total comprehensive income	1,320.2		2,102.1		2,527.8		1,403.9		821.5	
Earning per share										
Basic earnings per share ^{(1) (2)}										
Basic earnings attributable to owners of the	1,342.7		2,131.3		2,525.9		1,409.4		893.1	

Statements of Comprehensive Income	Special-Purpose Financial Statements of TOA and its Subsidiaries								Financial Statements of TOA and its Subsidiaries	
	Year ended December 31						Six months ended June 30			
	2014		2015		2016		2016		2017	
	(THB million)	%	(THB million)	%	(THB million)	%	(THB million)	%	(THB million)	%
parent per share										
Weighted average number of ordinary shares (Million shares)	900.0		900.0		900.0		900.0		1,422.1	
Profit attributable to equity holders of the Company (in Baht)	1.492		2.368		2.807		1.566		0.628	

- Remark: (1) Profit and dividend per share between 2014 and 2016 is calculated by adjusting the number of ordinary shares to reflect the effect of changing the par value of the ordinary shares from 900,000 shares with the par value of THB 1,000 each to 900,000,000 shares with the par value of THB1 each as if such change in par value had taken place at the beginning of the period under review.
- (2) Per share figures for 2017 are calculated based on the weighted average number of outstanding shares for the period.

Statement of Cash Flows	Special-Purpose Financial Statements of TOA and its Subsidiaries			Financial Statements of TOA and its Subsidiaries	
	Year ended December 31			Six months ended June 30	
	2014	2015	2016	2016	2017
	(THB million)	(THB million)	(THB million)	(THB million)	(THB million)
Cash flow form operating activities					
Profit before income tax	1,707.5	2,679.0	3,120.2	1,738.0	1,112.9
Adjustment of net income to cash receipt					
(paid) form operating activities					
Depreciation and amortization	355.8	402.0	351.7	176.2	168.2
Allowance doubtful account receivable	4.2	126.7	28.0	46.7	16.1
Allowance for decrease in value of inventories decrease	(37.5)	(14.8)	(62.5)	(67.7)	1.4
Depreciation of other long term investments	4.0	0.2	-	-	-
Allowance for depreciation of Investment properties increase	-	-	32.7	-	-
Profit from sale of other long-term investment	-	-	(0.0)	-	-
Loss (gain) from disposal of plant, equipment and intangible assets	2.1	0.7	1.6	0.2	0.4
Gain on sales of investment	(1.5)	(6.6)	(8.6)	(3.8)	(4.2)
Cash used in payment of employees benefit	22.0	30.7	28.7	14.4	14.5
Unrealized loss (gain) on exchange rate	(3.4)	(19.3)	9.0	7.5	17.4
Unrealized gain profit on securitization	(5.5)	(0.3)	(0.0)	(0.2)	(0.1)
Dividend payment	(0.1)	(0.1)	(0.1)	(0.1)	(0.0)
Interest payment	(142.8)	(98.4)	(123.4)	(61.8)	(1.8)
Financial Cost	152.7	109.2	86.9	48.1	40.3

Statement of Cash Flows	Special-Purpose Financial Statements of TOA and its Subsidiaries			Financial Statements of TOA and its Subsidiaries	
	Year ended December 31			Six months ended June 30	
	2014 (THB million)	2015 (THB million)	2016 (THB million)	2016 (THB million)	2017 (THB million)
Net Income from operations before changes of operating assets	2,057.6	3,208.8	3,464.3	1,897.4	1,365.1
Operating assets (increase) decrease					
Trade receivable and others	236.5	(15.9)	42.2	(21.0)	220.3
Trade receivable on lease agreement	43.4	24.2	10.1	16.4	26.6
Inventories	(143.8)	277.9	33.2	43.5	(220.5)
Other current assets	2.4	(4.8)	(18.3)	(173.1)	(4.6)
Other non-current assets	1.7	(1.5)	(4.6)	(5.6)	(5.7)
Operating liabilities increase (decrease)					
Trade payable and others	(108.4)	(67.4)	(107.9)	(316.8)	(188.2)
Other current liabilities	0.7	48.3	2.0	(17.8)	(18.6)
Employee benefit obligations	(4.9)	(8.3)	(2.8)	(0.8)	(10.5)
Other non-current liabilities	1.2	0.5	(1.2)	(0.3)	(1.4)
Corporate Cash Flow	2,086.2	3,461.8	3,417.0	1,421.9	1,162.6
Income tax	(392.0)	(360.8)	(670.0)	(367.6)	(336.0)
Cash on operating activities	1,694.3	3,101.0	2,747.0	1,054.3	826.6
Cash flow from investment					
Increase in pledged bank deposits	-	-	-	-	(71.0)
Short-term loans to related parties	349.9	423.9	2,605.4	(2,060.6)	-
Trade receivables	(219.7)	(309.4)	161.7	(62.2)	(79.0)
Other long term investment	-	(0.2)	(0.0)	-	-

Statement of Cash Flows	Special-Purpose Financial Statements of TOA and its Subsidiaries			Financial Statements of TOA and its Subsidiaries	
	Year ended December 31			Six months ended June 30	
	2014 (THB million)	2015 (THB million)	2016 (THB million)	2016 (THB million)	2017 (THB million)
Cash received from sale of other long-term investment	-	5.0	0.0	-	-
Acquisition of plant and equipment	(445.2)	(216.1)	(451.5)	(164.1)	(106.6)
Acquisition of intangible assets	(28.8)	(3.3)	(80.1)	(10.1)	(9.5)
Cash received from sale of plant and equipments	1.0	15.6	2.2	0.6	2.3
Interest payment	75.7	101.1	293.1	54.2	1.8
Dividend payment	0.1	0.1	0.1	0.1	0.0
Net cash used in investing activities	(267.0)	16.7	2,531.0	(2,242.1)	(262.0)
Cash flow from financing activities					
Short term loan from financing institutions increase (decrease)	(223.0)	(617.0)	(63.0)	37.0	(771.0)
Repayment of long-term loan from financing institutions	-	(500.0)	(166.8)	65.4	(83.4)
Cash receivable from long-term loan from financing institutions	-	351.2	148.8	-	-
Repayment of long-term loan from related parties	(1.9)	(5.1)	(18.6)	(1.6)	-
Cash receivable from capital increase of its subsidiaries	9.3	-	10.7	-	-
Receipt of loan repayment of non-controlling interests	-	-	-	1.9	3.4
Cash receivable from capital increase	-	-	-	-	875.0
Interest payment	(152.4)	(109.2)	(85.8)	(47.6)	(42.3)
Dividend payment	(1,422.0)	(1,512.0)	(6,525.0)	-	(688.5)
Net cash flows from (used in) financing activities	(1,789.9)	(2,392.1)	(6,699.7)	55.0	(706.9)
Effects of exchange rate for cash and cash equivalents	1.3	15.6	5.2	(1.4)	(12.4)
Differences on translation of financial statement increase (decrease)	(1.4)	5.6	24.9	(3.0)	(43.1)

Statement of Cash Flows	Special-Purpose Financial Statements of TOA and its Subsidiaries			Financial Statements of TOA and its Subsidiaries	
	Year ended December 31			Six months ended June 30	
	2014 (THB million)	2015 (THB million)	2016 (THB million)	2016 (THB million)	2017 (THB million)
Net cash from business group reconstituting	161.2	270.0	863.9	863.9	-
Increase (decrease) in cash and cash equivalents, net	(201.5)	1,016.8	(527.6)	(273.3)	(197.8)
Cash and cash equivalents, at beginning of the years	1,425.6	1,224.2	2,241.0	2,241.0	1,713.4
Cash and cash equivalents at end of year/period	1,224.2	2,241.0	1,713.4	1,967.6	1,515.6

Prepared by Kasikorn Securities Public Company Limited
 Bualuang Securities Public Company Limited

Attachment 1

Summary of Agreements

(1) Finance Agreements

The Company and certain of its Subsidiaries, including Captain Coating Co., Ltd. Professional PC Service Co., Ltd., British Paints Co., Ltd., PT TOA Paint Indonesia and TOA Paint (Vietnam) Co., Ltd. have entered into a number of unsecured and secured 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 June 30, 2017, we had credit lines and other agreements amounting to THB 7,452.5 million and US\$2 million of short-term loans, of which THB 2,789 million was outstanding, and the rate of interest on the Group's outstanding short-term indebtedness ranged between 0.72% and 2.45%, including Captain Coating Co., Ltd.'s promissory notes that are repayable at call and are secured by its land, buildings and machinery.

As at June 30, 2017, the Company had one unsecured long-term loan agreement, dated December 21, 2015, in the amount of THB500 million. Interest was 3.25% per annum for the loan amount drawn down by January 15, 2016, and carries interest at a rate based on BIBOR one month plus an applicable margin for any loan amounts drawn down after January 15, 2016. The loan matures 36 months after the first drawdown and the principal and interest are repaid in 36 monthly installments. As at June 30, 2017, THB249.8 million was outstanding under the long-term facility agreement. The long-term and short-term loan agreements contain certain financial covenants and other covenants and obligations as well as customary events of default. The significant financial covenants are to maintain throughout the term of the agreements, a debt to equity ratio of not more than 1.5, a debt service coverage ratio of no less than 2.0, calculated annually by using year-end financial statements, as specified in the agreements and clarification letters from financial institutions, and not to sell, transfer, lease or lease out all or a substantial part of the operating businesses or assets. Previously, TOA had been unable to comply with financial covenants relating to maintaining its debt to equity ratio of not more than 1.5 in 2016 due to dividend payments in relation to the restructuring in the total amount of THB7,213.5 million for the year ended December 31, 2016 but TOA was able to secure a waiver from the bank. At present, TOA has obtained bank waivers of certain covenants and obligations in relation to the Combined Offering.

(2) Material License Agreements

■ *Trademark License Agreement between TOA and The Chemours Company TT, LLC*

On October 1, 2016, TOA signed a trademark license agreement with The Chemours Company TT, LLC. Pursuant to the agreement, TOA has a non-exclusive right to use the word mark TEFLON[®] and red

color Teflon[™] surface protector diamond logo in Thailand in accordance with the terms and conditions of the agreement, including paying a royalty fee based on the percentage of the sales revenue of the products with the TEFLON[®] trademark. The agreement can be terminated by either party upon 60 days' prior written notice. The agreement is for a period of three years until September 30, 2019.

▪ ***License and Supply Agreement between TOA and Microban International, Ltd.***

On January 29, 2003, TOA and Microban (Asia) Limited, entered into a license and supply agreement that took effect as of January 1, 2003 (the "Microban Agreement"). Microban (Asia) Limited, through an exclusive license from Microban International Ltd. and its wholly-owned subsidiary Microban Products Company, controls the distribution rights in Thailand for proprietary antimicrobial additives used for producing products with antimicrobial protection and the usage rights in Thailand for the MICROBAN[®] trademark. Pursuant to the Microban Agreement, Microban International Ltd. granted to TOA an exclusive, non-transferable right and license to use the MICROBAN[®] trademark as a co-brand in the marketing and sale of consumer paint in Thailand and a non-exclusive, non-transferable right and license to use Microban technology and proprietary antimicrobial additives in the manufacture of consumer paints for sale in Thailand. Pursuant to the agreement, there is a minimum order quantity. If TOA purchases less than the minimum order quantity, it is still obligated to pay the difference between the amount of its actual order and the minimum order quantity. The Microban Agreement can be terminated by the non-breaching party if there is a material breach that is not cured within 30 days after the date of delivery of written notice of such breach to the breaching party. Microban (Asia) Limited may also terminate the Microban Agreement if TOA undergoes a merger or if there is a sale of all or substantially all of the assets or capital stock of TOA, among other things. The Microban Agreement was amended on July 1, 2004, October 1, 2006, January 1, 2008, December 1, 2008, October 1, 2011 and January 1, 2015, to extend the term of the Microban Agreement, among other things. Pursuant to the seventh amendment to the Microban Agreement dated January 1, 2016, Microban International, Ltd. has succeeded Microban (Asia) Limited as a party to the Microban Agreement. The Microban Agreement is effective until December 31, 2017.

▪ ***Trademark License Agreements between TOA Paint (Vietnam) Co., Ltd. and The Chemours Company TT, LLC***

In October 2012, TOA Paint (Vietnam) Co., Ltd. signed a trademark license agreement with E. I. DuPont De Nemours and Company ("DuPont"). Pursuant to an amendment agreement which became effective on January 1, 2015, The Chemours Company TT, LLC replaced DuPont as a party to the trademark license agreement. Pursuant to the trademark license agreement, as amended, TOA Paint (Vietnam) Co., Ltd. has a non-exclusive right to use the word mark TEFLON[®] and red color Teflon[™] surface protector diamond logo in Vietnam in accordance with the terms and conditions of the agreement. TOA Paint (Vietnam) Co., Ltd. makes royalty payments to DuPont in accordance with the percentage of the sales revenue of the products with the TEFLON[®] trademark. The agreement can be terminated by either party upon 90 days' advanced written notice. The Chemours Company TT, LLC can also terminate or cancel the agreement in certain circumstances, including, among others, TOA Paint (Vietnam) Co., Ltd.'s insolvency or failure to

comply with the terms of the agreement. The agreement is effective until September 30, 2017, and may be renewed for a period of two years prior to its expiration by mutual agreement between the parties. TOA Paint (Vietnam) Co., Ltd. is currently in the process of entering into a new agreement with The Chemours Company TT, LLC.

Lease Agreements

No.	Lessee	Lessor	Date of Agreement	Properties	Purpose	Duration	Renewal	Rent Fee	Termination
1.	TOA	TOAC	Jan 1, 2017	Four plots of land with a total area of approximately 24 Rai 1 Ngan 7.62 Square Wah (approximately 38,830.48 square meters) located at 31/1 and 31/2 Moo 3, Bangna – Trad Rd. Tambon Bang Sao Thong, Amphoe Bang Sao Thong, Samut Prakan Province	the leasing of land and buildings to be used for TOA's offices, Bangna Plant and warehouse	Jan 1, 2017 - Dec 31, 2026	TOA, as lessee, has the option to renew each of the leases above for an additional 10 years under the same terms and conditions by giving notice to TOAC 60 days prior to the expiration of the respective lease agreements.	Rental is subject to the evaluation price which is THB 7,059,990.7 per month in the first year and will increase by 15.0% every three years. This 15.0% increase was derived from an adjustment of the Treasury Department and an average of the comparable rental rate which is between 10.0% and 20.0% for every three years. The rental rate is based on the rental rate evaluated by Mr. Kritin Kornpipat from Siam City Appraisal Co., Ltd., a SEC-approved independent appraiser.	Each lease agreement can be terminated by TOA upon 90 days' prior written notice and by the non-breaching party if there is a breach that is not remedied within 90 days after notice of such breach has been provided to the breaching party among other things.
2.	TOA	PT Real Estate	Jan 1, 2017	10 plots of land located at 31/2 Moo 3, Bangna – Trad Rd., Tambon Bang Sao Thong, Amphoe Bang Sao Thong, Samut Prakan	To be used for our Bangna Plant, warehouse and office.	Jan 1, 2017 - Dec 31, 2026	TOA, as lessee, has the option to renew the lease for an additional 10 years under the same terms and conditions by giving notice	Rental is subject to the evaluation price which is THB 828,797.1 per month in the first year and will increase by 15.0% every	The lease agreement can be terminated by TOA upon 90 days' prior written notice and by the non-breaching party if there is

No.	Lessee	Lessor	Date of Agreement	Properties	Purpose	Duration	Renewal	Rent Fee	Termination
				Province with a total area of approximately 34 Rai 2 Ngan 13.29 Square Wah (approximately 55,253.16 square meters)			to PT Real Estate 60 days prior to the expiration of the lease agreement.	three years. This 15.0% increase was derived from an adjustment of the Treasury Department and an average of the comparable rental rate which is between 10.0% and 20.0% for every three years. The rental rate is based on the rental rate evaluated by Mr. Kritin Kornpipat from Siam City Appraisal Co., Ltd., a SEC-approved independent appraiser. ¹	a breach that is not remedied within 90 days after notice of such breach has been provided to the breaching party among other things.
3.	TOA	PT Real Estate	Jan 1, 2017	two plots of land located at 104 Moo 1, Soi Pukmit, Old Railway Rd., Tambon Samrong Tai, Amphoe Phrapradang, Samut Prakan Province with a total area of approximately 4 Rai 2 Ngan 40 Square Wah (7,360 square meters).	To be used for our Samrong Plant, warehouse and office.	Jan 1, 2017 - Dec 31, 2026	TOA, as lessee, has the option to renew the sub-lease for an additional 10 years under the same terms and conditions by giving notice to PT Real Estate 60 days prior to the expiration of the lease agreement.	Rental is subject to the evaluation price which is THB 174,800.0 per month in the first year and will increase by 15.0% every three years. This 15.0% increase was derived from an adjustment of the Treasury Department and an average of the comparable rental rate which is between 10.0% and 20.0% for every	The lease agreement can be terminated by TOA upon 90 days' prior written notice and by the non-breaching party if there is a breach that is not remedied within 90 days after notice of such breach has been provided to the breaching party among other things.

No.	Lessee	Lessor	Date of Agreement	Properties	Purpose	Duration	Renewal	Rent Fee	Termination
								three years. The rental rate is based on the rental rate evaluated by Mr. Kritin Kornpipat from Siam City Appraisal Co., Ltd., a SEC-approved independent appraiser. ¹	
4.	TOA	Mrs. Sae Leenoi	Mar 18, 1994	1 plot of land located at 104 Moo 1, Soi Pukmit, Old Railway Rd., Tambon Samrong Tai, Amphoe Phrapradang, Samut Prakan Province, with a total area of approximately 4 Rai (6,400 square meters).	To be used for our Samrong Plant, warehouse and office.	Mar 1, 2000 - Feb 28, 2025	TOA, as lessee, must give notice to Mrs. Sae Leenoi at least two months before expiration of the lease agreement if it wishes to renew the lease. If the lessor wishes to sell the land after the end of the agreement, the lessor	The monthly lease rates increases every five years.	The lease agreement can be terminated by Mrs. Sae Leenoi if there is a breach that is not remedied within two months after notice of such breach has been provided to TOA.
			Mar 18, 1994	1 plot of land located at 104 Moo 1, Soi Pukmit, Old Railway Rd., Tambon Samrong Tai, Amphoe Phrapradang, Samut Prakan Province, with a total area of approximately 4 Rai (6,400 square meters).		Mar 15, 1994 - Mar 14, 2024	must inform TOA of the selling price in advance such that TOA will have the opportunity to consider whether to purchase the land if the price is appropriate		

No.	Lessee	Lessor	Date of Agreement	Properties	Purpose	Duration	Renewal	Rent Fee	Termination
7.	TOA Skim Coat (Cambodia) Co., Ltd.	Mr. Sok Hout	Jan 1, 2016	No. B36, Street National No.3, Phorm Sre Jom Rov, Sangkat Chom Chao, Khan Por Sen Chey, Phnom Penh, Cambodia with the approximately 1,300 square meters.	To be used for Plant, Warehouse and Office Rental	Jul 1, 2016 –Jul 31, 2021	-	The monthly rent is US\$4,000.	-
9.	TOA Paint (Vietnam) Co., Ltd.	Department of Natural Resources and Environment of Binh Duong	Aug 29, 2014	A land parcel located at Lot 2.3, Road No. 2, Tan Dong Hiep A Industrial Park, Tan Dong Hiep Ward, Di An Town, Binh Duong Province, Vietnam, with a total area of approximately 56,321.5 square meters.	To establish a factory and warehouse.	Mar 14, 2004 - Dec 20, 2050.	-	TOA Paint (Vietnam) Co., Ltd. has paid for the rental in full for the entire term at VND 31,141,115,224. The annual maintenance fee of the land is US\$0.4 per square meter per year.	The certificate of land use right is valid until Sep30, 2045. ²
10.	TOA Paint (Laos) Co., Ltd	Mr. Kammoon and Mrs. Kampon Wongkamchan	Mar 8, 2007	Unit 6, Ban Nahai, Hatxaifong District Vientiane Capital, Lao PDR with a total area of approximately 10,820	To establish a factory and warehouse.	Mar 8, 2007 – Mar 7, 2037	The lease is for a period of 30 years effective from Mar 8, 2007 to Mar 7, 2037 with the right to extend for another 30	The total rent is THB 15,152,200. TOA Paint (Laos) Co., Ltd. must pay 20.0% of the total rent as a deposit in the amount of THB 3,030,440.	Mar 7, 2037

² TOA Paint (Vietnam) Co., Ltd. entered into a land lease agreement with The DAPARK Construction and Real Estate Joint Stock Corporation, an industrial estate developer. The land lease agreement has a lease term starting from March 14, 2004 to December 20, 2050. However, there are inconsistencies between the Land Use Right Certificate and the term under the land lease agreement.

No.	Lessee	Lessor	Date of Agreement	Properties	Purpose	Duration	Renewal	Rent Fee	Termination
				square meters.			years.		
11.	TOA Paint (Myanmar) Co., Ltd.	U Thant Sin Naing	Jan 19, 2013	No. 120 Mahawgani Street, Shwepyitha Industrial Zone (1) Yangon Region, Myanmar, with the area of approximately 6,100 square meters.	To establish a factory.	Feb 1, 2013 - Jan 31, 2018	The parties may agree to renew the contract one month before expiration of the lease agreement.	The payment for the first two years payable on the transfer date and subsequent rent payments to be paid every year thereafter.	Jan 31, 2018
12.	TOA Paint Product Sdn. Bhd.	Samatimb Enterprise Sdn. Bhd.	Dec 1, 2015	PT Lot 63802, Jalan Telok Gong, Telok Gong, 42000 Port Klang Selangor, Malaysia with an approximate area of approximately 7,910 square meters.	To set up a factory, warehouse and office.	Dec 1, 2015 – Nov 30, 2018	If the lessee gives written notice three months in advance prior to the expiration of the agreement, and the lessee does not break the contract, the lessor may extend the lease for another three years from the date that the agreement expires. The rental rate can be increased, but by not more than 10.0% of the current rental rate.	Pay the rent on a monthly basis.	Nov 30, 2018

No.	Lessee	Lessor	Date of Agreement	Properties	Purpose	Duration	Renewal	Rent Fee	Termination
13.	TOA Coating (Myanmar) Co., Ltd.	Myanmar Japan Thilawa Development	Nov 30, 2016	No. C-21, Class A Area, Thilawa Special Economic Zone, Myanmar with the area of approximately 23,733 square meters.	To establish a factory (the factory is currently being constructed).	Nov 30, 2016 –Jun 4, 2064	If the sub-lessor agrees to extend the lease period of the previous agreement for the Class A area, the lessee shall have the right to extend the sub-lease agreement for a further 25 years under the same conditions as the previous agreement.	The total rental is US\$ 1,779,975.	The agreement may be terminated under the following conditions: (a) upon mutual written agreement of the parties; (b) by the non-defaulting party, upon material breach by the other party of the terms and conditions of the agreement, which is not capable of remedy or if capable of being remedied, is not remedied within 90 calendar days from written notice thereof; or (c) by either party if the other party becomes bankrupt.

Attachment 2

Related Party Transactions

Related party transactions of the Company and its subsidiaries with persons who might have conflicts of interest for the accounting year ended December 31, 2016 and the six months ended June 30, 2017 are summarized as follows:

Person who might have conflict of interest	Relationship	Nature of Transaction	Transaction Value (THB million)		Necessity and Reason of Transaction	Audit Committee's Opinion
			For the accounting year ended December 31, 2016	For the six months ended June 30, 2017		
1. TOA Paint (Malaysia) Sdn. Bhd. ("TPM")	<ul style="list-style-type: none"> ■ TOAGH is a major shareholder of the Company, indirectly holding 72% of TPM's shares. ■ Mr. Nattavuth Tangkaravakoon is a director of the Company and the director of TPM. 	<u>Revenue from sales of goods</u> - Sales revenue - Account receivables	10.33 2.92	2.61 2.01	The Company primarily sells aerosol paint to TPM based on the prices and general conditions on an arm's length basis. TPM was the leader in the marketing and distribution of those products in Malaysia, and thus has more expertise in conducting marketing activities than the Company. Therefore, the Company sells the products in Malaysia via TPM.	The transaction is in the ordinary course of business and is based on the prices and general conditions on an arm's length basis. Therefore, the Audit Committee has considered that the transaction is appropriate and reasonable.
2. TOA Performance Coating Corporation Co.,	<ul style="list-style-type: none"> ■ TOAGH is a major shareholder of the Company, indirectly holding 95.10% of 	<u>Revenue from sales of goods</u>			The Company primarily sells OEM resins (Polyester) to TOAPC by determining the selling price at the cost plus	The transaction is in the ordinary course of business and is based on the prices and conditions which will not cause any loss of benefits to the

Person who might have conflict of interest	Relationship	Nature of Transaction	Transaction Value (THB million)		Necessity and Reason of Transaction	Audit Committee's Opinion
			For the accounting year ended December 31, 2016	For the six months ended June 30, 2017		
Ltd. ("TOAPC")	<p>TOAPC's shares.</p> <ul style="list-style-type: none"> ■ Two directors of the Company: <ol style="list-style-type: none"> (1) Mr. Jatuphat Tangkaravakoon; and (2) Mr. Nattavuth Tangkaravakoon are major shareholders of TOAPC, holding 1.56% of the total shares each. ■ Mr. Nattavuth Tangkaravakoon is a director of the Company and a director of TOAPC. 	<p>- Sales revenue</p> <p>- Account receivables</p>	<p>174.72</p> <p>60.26</p>	<p>99.69</p> <p>68.59</p>	<p>margin which is comparable to the market price. In this regard, the Company produces the resins to be used as raw materials in its production. The reason for the Company's sale of the resins products to TOAPC is because the Company has production capacity surplus, and the increase in utilization rates of the production will help reducing the overall average cost of the resins production.</p> <p>In this connection, for the year ended December 31, 2016 and the six months ended June 30, 2017, the sale of resins by the Company to TOAPC represents 5.4% and 6.0% of the total production of the resins of the Company.</p> <p>Currently, the Company has entered into a Sale and</p>	<p>Company. Therefore, the Audit Committee has considered that the transaction is appropriate and reasonable.</p>

Person who might have conflict of interest	Relationship	Nature of Transaction	Transaction Value (THB million)		Necessity and Reason of Transaction	Audit Committee's Opinion
			For the accounting year ended December 31, 2016	For the six months ended June 30, 2017		
					Purchase Agreement with TOAPC with a term of 10 months ending on December 31, 2017. The determination of the selling price is based on cost plus margin basis.	
		<u>Purchase of Products</u> - Cost of sales - Account receivables	218.23 59.61	106.58 58.69	The Company and its subsidiaries purchase complementary products related to decorative paints from TOAPC, such as abrasive paper and surfaces, for distribution to the Company's customers with a view to provide a comprehensive service. The transaction is based on the prices and trading conditions comparable to those prevailing in the market.	The transaction is in the ordinary course of business and is based on the prices and trading conditions comparable to those prevailing in the market. Therefore, the Audit Committee has considered that the transaction is appropriate and reasonable.
3. TOA Union Paint (Thailand) Co., Ltd. ("TUP")	■ TOAGH is a major shareholder of the Company and indirectly holds 55% of TUP's	<u>Revenue from sales of goods</u> - Sales revenue - Account receivables	58.06 20.39	30.93 22.69	The Company primarily sells OEM wood coatings to TUP. The selling price is at cost plus margin. TUP's gross profit	The transaction is in the ordinary course of business based on the prices and conditions which will not cause any loss of benefits to the

Person who might have conflict of interest	Relationship	Nature of Transaction	Transaction Value (THB million)		Necessity and Reason of Transaction	Audit Committee's Opinion
			For the accounting year ended December 31, 2016	For the six months ended June 30, 2017		
	<p>shares</p> <ul style="list-style-type: none"> ■ Mr. Nattavuth Tangkaravakoon is a director of the Company and a director of TUP. 				<p>margin from the sale of products is comparable to the gross profit margin of other companies in the same industry. Such sales transaction is in accordance with the conditions specified in the Joint Venture Agreement between the Company and Union Paint Co., Ltd.</p> <p>Currently, the Company has entered into a Sale and Purchase Agreement with TUP with a term of 10 months, which will terminate on December 31, 2017 and the selling price is at cost plus margin</p>	<p>Company and that are comparable to the gross profit margin of other companies in the same industry. Therefore, the Audit Committee has considered that the transaction is appropriate and reasonable.</p>
<p>4. Sherwood Chemical Public Company Limited (“SWC”)</p>	<ul style="list-style-type: none"> ■ TOAGH is a major shareholder of the Company, indirectly holding 36% of SWC's shares. ■ Two directors of the Company: 	<p><u>Purchase of finished goods and other expenses</u></p> <ul style="list-style-type: none"> - Cost of sales and expenses - Account Payable - Accrued income 	<p>411.88</p> <p>96.61</p> <p>8.76</p>	<p>219.38</p> <p>131.28</p> <p>6.88</p>	<p>The finished goods transactions and other expenses primarily comprise the purchase of complementary goods relating to the products of the Company with a view to providing comprehensive services, such</p>	<p>The transaction is in the ordinary course of business and is based on the prices and general conditions on an arm's length basis. Therefore, the Audit Committee has considered that the transaction is appropriate and reasonable.</p>

Person who might have conflict of interest	Relationship	Nature of Transaction	Transaction Value (THB million)		Necessity and Reason of Transaction	Audit Committee's Opinion
			For the accounting year ended December 31, 2016	For the six months ended June 30, 2017		
	(1) Mr. Prachak Tangkaravakoon and (2) Mr. Nattavuth Tangkaravakoon, are directors of SWC.				<p>as Chaidrite termiticides and insecticides. The Company sells those products to the customers in the categories of retail dealers. In this regard, The Company entered into a distributor agreement to act as the distributor of SWC's products based on the prices and general conditions on an arm's length basis.</p> <p>Moreover, the Company will be granted discount in case the Company is able to meet the sales volume specified by SWC. The Company recorded the accrued income as at December 31, 2016 and June 30, 2017 of THB 8.76 million and THB 6.88 million, respectively.</p>	
5. TOA Chemical Industries Co., Ltd. ("TOAC")	<ul style="list-style-type: none"> ▪ TOAGH is a major shareholder of the Company, directly 	<u>Land and building rental</u>			The Company leases the land, plants, warehouses, and office space in Bang Na from TOAPC	The transaction involves assets/services and is a lease of immovable property necessary for

Person who might have conflict of interest	Relationship	Nature of Transaction	Transaction Value (THB million)		Necessity and Reason of Transaction	Audit Committee's Opinion
			For the accounting year ended December 31, 2016	For the six months ended June 30, 2017		
	<p>holding 30% of TOAC's shares.</p> <p>■ Four directors of the Company:</p> <p>(1) Mr. Vonnarat Tangkaravakoon;</p> <p>(2) Mr. Jatuphat Tangkaravakoon;</p> <p>(3) Mr. Nattavuth Tangkaravakoon and</p> <p>(4) Mrs. Busatree Wanglee, are major shareholders of TOAC and hold 20.97%, 19.03%, 15%, and 15% of the total shares, respectively, and are directors of TOAC.</p>	<p>- Cost and Expenses 59.34</p> <p>- Account payables 9.89</p>	59.34	44.71	<p>with the rental fees as agreed by the contractual parties.</p> <p>However, on January 1, 2017, the Company entered into the new lease agreement with the rental fee rate appraised by an independent appraiser approved by the SEC Office. The term of the lease agreement is ten years, which can be renewed for another ten years for the land and building within the plant area and the warehouses, and can be renewed for another 3 years for the land and the building within the office area. According to the appraisal report of the independent appraiser, the rental will increase by 15.0% every three years which the independent appraiser evaluated from an adjustment of the Treasury Department and used the average of the rental adjustment</p>	<p>the business operation of the Company. The rental rates and adjustment of rental rates as specified in the appraisal report of the independent valuer is appropriate. Therefore, the Audit Committee has considered that the transaction is appropriate and reasonable.</p> <p>On January 1, 2017, the Company entered into a new lease agreement based on the rental rates and conditions in accordance with the value appraised by an independent valuer approved by the SEC Office.</p>

Person who might have conflict of interest	Relationship	Nature of Transaction	Transaction Value (THB million)		Necessity and Reason of Transaction	Audit Committee's Opinion
			For the accounting year ended December 31, 2016	For the six months ended June 30, 2017		
					<p>at 15.0% every three years from an average of the comparable rental rate which is between 10.0% and 20.0% for every three years. The rental rate for the renewal of lease agreement in the next 10 years will be in accordance with the rates as specified in the agreement or rental rates as agreed by the Company and TOAC. The Company will reconsider the fair rental value at the time of the renewal.</p> <p>In addition, in the event that TOAC wishes to sell the land, the Company will have the right of first refusal to purchase such land before other persons at the same prices and conditions as those proposed to other persons (if any).</p>	
6. TOA-Shinto (Thailand) Co.,	<ul style="list-style-type: none"> ▪ TOAGH is a major shareholder of the 	<u>Revenues from sales of goods</u>			The Company primarily sells intermediate OEM products,	The transaction is in the ordinary course of business based on the

Person who might have conflict of interest	Relationship	Nature of Transaction	Transaction Value (THB million)		Necessity and Reason of Transaction	Audit Committee's Opinion
			For the accounting year ended December 31, 2016	For the six months ended June 30, 2017		
Ltd. ("TST")	<p>Company, indirectly holding 51% of TST's shares.</p> <p>▪ Mr. Nattavuth Tangkaravakoon is a director of the Company and a director of TST.</p>	<p>- Sales Revenue</p> <p>- Account Receivables</p>	<p>267.14</p> <p>65.26</p>	<p>138.47</p> <p>74.51</p>	<p>such as resins used for electro deposit painting (EDP), which TST utilizes in its production process. For the year ended December 31, 2016 and the six months ended June 30, 2017, the sale of resins by the Company to TST represents 6.9% and 7.4% of the total production of resins of the Company. The sale of such products is based on the conditions provided under the Manufacturing Agreement between (1) Shinto Paint Co., Ltd.; (2) the Company; (3) TOAC; (4) TOAPC, and (5) TST. The product price is determined based on the cost plus margin basis. The Manufacturing Agreement shall be effective until otherwise negotiated by the parties .</p>	<p>prices and conditions which will not cause any loss of benefits to the Company. Therefore, the Audit Committee has considered that the transaction is appropriate and reasonable.</p>
7. Thanakorn	<p>▪ Mr. Khem Wanglee, the</p>	<p><u>Purchase of chemicals</u></p>			<p>The Company purchases raw</p>	<p>The transaction is in the ordinary</p>

Person who might have conflict of interest	Relationship	Nature of Transaction	Transaction Value (THB million)		Necessity and Reason of Transaction	Audit Committee's Opinion
			For the accounting year ended December 31, 2016	For the six months ended June 30, 2017		
Vegetable Oil Products Co., Ltd	spouse of Mrs. Busatree Wanglee, a director of the Company, holds 0.83% of the total shares and is a director of Thanakorn Vegetable Oil Products Co., Ltd.	- Cost of sales - Account payables	51.72 6.94	22.36 1.87	materials from Thanakorn Vegetable Oil Products Co., Ltd. for the purpose of producing enamel paints based on the prices and general conditions on an arm's length basis.	course of business and is based on the prices and general conditions on an arm's length basis. Therefore, the Audit Committee has considered that the transaction is appropriate and reasonable.
8. P.T. Real Estate Co., Ltd.	<ul style="list-style-type: none"> ■ Four directors of the Company: (1) Mr. Vonnarat Tangkaravakoon; (2) Mr. Jatuphat Tangkaravakoon; (3) Mr. Nattavuth Tangkaravakoon; and (4) Mrs. Busatree Wanglee are major shareholders of P.T. Real Estate Co., Ltd., holding 25% of the total shares each. ■ Two directors of the Company: (1) Mr. Vonnarat 	<u>Land rental</u> - Cost and expense - Account payables - Account receivables	18.57 2.35 -	7.19 3.00 1.80	The Company leases two properties from P.T. Real Estate Co., Ltd. as follows: 1) ten plots of land at the Bangna Plant; and 2) two plots of land at the Samrong plant to be used as areas for the Company's production plants and warehouses. The rental fees are as agreed by both parties. However, on January 1, 2017, the Company entered into a new lease agreement with the rental rate appraised by the independent appraiser approved by the SEC Office. The term of the lease agreement is ten	The transaction involves assets/services and is a lease of immovable property necessary for the business operation of the Company. The rental rates and adjustment of rental rates as specified in the appraisal report of the independent valuer is appropriate. The Audit Committee is, therefore, of the view that the transaction is appropriate and reasonable. On January 1, 2017, the Company entered into a new lease agreement based on the rental rates and conditions in accordance with the

Person who might have conflict of interest	Relationship	Nature of Transaction	Transaction Value (THB million)		Necessity and Reason of Transaction	Audit Committee's Opinion
			For the accounting year ended December 31, 2016	For the six months ended June 30, 2017		
	Tangkaravakoon; and (2) Mrs. Busatree Wanglee are the directors of P.T. Real Estate Co., Ltd.				<p>years, which can be renewed for another ten years.</p> <p>According to the appraisal report of the independent appraiser, the rental rates will increase by 15.0% every three years which the independent valuer evaluated from an adjustment of the Treasury Department and used the average adjustment rate at 15% every three years from an average of the comparable rental rate which is between 10.0% and 20.0% for every three years. The rental rates for the renewal of lease agreement in the next 10 years will be in accordance with the rates as specified in the agreement or rental rates as agreed by the Company and P.T. Real Estate Co., Ltd.</p> <p>The Company will reconsider the fair rental value at the time</p>	value appraised by an independent valuer approved by the SEC Office.

Person who might have conflict of interest	Relationship	Nature of Transaction	Transaction Value (THB million)		Necessity and Reason of Transaction	Audit Committee's Opinion
			For the accounting year ended December 31, 2016	For the six months ended June 30, 2017		
					<p>of renewal.</p> <p>In addition, if P.T. Real Estate Co., Ltd. wishes to sell land, the Company will have the right of first refusal to purchase such land before other persons at the same prices and conditions as those proposed to other persons (if any).</p> <p>For the first six months of 2017, the Company paid the building and land tax to the relevant government authorities and sought reimbursement of such building and land tax from P.T. Real Estate Co., Ltd. in accordance with the relevant condition specified in the lease agreement.</p>	
9. HMC Polymers Co., Ltd.	<ul style="list-style-type: none"> ■ One independent director of the Company: Mr. Veerasak Kositpaisal, is the managing director and 	<u>Purchase of chemicals</u> - Cost of sales	17.06	-	The Company purchases raw materials e.g. polypropylene plastic granules from HMC Polymers Co., Ltd. for the manufacturing of plastic	The transaction is in the ordinary course of business and is based on the prices and general conditions on an arm's length basis. Therefore, the Audit Committee has considered

Person who might have conflict of interest	Relationship	Nature of Transaction	Transaction Value (THB million)		Necessity and Reason of Transaction	Audit Committee's Opinion
			For the accounting year ended December 31, 2016	For the six months ended June 30, 2017		
	the authorized signatory of HMC Polymers Co., Ltd.				containers based on the prices and general conditions on an arm's length basis.	that the transaction is appropriate and reasonable.

The Company certifies that information reported in this
information memorandum is correct

TOA Paint (Thailand) Public Company Limited

.....
Mr. Jatuphat Tangkaravakoon
Authorized Director

.....
Mrs. Busatree Wanglee
Authorized Director