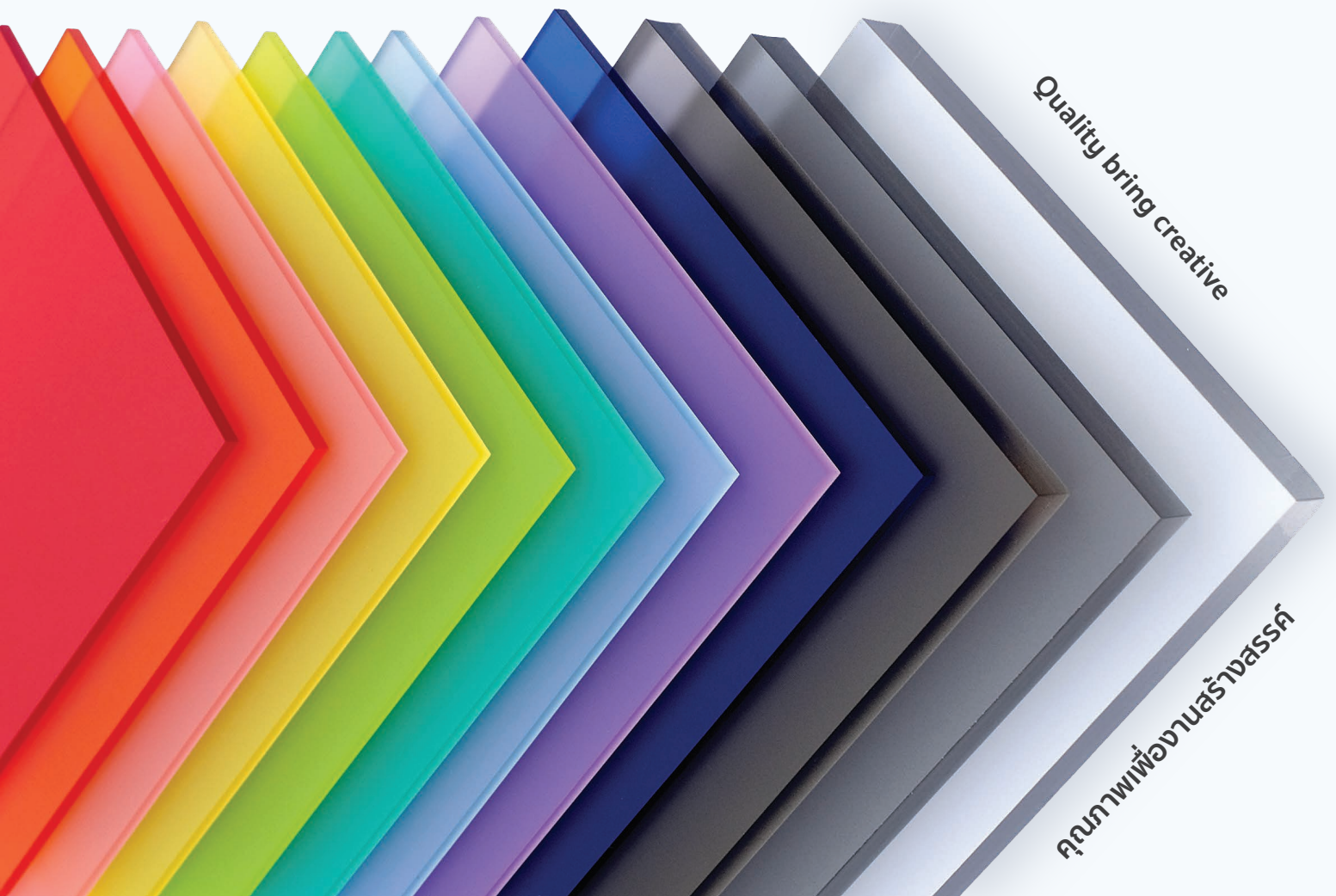




MODEN GLAS

THAI POLY ACRYLIC PUBLIC COMPANY LIMITED

บริษัท ไทยโพลีอะคริลิก จำกัด (มหาชน)



Quality bring creative

คุณภาพเพื่องานสร้างสรรค์

FORM 56-1 ONE REPORT

2021



[www.thai-poly-acrylic.com](http://www.thai-poly-acrylic.com)

# Vision and Mission Statements



## Vision

To be recognized as a leading world class manufacturer/ distributor of cell cast and other plastic sheets, we will inspire and innovate, creating valuable products and solutions.



## Mission

We are dedicated and committed to providing premium quality products and also to creating value and solutions for the benefit of our customers and stakeholders.



## Value

We shall be creative and innovative for new development of acrylic sheet and other plastic materials through close co-operation and a better understanding of our customers' needs and requirements. We care for safety and healthy living of our colleagues and commit to a clean environment to the surrounded community.



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## MESSAGE FROM THE CHAIRMAN



Despite the exceptional trading conditions, TPA can report a profit for 2021, it retains a healthy balance sheet and is well positioned for the expected post-pandemic economic recovery

I would like to start this year's Chairman's report by thanking the Company's shareholders, customers, and stakeholders and in particular the Company's management team and employees for their support and efforts during 2021. 2021 has been a difficult operating and trading year for TPA with the underlying cause obvious to all - the prolonged pandemic resulting from the emergence of the new variant Omicron in Q4 2021. Whilst I, the Board of Directors and many others foresaw at this time last year much uncertainty in local and global economies, how that has played out could not be reliably predicted. Nevertheless, and throughout the various restrictions and impositions placed on the Company, its management, its employees its suppliers and customers during 2021, I am pleased to be able to report that, assisted by the personal precautions taken by its employees and their families at work and at home and the preventive measures put in place by management to minimize the risk of virus spread in the work place, the Company continued to operate and trade throughout the calendar year and was always able to supply its customers with high quality products to their demand.

At the time of writing this report, there is perhaps some room for optimism: vaccines of various types have proved effective in reducing the consequences of infection of the emergent variants of COVID-19 and coupled with precautions taken by Thai and other governments, the rate of spread and the impact on health care systems has been moderated. Nevertheless, many restrictions and much uncertainty remain and, as yet, there is no restart to the all-important international tourism sector of the Thai economy nor is there significant optimism in the growth rates forecast for other sectors of the Thai economy.

TPA's financial performance in 2021 was impacted by not only reduction in domestic demand but also by its competitiveness in export markets. Export volumes were severely impacted through the mid and latter part of the year as a result of runaway increases in shipping costs, the result of well-publicised global container freight restrictions. Forecasts suggest these costs are likely to remain high for at least the first half of 2022.

However, I am pleased to report that TPA's operations have been profitable in 2021 albeit at a significantly reduced level compared to forecast.

Overall, the Company generated total Sales and service income in 2021 of 894 Million Baht which was a 3.9% decrease over last year (931 Million Baht). Although the Company was successful in moderating contribution margin pressures, despite significant increases in raw material prices (MMA average price increased by 37% compared to 2020), net profit decreased significantly from 2020 performance of 58 Million Baht to 18 Million Baht. This decrease was principally as a result of a sharp decline in sales volume (9.6 kMT in 2021 vs. 11.4 kMT in 2020) for the pandemic associated reasons stated above.

Business recovery post COVID and sustainability feature strongly in the Company's 5-year business strategy which has been refreshed during Q4 of 2021. Building off the Company's established reputation in the local and regional markets for reliable supply of a wide range of high-quality cast and extruded polymer sheet products, the Company will seek to maintain and grow its market share as relevant economic sectors recover post-pandemic by playing to these strengths particularly in the local market. It is anticipated that export markets will remain difficult to compete in at least in H1 2022 as freight cost forecasts remain high. Nevertheless, the Company will seek to re-establish its sales in SE Asia and ME as demand

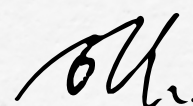
recovers and these economies restart and as freight costs allow. It will further seek to establish and re-establish sales into other foreign markets (Americas, EU, Africa, ANZ) again dependent on freight costs and price competitiveness. The Company is well placed to develop and promote its sustainability credentials and has developed during 2022 a sustainability strategy that will seek to reduce the carbon foot print of its products and operations through increased use of renewable energy, recycled raw materials and other efficiency measures.

**Anti-corruption and good-governance** remain a focus of the Board of directors and management. The Company continues to maintain and strengthen its governance and internal control processes and to ensure these are compliant with statutory requirements and general ESG (Environment, Social and Governance) expectations.

**Looking ahead**, the Company expects that the price of key raw materials (MMA in particular) will stabilize in 2022 as global supply / demand rebalances although geo-political considerations continue to fuel uncertainty and may impact demand or raw material and energy costs. As in previous years, price competition for TPA product range is expected to remain strong given excess manufacturing capacity in the local and regional markets. That said, the Company anticipates that demand will recover for the reasons stated and it is well-positioned to ensure it can retain and grow its market share whilst maintaining profitability with the expectation that normal trading conditions and associated profitability will be achieved in 2023/2024.

**In conclusion**, despite the exceptional trading conditions, TPA can report a profit for 2021, it retains a healthy balance sheet and is well positioned for the expected post-pandemic economic recovery.

**Finally, and on behalf of the Board of Directors**, I would like to restate my thanks to the Company's shareholders, customers, and stakeholders for their continued support.



**Dr. Benjamin James Harris**  
Chairman of the Board of Directors





## Message from the Managing Director



**Mr. Rakchai Sakulteera**  
Managing Director

While the global economy was faced with the challenge caused by the coronavirus pandemic in 2021, several countries had to go into lockdowns to limit the outbreaks. This has resulted in a global economic recession. There were also challenges caused by significant changes in many industries, lifestyles, behaviors and demands of consumers, and changes in domestic and international business environments. Nevertheless, the Company has refreshed its strategy and operating plans based on the current situation to achieve its goals.

### Performance in 2021

With COVID-19 outbreaks and domestic and international economic instability in 2021, the Company's total income was 910 million baht with a net profit of 18 million baht which was a 2.9% and 68.5% decline from 2020, respectively.

### Operating Management in 2021

Regarding the operating management in 2021, the Company focused on modifying business strategies based on fluctuations in the economic situation, raw material costs, business competition and opportunities for domestic and international growth. Besides, measures to limit production costs and unnecessary expenses were implemented to match with the challenging market caused by economic slowdowns and stiff competition.

### Business Plans in 2022

The year 2022 continues to be challenging due to COVID-19 outbreaks and restrictions that may further affect business operations. But I have confidence in the company's business plan which focuses on maximizing customer satisfaction by delivering quality products and excellent services to our satisfied customers and to further reducing production costs and unnecessary expenses. The company recognizes the importance of business operations that are compliant with Good Corporate Governance and United Nations Sustainable Development Goals (SDGs) to further strengthen sustainable economic, social and environmental development.

On behalf of the Board of Directors of Thai Poly Acrylic Public Company Limited, I would like to thank all Executives and employees who have worked together with commitment and dedication in this difficult circumstance to overcome any obstacles during the COVID-19 pandemic with competency, strength and unity. In addition, I would like to thank the shareholders and stakeholders for their trust, confidence and support given to the company. Please be assured that the company remains committed to further development for successful business, and to operate in compliance with good governance in the best interests of all stakeholders.



## BOARD OF DIRECTORS



**Mr. Rakchai Sakulteera**

- Executive Director
- Managing Director
- Company Secretary



**Mr. Shinya Yano**

- Executive Director



**Dr. Benjamin James Harris**

- Chairman of the Board of Director



**Mr. Dai Oyama**

- Non-Executive Director
- Member of Nomination and Remuneration Committee



**Mr. Adam Jonathan Sloan**

- Non-Executive Director



**Mr. Martin Thaysen**

- Non-Executive Director



**Dr. Anuphan Kitnitchiva**

- Independent Director
- Chairman of Audit Committee



**Mr. Jan Dam Pedersen**

- Independent Director
- Member of Audit Committee
- Chairman of Nomination and Remuneration Committee



**Mr. Jetsada Wongwatanasin**

- Independent Director
- Member of Audit Committee
- Member of Nomination and Remuneration Committee





## MANAGEMENT TEAM

1. **Mr. Rakchai Sakulteera**  
Managing Director
2. **Mr. Wiwat Hom la - or**  
Operations Manager
3. **Mr. Thanawat Kulprasertat**  
Human Resource/Legal Manager
4. **Ms. Intiporn Tanampai**  
Secretary to Managing Director
5. **Mr. Apichai Srimahunt**  
SHE Manager & QMR/OH & SMR
6. **Mr. Sorachai Wiboonchutikul**  
Commercial Manager
7. **Ms. Surawadee Leethaweekul**  
Financial Controller





- 8. Mr. Wittaya Mongkolkachit**  
Technical Center Manager
- 9. Mr. Yotin Tamrongsaowapark**  
Casting Plant Manager
- 10. Mr. Phairat Kumdee**  
Extrusion Plant Manager
- 11. Mr. Pongsun Asavasirijinda**  
Sales & Product Manager
- 12. Mr. Udomsak Tienchan**  
Warehouse & Distribution Manager

- 13. Mr. Pongthorn Chuencharoen**  
Site Engineering Manager
- 14. Ms. Noungrutai Boonpetch**  
Research & Technical Manager
- 15. Ms. Chanyanat Chongrungruengsawai**  
Procurement manager
- 16. Ms. Sompong Asavasirijinda**  
Sales Admin Section Manager (Domestic)
- 17. Ms. Janjira Thumsorn**  
Export Sales Manager

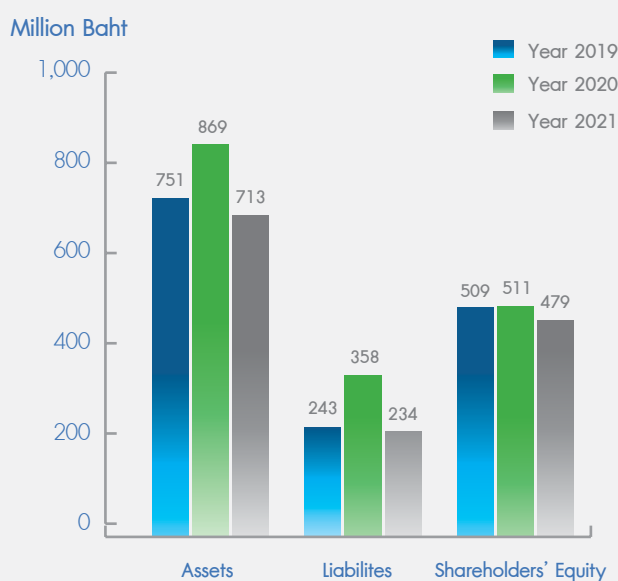




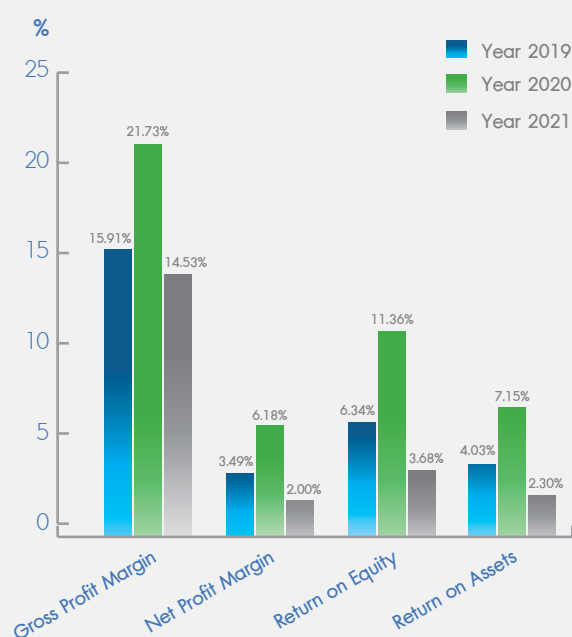
## KEY FINANCIAL INFORMATION

Financial Information	Unit	2019	2020	2021
Total Revenues	Million Baht	945.82	936.60	909.80
Total Expenses	Million Baht	904.50	863.60	887.05
Net profit	Million Baht	33.05	57.91	18.21
Earnings per share	Baht	0.27	0.48	0.15
Shares	Million share	121.50	121.50	121.50
Assets	Million Baht	751.25	869.14	713.05
Liabilities	Million Baht	242.54	358.19	233.86
Shareholders' Equity	Million Baht	508.71	510.95	479.19
Book Value per share	Baht	4.19	4.21	3.94
<b>Ratios</b>				
Gross Profit Margin	%	15.91	21.73	14.53
Net Profit Margin	%	3.49	6.18	2.00
Return on Equity	%	6.34	11.36	3.68
Return on Assets	%	4.03	7.15	2.30
Asset Turnover	Times	1.15	1.16	1.15
Debts to Equity	Times	0.48	0.70	0.49

### FINANCIAL POSITION (COMPARATIVE 2019-2021)



### RATE OF RETURN (COMPARATIVE 2019-2021)







## MESSAGE FROM CHAIRMAN (For Anti-Corruption)

24<sup>th</sup> February 2022

### MESSAGE FROM CHAIRMAN (For Anti-Corruption)

Bribery means giving or receiving an undue reward to influence the behavior of someone in government or business to obtain commercial advantage. Most countries have laws that prohibit corruption. In addition, an increasing number of countries are adopting laws to prohibit bribery even when it is committed outside these countries' own borders - i.e. paid to a foreign government official. A breach of any of these laws is a serious offence, which can result in fines for companies and imprisonment for individuals. Even the appearance of a breach of anti-bribery or anti-corruption laws could do incalculable damage to our reputation.

This policy applies to Directors, employees and agents in all levels. It forbids making, offering or promising to make a payment or transfer anything of value (including the provision of any service, gift or entertainment, to government personnel and other officials) for the purpose of improperly obtaining or retaining business. It also forbids making improper payments through third parties - we must therefore be diligent in selecting and monitoring contractors, agents and partners.

In addition, it requires that we keep accurate books and records so that payments are honestly described, and our funds are not used for unlawful purposes.

This is a very important policy and non-compliance will result in disciplinary action in accordance with the company's rules and regulations. If you have any questions about it, raise them with your manager or HR team.

Furthermore, the company believes that engaging the cooperation and commitment of directors and employees in combatting corruption, will ensure that the company's business operations are transparent and successful in the long term and in accordance with good corporate governance practices.

**Dr. Benjamin James Harris**  
Chairman of the Board of Directors



## ANTI-CORRUPTION POLICY

24<sup>th</sup> February 2022

Thai Poly Acrylic Public Co., Ltd. is committed to and encourages the operation of its business in a fair manner on the basis of ethics, integrity and good governance for sustainability and continued social and environmental responsibility. Therefore, the Company has publicly established this anti-corruption policy as one of its key policies, and has prepared the work ethics and business code of conduct for all its employees and businesses to observe in the operation of the business of the Company and its employees as follows:

Definition: “The Company or Company’s agents\* (which include the Company’s Directors, Managing Director, Management and Employees in all departments at all levels, contractors and any companies or individuals acting on behalf of the Company) shall not give, receive, ask for, seek or promise to give any “inducement” (which includes money, gift, present, entertainment, sponsorship or donation, whether financial or otherwise, with a value exceeding the usual practice or custom or the appropriate limit), whether directly or indirectly, to/from any “person” (which includes those inside and outside the organisation and officials of the government, state enterprises, private entities, juristic persons or public organisations within and outside the country) for “themselves” (which includes family members and acquaintances) for an illegal purpose or in order to obtain a decision to grant or not to grant any favour which is outside the scope of acceptable business courtesy with concealed interests, regardless of whether such act is committed within or outside the country.”

This policy does not allow the giving in a manner of bribery with other concealed intention to any government agencies, government officials, juristic persons or individuals, of money or other things in the form of gift, present, entertainment, different forms of donation, consideration, aid or sponsorship, including the giving of political support in any manner, such as supporting a political party or supporting a political candidate, etc.

This policy also requires that all accounting entries shall be recorded and all documents related to such entries shall be gathered correctly and completely to ensure that all expenses are honestly accounted for and that the Company’s money or other resources will never be used for bribery-related purposes.

Any employee or Company’s agent\* who violates, ignores or fails to comply with this policy shall be deemed to have committed a serious offence and shall be punished in accordance with the Company’s rules and the law. Any employee who refuses to commit corruption and thereby causes the Company to lose a business opportunity, shall not be punished or suffer any negative effect on their career.

The Company appoints all senior managers to be members of the Anti-Corruption Committee with the duty to attend meetings, submit reports, review policies and practice guidelines and assess risks in order to establish the internal control guideline, which shall be included in the audit plan. The Internal Auditor shall carry out the monitoring and evaluation in the annual audit plan and report the results to the Audit Committee. In the event of an emergency, a report may be submitted directly to the Audit Committee through the Chairman of the Audit Committee immediately.



Training and communication relating to the anti-corruption policy shall be provided regularly and thoroughly to all employees in all departments at all levels. The supervisors at each level shall have the duty to communicate and ensure that their subordinates understand the policy and observe it in the performance of all business activities under their responsibility, and supervise them to ensure that the performance is efficient and consistent with the guidelines. They shall also communicate the Company's policy and commitment to the customers, trade partners, contractors, agents and third party organisations.

Complaints, information and questions relating to corruption may be directed to:

1. Your direct manager, the Human Resources Manager.
2. The Audit Committee, email: [Audit.Committee@thaipolyacrylic.com](mailto:Audit.Committee@thaipolyacrylic.com)
3. Secretary to the Managing Director, postal address: 60-61 Moo 9, Putthamonthon 4 Road, Krathumlom Sub-District, Sampran District, Nakornpathom Province 73220
4. The Company's website at [www.thaipolyacrylic.com](http://www.thaipolyacrylic.com)
5. Hotline URL: (Thai site) <https://www.hotline.tokyo.jp/multi/mchc-th/access/login>  
(English site) <https://www.hotline.tokyo.jp/multi/mchc-en/access/login>  
password: MCHCthai

The Company will process the complaints or information from these channels through the inquiry procedures and respond to the complainant or information within 30 days in a confidential manner, and will provide justice and protection for the employee or any other person who has given information or evidence on the corruption related to the Company

Should you have any questions or need any further clarification on any issues, please contact or make an inquiry to your direct manager, the human resources manager or the legal counsellor.

Remark:

- In addition to this anti-corruption policy, all employees or Company's agents\* at all levels are required to abide by the anti-corruption policies of affiliated companies as well.
- The Company's agents\* include the Company's Directors, Managing Director, Management and Employees in all departments at all levels, contractors and any companies or individuals acting on behalf of the Company.

**Board of Directors**  
Thai Poly Acrylic Public Co., Ltd.



## Part 1 Business Operation and Operating



### 1. Organizational structure and operation of the Company

#### Structure and operation of the Company

Thai Poly Acrylic PLC. or referred as a listed Company in SET as “TPA” is one of the leading cast acrylic sheet and other extruded plastic sheet producer in Thailand. Currently, the Company operates with two technologies of which the cast acrylic plant consists of 3 production lines with the capability to produce the combination of General Purpose acrylic sheet and Sanitary grade for bathtub applications, including the various kinds of specialty products such as Acrylic LED Block, Acrylic Diffusion and Acrylic LGP (Light Guide Panel) for signage and display panel applications, etc. In addition to cast acrylic production facilities, the Company also produce various kinds of extruded plastic products, such as ABS sheet, HIPS sheet, PE sheet, PP sheet, PP Profile and Co-ex PMMA capped ABS sheet, etc.

Our business objective is to strengthen our position as a market leader in satisfied quality standard cast acrylic sheet and extruded products as well as seeding and growing specialty acrylic and non-acrylic extruded



products. This business objective can only be achieved through product diversification driven by R&T and Innovation under the management of NPD (New Product Development) team and steering team who work closely with our customers and providing them with innovative ideas, sharing our expertise and support solutions for their specific needs and requirements. Our Management continues to focus on our product diversification strategy through the expansion into industries with value added materials and specialty plastic materials such as anti-static and conductive PP and HIPS product.

In order to achieve the Company's operations and achieve the highest benefits for stakeholders in all sectors. Therefore, the Company has adopted guidelines for operating in accordance with the policy under the following principles.

## 1.1 Policy and business overview

Thai Poly Acrylic Public Company Limited is one of the leading cast acrylic sheet, ABS sheet (Acrylonitrile Butadiene Styrene), HIPS sheet (High Impact Polystyrene) and other plastic sheets producer for distribution to representative agents and manufacturing industries such as signage, display panel applications, bathtub application, ABS sheet used in the automotive parts industry and the electrical appliance industry having production capacity at 20,000 tes/per year.

### 1.1.1 Overview of the vision, objectives, goals and business strategies.



#### Vision

To be recognized as a leading world class manufacturer / distributor of cell cast and other plastic sheets, we will inspire and innovate, creating valuable products and solutions



#### Mission

We are dedicated and committed to providing premium quality products and also to creating value and solutions for the benefit of our customers and stakeholders.



#### Value

We shall be creative and innovative for new development of acrylic sheet and other plastic materials through close co-operation and a better understanding of our customers' needs and requirements. We care for safety and healthy living of our colleagues and commit to a clean environment to the surrounded community.

#### Business Objective and goals

Our business objective can only be achieved through product diversification driven by R&T and Innovation under the management of NPD (New Product Development) team and steering team who work closely with our customers and providing them with innovative ideas, sharing our expertise and support solutions for their specific needs and requirements.

#### Business Strategy

Our Management continues to focus on our product diversification strategy through the expansion into industries with value added materials and specialty plastic materials such as anti-static and conductive PP and HIPS product.

### 1.1.2 Material Changes and developments during the past three years.

#### Shareholding Structure

- In 2018 and 2019 there was no change on Shareholding structure.
- During the year 2020, Asiatic Acrylics Company Limited, the second – largest Shareholder of the Company, restructured the shareholder. As a result, Asiatic Acrylics Company Limited has become a foreign company, as defined under the Foreign Business Act B.E. 2542. As a consequence, the combined holdings of all the Company's foreign shareholders result in the Company becoming a foreign company.

#### Management or Business Operation

- In 2018 and 2019 there was no change in Business Management and Operation.
- On 7 August 2020, the Company has been permitted to engage in the business activity stipulated under the Alien Business Act, B.E.2542 able to operate business since 14 August 2020 to section 17 list No. 3 (21) to engage in Original Equipment Manufacturer (OEM) business of Thermoplastic to the various operators.

#### Important events

- In 2019, the Coronavirus Disease pandemic is continuing to evolve resulting in a generally economic slowdown and adversely impacting most businesses and industries. This situation may bring uncertainties and have an impact on the environment in which the Company operates. The Company's management has continuously monitored ongoing developments and assessed the financial impact in respect of the valuation of assets, provisions and contingent liabilities, and has used estimates and judgement in respect of various issues as the situation has evolved.

## 1.2 Nature of the Business

### 1.2.1 Income Structure

Total Income structure by product during the Year 2019 to 2021

Unit : Million Baht

Products	Year 2021		Year 2020		Year 2019	
	Income	%	Income	%	Income	%
Acrylic Sheet	632.78	69.55	686.06	73.25	655.52	69.30
Extruded Plastic Sheet	251.25	27.62	233.14	24.89	250.99	26.54
Total Net Sales	884.03	97.17	919.20	98.14	906.51	95.84
Service Income	10.26	1.13	11.59	1.24	29.20	3.09
Other Income	15.51	1.70	5.81	0.62	10.11	1.07
Total Revenues	909.80	100.00	936.60	100.00	945.82	100.00

### 1.2.2 Product Information

On 7 August 2020, the Company has been permitted to engage in the business activity stipulated under the Alien Business Act, B.E. 2542, able to operate business since 14 August 2020, to section 17 list No. 3 (21) to engage in Original Equipment Manufacturer (OEM) business of Thermoplastic to the various operators.

On 1 November 2021, the Company has been received BOI promotion certificate Type .6.6 plastic products for Industrial Goods the Company's businesses can be classified in accordance with different production technologies that the Company produces into 2 types as follows:

#### 1.2.2 (1) Acrylic Sheet Business

The Company manufactures and distributes acrylic sheets in two separated systems; cast acrylic and extruded acrylic sheet which can be classified into 3 grades including :

- General Purpose Grade
- Sanitary Grade : Acrylic sheets are formed into shapes of bathtub, Spa and Shower Units as well as Sanitary ware accessories.
- Premium Specialty Grade for specific applications, for example, Acrylic LED Block, Acrylic LGP, Acrylic Diffusion Panel, etc

In addition to the cast acrylic sheet mentioned above, the Company also manufactures acrylic sheets for forming systems (Extruded Acrylic Sheet). Most of Extruded Acrylic Sheets are mainly produced for domestic sales, including both General Purpose grade and Impact Resistant Acrylic Panel grade. The Company can produce acrylic sheets with 2.5 meter width or tailor as per desired sizes and applications.

Apart from the solid flat sheet, the Company can also produce various patterned sheets and Anti- glare PMMA panels that are appropriated for directory signs that are not required of reflective light. At present, such acrylic sheets have been installed as the outer panels of advertising signs and directory signs of BTS stations, which often encounter a problem of blurry vision on signs due to sunlight reflecting off signs to passengers' eyes.

#### 1.2.2 (2). Extruded Plastics Business

The Company also manufactures and distributes various types of extruded plastic sheets with a variety of grades based on the type of raw materials for production as follows:

- ABS sheet made of Acrylonitrile Butadiene Styrene resin : it is widely used in the automotive parts industry and in the electrical appliance industry.
- HIPS sheet made of High Impact Styrene resin : its application is similar to ABS sheet's and it is normally used as another choice of plastic sheets due to its higher durability and cheaper price. In addition to its application in the electronics appliance industry, HIPS sheet is also popular to be used in the cold storage industry and general packaging. The production of HIPS sheet is also developed to produce both flat type and thin type that can be sold as HIPS rolls, including ordinary grade and special grade that are used for some specific works, for example, HIPS Anti-static and HIPS conductive are used in the electrical appliance packaging industry instead of importing.
- PP sheet (Polypropylene) includes both PP flat sheet and Rolls which are commonly used to produce general containers and packaging. Moreover, the Company also manufactures PP Profile Sheet or Core Flute, which is a popular plastic sheet used to make price tags, campaign signs, advertising and PR boards or supporting pads for packaging, etc.
- PE Sheet (Polyethylene) is commonly of black colour to be used as trays in cars or pick-ups and decoration and forming works in the general automotive industry.



- Co-extrusion Sheet is a special grade sheet consisting of minimum two types of plastic layers on the same sheet for different properties between the lower layer and the upper layer. At present, the Company launched the “ComPlas” sheet, which is a three-layer sheet consisting of ABS plastic layer, acrylic coated upper layer and color layer.

### 1.2.2 (3) The research and development policy

Our business objective is to strengthen our position as a market leader in satisfied quality standard cast acrylic sheet and extruded products as well as seeding and growing specialty acrylic and non-acrylic extruded products. This business objective can only be achieved through product diversification driven by R&T and Innovation under the management of NPD (New Product Development) team and steering team who work closely with our customers and providing them with innovative ideas, sharing our expertise and support solutions for their specific needs and requirements. The products stewardship as well have been attentional carried on and the sustainable use of resources and energy such as RoHS free products, products containing the quality recycle materials and the recyclable products are all points of convergence.

### 1.2.3 Marketing and competition

2021 was a challenging year in many aspects of business; from the pandemic which is widely spread in Thailand and worldwide, fluctuation and significant increase of raw materials price from the past year, price surging in shipping and logistics cost, and weaken Thai Baht which is effected to higher cost of imported raw materials.

Our management in sales & marketing team has followed up the situation closely to make a prompt response in our sales strategies to coup with the major changes in the market.

3 key pillars in our strategies are focus on product quality & development, improvement in service level to our customers, and reinforce in brand awareness with customer relationship management program.

For product quality and improvement, our R&D team has NPD (New Product Development) program which works closely with sales team and customers to bring out the achievement in significant higher quality than similar products in the market. Introduction of new products, new colors to serve our customer’s requirement and align with market trend.

Nowadays our brands “Moden Glas” and “Moden Plas” are strongly accepted from the market in the perception of premium & trusted quality in acrylic and plastic sheet.

Continuous improvement of service level is another strength to differentiate TPA among other players in the same industry due to customer’s satisfaction is our priority to fulfill. The company has customer complaint committee to monitor and provide solution in the given time frame.

Strengthen brand awareness and customer relationship management was TPA’s key focus in 2021. The company had improved communication channel through on-line platform in the re-designed official website to be more user-friendly with up-to-date information. We develop new marketing promotion tools to our agents, and arranged customer’s satisfaction survey to identify improvement areas.

Due to the variety of our products, TPA has customers in various segments for example ; construction, interior decoration, automotive, packaging, commercial retails & advertisement, sanitaryware We have distribution channel in both direct sales and through our agents for domestic and export business. For export market, we have market coverage in many regions ; USA , Middle East, Australia and Asia. The sales proportion of our business between domestic and export is similar in 2021

Competitive industry condition in 2021 was tighten from the declining of market demand while the producers in the country are remain the same capacity of supply and the entering of overseas producers with their imported materials make the unbalance of demand-supply in the market In response to those unfavorable situations, TPA set our strategy and action plan to increase our efficiency in production process and leverage our cost competitiveness in raw materials' selection to make TPA ready for sustainable grow in the years to come.

#### 1.2.4 Procurement of products

The Company needs to review and adjust its production and distribution policies in accordance with the economic conditions, market conditions, and technology which has been changes each year and to ensure that product portfolio management is in line with the company's business goals under the following key frameworks:

- 1.) The Company regards safety, occupational health and environment performance as a key aspect at workplace. All executives and employees must strictly follow to the safety policy. Health and Environment or SHE (Safety Health and Environment Policy).
- 2.) To Manage the company's entire product portfolio, acrylic sheet production line, system. and other plastics in the extrusion system. To be diverse by focusing on the product development of new products to meet with customer's expectation and usage.
- 3.) To set a clear vision for executives and employees at all levels of the company on quality system both in production and inspection process as well as the service to be impressed by the customers. This is to maintain the image of the company's products and trademarks for sustainable popularity.
- 4.) To maintenance improvements production equipment and the procurement of new technologies used for the purpose of increasing productivity reduce loss and waste in storage.
- 5.) To conduct a research and development of new products and added value which is part of the company's business policy. The Company focus on an importance to the policy of promoting and developing skills and knowledge for executives and employees at all levels.

#### Procurement of raw materials.

The proportion of procurement of raw materials in Domestic and Oversea (In 2019 – 2021)

Unit : Million Baht

Products	2021		2020		2019	
	Purchase volume	%	Purchase volume	%	Purchase volume	%
Domestic	531.87	98.83	489.64	96.52	479.62	87.57
Oversea	6.30	1.17	17.68	3.48	68.07	12.43
Total	538.17	100.00	507.32	100.00	547.69	100.00

### 1.2.5 Environmental impact

The company has continuously implemented and improved. In 2021, we have managed to reduce the impact on the environment as follows.

Environmental impact	Action
1. Polychlorinated Biphenyls that may leak from the transformer.	<ul style="list-style-type: none"> <li>Currently, no such chemicals are used on all 6 transformers of the factory.</li> </ul>
2. Asbestos	<ul style="list-style-type: none"> <li>No asbestos used in the production process.</li> <li>Areas with asbestos is the area has a tile roof. The company has changed some roofs to metal sheet.</li> <li>Area that is still a tiled roof. Asbestos is measured annually, and the measured values were within the standard.</li> </ul>
3. Chemicals storage	<ul style="list-style-type: none"> <li>Fuel oil tank with a capacity of 15,000 liters, 1 tank and a capacity of 5,000 liters, 1 tank, surrounded by concrete walls. to prevent leakage into the ground and containment in case of leakage</li> <li>3 storage tanks of Methyl Methacrylate (MMA), capacity 50 tons, surrounded by concrete walls. to prevent leakage into the ground and containment in case of leakage. And there is also a water spray system and fire protection foam system for emergency case. And in 2021, the company has installed an additional lightning rod system at the MMA Tank to prevent lightning incidents that may occur.</li> <li>1 high tower water tank with a capacity of 10 tons, used for Cast Plant and Extrusion Plant.</li> <li>1 water tank for boiler with a capacity of 5 tons.</li> </ul>
4. Waste and disposal	<ul style="list-style-type: none"> <li>The waste such as paper, plastic and general waste from the office has contracted with the local government to dispose.</li> <li>Hazardous waste is disposed by a company that is licensed to handle industrial waste legally.</li> <li>Acrylic scraps are collected and sold to foreign customers.</li> <li>Scrap metal from maintenance work are collected and sold in the country.</li> </ul>
5. Rainwater in the factory area	<ul style="list-style-type: none"> <li>There are drainage gutters to the public drainage gutter</li> </ul>
6. Wastewater	<ul style="list-style-type: none"> <li>There is a grease trap before discharged wastewater to the public drainage gutter. The company has inspected the quality of wastewater discharged from the factory must not be contaminated with chemicals and heavy metals as required by law. The latest measurement results do not exceed the standards of the Ministry of Industry.</li> </ul>
7. Air quality from the Stack	<ul style="list-style-type: none"> <li>Casting Plant has boilers for use and backup in production process. Air quality monitoring results from Stack are in the standard.</li> <li>Air quality monitoring results from Stack at Extrusion plant are in the standard.</li> </ul>
8. Chemicals used in the production process	<ul style="list-style-type: none"> <li>V65 (2,4-Dunethyl Valeronitrile) is used as a catalyst in the production process. The company has designated safe storage areas and controls the storage temperature. In case of abnormally high temperatures, it has emergency alarm and emergency management plan.</li> </ul>

In addition to the above actions. The company has also clearly defined the person responsible for each part. There are Safety Occupational Health and Environment rules and has continuous follow-up work. Therefore, no environmental impact during the past period.



### 1.2.6 Expenses for investing in environmental impact control during the past year or in the future.

Expenses for investing in environmental impact control in the last 3 years can be divided as follows:

- Expenses for environmental monitoring both inside the factory and outside the factory. (continuous activities)  
Approximately 300,000 baht per year
- Expenses for equipment improvements, maintenance, etc. (continuous activities)  
Approximately 1,000,000 baht per year
- Waste management expenses. (Continuing activities)  
Approximately 300,000 baht per year
- Expenses for developing an environmental management system in accordance with ISO14001 standards.  
Approximately 200,000 baht per year

### 1.2.7 Operating Property

1.2.7 (1) Fixed operating assets as of 31 December 2021, can be detailed as follows:

Unit: Million Baht

Category of Asset	Ownership	Book value	Obligations
Land - No of Land 47349, 47350, 25034, 23173, 25546, 47346, 47347, 47348, 48375, 19133, 68866, 68865, 68864, 68863, 68862, 68861, 68860, 68859	Owner	136.33	-
Building and building improvement	Owner	35.41	-
	lease contract	0.94	-
Machine and equipment	Owner	57.22	-
Furniture, fixture, and office equipment	Owner	1.55	-
Vehicles	lease contract	5.76	-
Assets under construction and installation	Owner	5.27	-
Total		242.48	

Remark: Fixed operating assets locate at 60-61 Moo 9 Phutthamonthon 4 Rd, Krathumlom, Sampran, Nakhonpathom 73220. A leased sales office building is located at 134/5 Krung Thonburi Road, Klong Tonsai, Klongsan, Bangkok 10600.

As of December 31, 2021, the Company has intangible assets which are computer software in the amount of 0.40 Million Baht, having ownership with no obligation.

#### 1.2.7 (2) service commitments

The Company has entered into several service agreements. The term of the agreements are generally between 1 to 3 years. As at 31 December 2021, the Company has future minimum payments required under these service agreements amounted to Baht 2 million.

#### 1.2.7 (3) Bank Guarantee

As at 31 December 2021, there were outstanding bank guarantee of approximately Baht 7 million issued by a bank on behalf of the Company in respect of certain performance bonds as required in the normal course of business. These included letter of guarantee to guarantee electricity usage and others.

## 1.3 Shareholding Structure

### 1.3.1 In the case where a person with a potential conflict of interest holds shares of a subsidiary or associated company

- None -

### 1.3.2 Shareholders

#### (1) Major Shareholders

a.) The Company's shareholder structure as at the latest book closing date on 31 December 2021

Nationality of Shareholder	No. of Shareholders (person)	Total Shares	%
Thai	1,044	67,103,439	55.23
Foreigner	10	54,396,561	44.77
Total	1,054	121,500,000	100

List of top 10 Major Shareholders of the Company are appeared below.

Shareholders	Number of Shares	%
1. MCC Methacrylates UK Overseas Holdco Limited (formerly known as "Lucite International UK Overseas Holdco1 Limited")	51,374,360	42.28
2. Asiatic Acrylic Company Limited	41,450,530	34.12
3. THE BANK OF NEW YORK (NOMINEES) LIMITED	2,515,100	2.070
4. Mr. Thanongsak Limchaiyawat	2,200,000	1.811
5. Mrs. Arunsri Chiaradecho	1,930,000	1.588
6. Mr. Surin Limchaiyawat	1,560,000	1.284
7. Mr. Kasemsak Limchaiyawat	1,036,200	0.853
8. Mr. Sarawut Limchaiyawat	1,032,500	0.850
9. Ms. Jongkol Ngamlerdchai	1,022,400	0.841
10. Ms. Supatta Phairoahprasert	1,016,000	0.836

Source: Thailand Securities Depository Company Limited

b) The major shareholders whose behavior have had a significant influence on the operational policies or management of the Company.

- The Company's shares held by MCC Methacrylates UK Overseas Holdco Limited (formerly known as "Lucite International UK Overseas Holdco1 Limited") registered in United Kingdom in the amount of 51,374,360 shares or 42.28% of total issued and paid-up shares (as of 31 December 2021)
- The Company's shares held by Asiatic Acrylics Company Limited is a limited Company incorporated and domiciled in Thailand. AACL is principally engaged in the investment holding for long-term purpose, own shares in the amount of 41,450,530 shares or 34.12% of total issued and paid-up shares (as of 31 December 2021)

c) Shareholding percentage of minor shareholders (free float). In total of 1,052 shareholders or equal to 23.60% (as of 31 December 2021)

**(2.) Shareholder's agreement that significantly impact the Company or other shareholders**

The Company does not have any shareholders agreements with the major shareholders of the Company, which could have an impact on the operations of the Company or on other shareholders.

**(3.) Information of Securities Holding of the Directors and Executives**

According to the Notification of the Securities and Exchange Commission, all of Directors and Executives of the Company shall have the duty to prepare and submit a report on changes of their securities holding to the SEC office within 3 working days from the date of purchase, sale transfer or acceptance of transfer of securities. In this regards, Directors and Executives shall report such changes of those of their spouses or cohabiting couple, children not yet of age, juristic person that those persons hold shares at an aggregate amount exceeding 30% of the total voting shares.

As of 31 December 2021, the securities holding of the Directors and Executives are as follows:

**DIRECTORS SHAREHOLDINGS**

Name of Directors	Common Share (Share)		
	As of 31 Dec 2020	As of 31 Dec 2021	Increase / Decrease
1. Dr. Benjamin James Harris			
Relationship Persons	-	-	-
2. Mr. Rakchai Sakulteera	30,000	30,000	-
Relationship Persons	-	-	-
3. Mr. Shinya Yano	-	-	-
Relationship Persons	-	-	-
4. Mr. Dai Oyama	-	-	-
Relationship Persons	-	-	-
5. Mr. Martin Thaysen	-	-	-
Relationship Persons	-	-	-
6. Mr. Adam Jonathan Sloan	-	-	-
Relationship Persons	-	-	-
7. Dr. Anuphan Kitnitchiva	-	-	-
Relationship Persons	-	-	-
8. Mr. Jan Dam Pedersen	-	-	-
Relationship Persons	-	-	-
9. Mr. Jetsada Wongwatanasin	-	-	-
Relationship Persons	-	-	-



## EXECUTIVES SHAREHOLDINGS

Name of Executives	Common Share (Share)		
	As of 31 Dec 2019	As of 31 Dec 2020	Increase / Decrease
1. Mr. Wiwat Hom La-or	2,000	2,000	-
Relationship Persons	-	-	-
2. Mr. Thanawat Kulprasertat	21,000	21,000	-
Relationship Persons	-	-	-
3. Ms. Surawadee Leethaweekul	-	-	-
Relationship Persons	-	-	-
4. Mr. Apichai Srimahunt	-	-	-
Relationship Persons	-	-	-
5. Mr. Sorachai Wiboonchutikul	-	-	-
Relationship Persons	-	-	-

Remarks: Relationship Persons means

1. spouse or cohabiting couple;
2. minor child;
3. juristic person wherein Directors, Executives and the persons in (1) and (2) hold shares at an aggregate amount exceeding thirty percent of the total voting shares of such juristic person and such aggregate shareholding is the largest proportion thereof.

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

As at 31 December 2021, the total authorized number of ordinary share is 121,500,000 shares with a par value of Baht 1 per share. All issued shares are fully paid registered at Stock Exchange of Thailand (SET)

### 1.5 Issuance of other securities

During the year 2021, the Company has no issuance of other securities.

### 1.6 Dividend payment policy

The Company works to pay stable dividends in the medium – term, while managing retained earnings to fund the future business activities.

## 2. Risk Management

### 2.1 Risk management policy and plan

The Board of Directors has assigned the management to be responsible for maintaining the risks in each of the company's issues in acceptable level and in line with the ever-changing environment. Risks and risk management guidelines will be prepared and submitted to the Audit Committee and the Board of Directors for acknowledgment and, recommendations will be provided for improvement of the management measures. The company's risk management consists of the following main steps:

- Risk identification is a process of identifying risks and related factors both domestic and overseas, which will change in each period, as well as anticipating new risks that are likely to occur in the future from both internal and external databases.
- Risk assessment and management are processes that adopt various suitable methods and the participation of the management in the risk assessment to ensure efficiency that covers all risks and all potential consequences, as well as find ways to manage or reduce risks to an acceptable level.
- Risk monitoring and control is a process for monitoring and reporting performance to the Audit Committee and the Board of Directors annually. If there is any new risk factor that may occur unexpectedly and is likely to have a significant impact on business operations, the management may be required to review all business plans and goals, as well as present them to the Board of Directors for further consideration.

### 2.2 Risk factors on business operation

In 2021, the company had specified risks and risk management guidelines as follows:

1. Risk from changes in the procurement policy of major customers. Such risk may have direct impact if major customers unexpectedly change their procurement policy. The company requires maintenance of the proportion of production and distribution in order to prevent too much cluster at any one customer, in parallel with distributing the proportion of production and distribution to diversify industrial usage coverage as much as possible.
2. Risk from exchange rate fluctuations. The company requires close monitoring of the situation of changes in exchange rates in order to be applied for adjusting marketing and sales strategies to maintain a proper balance between domestic and overseas sales.
3. Risk from raw material procurement, especially MMA, which is the main raw material for the production of cast acrylic sheets, and the main raw material pellet used in the production of plastic sheet extrusion line, all have purchase agreements and procurement plans in line with the production plan on a monthly basis in order to have stock of reserves available as needed. In addition, the company may procure raw materials from more than one manufacturer, most of which are local manufacturers and distributors of raw materials. In case of emergency or necessity - the company may also procure from overseas manufacturers and distributors as well.
4. Risk from product liability that may arise from litigation. The company has insurance policies that cover product liability, which are regularly reviewed as appropriate.
5. Risk from trading goods and services with related companies. Purchase price will be according to the terms of the trade agreement and according to the mutually agreed price. And, it will be performed by taking into account the interests of the company as if it is a transaction with third party. Such transaction will be reviewed by the Audit Committee and audited by the auditor to ensure that such transaction complies with proper and transparent procedures.
6. Marketing and competition risk. The company has established New Product Development team and New Business Development team to oversee new marketing channels and products with a focus on the strategy of creating product variations that are able to meet the needs of customers, in parallel with the developing existing machineries so that they can produce more product variations.

7. Risk from Covid-19 pandemic. Due to the outbreak of the COVID -19, the company as an Acrylic sheet manufacturer who can produce an acrylic box “ Aerosol Box” as a medical equipment and protection sheet which considered as the necessary and important equipment to protect the spreading of the Coronavirus Disease 2019 (“COVID -19”). Therefore, the company has not received severe impact on business operation from the pandemic situation.
8. Cyber- threats and cybersecurity are on the rise, with impacts seen in various forms, including theft of key data, virus attacks, ransomware, and system penetration to seize control of public utility systems. The Company takes seriously preventive and mitigation actions to protect the Company’s Computer Systems and Information Technology and prevent any significant impact that could cause a severe impact to business operations, confidence and corporate image. The Company has set the information security standards in accordance with the company’s policy as follows:
  - Installing a computer network security system (Firewall) to pre-screen the data before entering into the system.
  - Installing anti-virus protection on all devices and keeping software up to date.
  - Setting up a more complicated access password in accordance with the standard and educating operators to create strong passwords to increase security.
  - Providing training and development to employees to deal with phishing mail and malicious programs designed to attack computers and networks (Malware) with close monitoring.
  - Communicating various information that will benefit to users on a regular basis.

### **3. Business Sustainability Development**

#### **3.1 Sustainability Management Policies and Goals**

The Company directed by its Board is strongly committed to growing the business in accordance with the concept of sustainable development aligned to the United Nations’ Sustainable Development Goals (SDGs). In accordance with this commitment, the Company is continuing to develop, implement and improve an effective Sustainability Management System.

To operate a successful business and comply with the sustainability guidelines, the Company necessarily seeks cooperation from all its stakeholders be those internal or external, not limited to, but including shareholders, employees, directors, customers, the community, local authorities, and regulators. The Company has communicated its sustainability objectives to all employees to ensure understanding of its importance, to promote unity, engagement and cooperation, and to ensure its operations and activities are consistent with this policy.

#### **3.2 Managing Stakeholder Impacts in the Business Value Chain**

##### **3.2.1 Business Value Chain**

To help ensure efficient and cost-effective operations in the production of its high-quality products, to minimize impact on the environment and society, to create value to its stakeholders, and to ensure sustainable growth, the Company seeks to assess its performance and improve sustainability throughout its supply chain and in all business operations and transactions from (i) upstream in procurement of feedstocks, energy, services, (ii) in all its own activities, and (iii) to downstream to its customers. The Company policy for procurement of raw materials, energy and services requires assessment of suppliers to ensure they conform to good ESG practices and have sustainability policies that align with those of the Company.



### 3.2.2 Stakeholder Analysis in the Business Value Chain (Materiality Assessment)

The Company recognizes the importance of its responsibilities as they relate to society, environment and good governance and is committed to balance business growth, the well-being of people in the community and environmental stewardship to create value and sustainable growth.

The Company has will in 2022 conducted Stakeholder Analysis (“Materiality Assessment”) with parties who are related to the business operations, to determine and categorize the expectations of all identified stakeholders. This is to ensure that the business operations, strategies, and the plans of the Company are aligned with these expectations so far as possible and practicable and are most efficient and effective. The process is carried out on an annual basis. In 2021, the Company focused on a subset of historically identified stakeholders (suppliers, customers, employees, & the community).

The Sustainability Goals of the Company for 2021 include four major topics with focus on 12 sustainability and governance areas:

<b>Topic 1: Safety and Environment</b>	Page
• Safety Healthy and Environment	32
• Reduce consumption, waste and CO2 emissions	34
• Energy Management	34
<b>Topic 2: Good Corporate Governance</b>	
• Corporate Governance	49
• Risk and Crisis Management	54
• Disclosure and transparency	54
<b>Topic 3: Equality, Human Rights and Social Responsibility</b>	
• Human Resource Management and people development	64
• Equality and Human Rights	29
• Company Social and Community Responsibility	35
<b>Topic 4: Business</b>	
• Business growth	15
• Product Quality and Safety	26
• Customers and Consumers Relationship Management	26

### 3.3 Sustainability Management in Environmental Aspects

#### 3.3.1 Environmental Policies and Practices

The Company recognizes the importance of operating to an environmentally sustainable business model. As such, the Company, at all times, seeks to monitor, control and as far as practicable minimize its impact on the environment by following Company and regulatory guidance and control. The company seeks to continuously improve its production and service provisions and in doing so reduce its impact on the environment both with respect to its impact on the local environment in which it operates but also more broadly in terms of its impact on climate change through efficient use of natural resources including feedstocks and energy. The Company includes in its Safety, Occupational Health and Environmental Policy guidelines for environmentally responsible operations consistent with the above policy.

#### Safety, Occupational Health and Environmental Policy

The Company regards safety, occupational health and environment performance as a key aspect of the business's overall performance and its responsibility to society. The Policy is as follows. The Company will

1. Manage and minimize risks that could affect employees and stakeholders and identify opportunities to prevent and minimize hazards, injury, occupational diseases, and environmental pollution;
2. Focus on environmental impact reduction including minimizing pollution risk (air, water and ground).
3. Observe relevant waste disposal standards, and reduce waste as far as practicable
4. Ensure efficient use and minimize as far as economically and/or technically practicable water, energy and resources. Monitor performance against to specified objectives and targets;
5. Ensure the provision of safety, occupational health and environment standards for contractors and / or visitors based on the organizational policy and regulations;
6. Cooperate and ensure communication of relevant information and news relating to this policy to employees, stakeholders and third parties, including as requested, necessary or appropriate the public and private sectors;
7. Work with employees and stakeholder to implement and comply with safety, occupational health and environment rules and regulations including assessment of individuals' contributions as a key topic in the annual performance assessment of every employee;
8. Engender the attitude and behaviour of all executives and employees, both during working hours and outside working hours that they are responsible for their and the Company's safety, occupational health and environment performance;
9. Promote, support and develop knowledge and skills relating to this policy via knowledge training and awareness building;
10. Develop products that are suited to, and safe for, their intended application both for end-users and the environment over their useful life;
11. Allocate necessary resources such that this policy, and associated objectives and targets can be reasonably achieved;
12. Continuously seek to improve and to elevate competence of all employees so as to improve its performance in all business aspects relating to safety, occupational health and the environment.

The Company's safety, occupational health and environment management is under the supervision of the Operational Safety, Occupational Health and Environment Committee which has been assigned the responsibility to agree and set policy, objectives and targets, to prepare the annual improvement plan, to supervise, monitor and evaluate the Company's performance and to report this onwards to the Company's management, its Board of Directors and its stakeholders and shareholders.

The Company has developed an Environmental Management System (EMS) which is compliant with, and accredited to, various international standards (ISO14001, ISO 9001, TIS 18001). The EMS requires, amongst other activities and practices, routine review and inspection of the the environmental performance of all its facilities and activities.

### 3.3.2 Environmental Work Performance

The Company has carried out various measures to minimize its impact on the local environmental, the neighboring communities and its employees including ensuring rules and regulations relating to impact on the environment are strictly followed.

The Company has identified areas of concern or risk to personnel or the environment and it undertakes annual (or more frequent if needed) monitoring or surveillance to ensure its performance is within allowable limits. Such monitoring and surveillance includes occupational health of employees, releases of potential or actual pollutants to the environment, and monitoring of other factors that might cause harm or nuisance to local communities or the environment.

## 3.4 Sustainability Management in Social Dimension

### 3.4.1 Policy and Practice on Respect for Human Rights, Labour and Social Responsibility

The Company is committed to ensure that human rights are respected and people are protected according to relevant labour laws and other relevant regulations throughout its supply chain and customer base. Moreover, the Company seeks to consistently improve its operations and activities as related to this matter as well as to communicate, review and improve relevant policies by always considering appropriate “stakeholders and supply chains” consistent with human rights management. This includes considerations of the rights of people relating to equality, dignity, rights and freedoms as protected under the Constitution of the Kingdom of Thailand and international treaties.

**The Company strictly observes human rights, labour laws and social responsibility to the following extent:**

- It will implement and observe all labour laws, other relevant laws and regulations including but not limited to laws relating to female labour, child labour and forced labour;
- It will provide a comprehensive plan for training and personnel development for all levels of employees in various duties relating to the above;
- It will arrange employment and provide appropriate facilities for disabled employees and employees working beyond their normal retirement age;
- It will seek to ensure understanding and desired behaviour of its employees and stakeholders related to diversity, equality, non-discrimination on gender, age, appearance, looks, religion, belief, background, disability, etc.;
- It will seek to ensure no communication, expression or action that result in negative feelings which infringe, violate human rights or personal diversity and act appropriately when it is determined that a transgression has occurred;
- It will provide communication channels and opportunities for employees to communicate, express thoughts, opinions or concerns in a secure and anonymous manner and shall establish and maintain an appropriate management system to allow this;
- It will always seek to operate the business in a social responsibility way ensuring awareness and emphasis on support for social and community activities.

### Target and Action Plan on Social Aspect Management for the Year 2022

- January – March: Announce policy and guidelines for personal information management and protection;
- April – June: Communicate policy for respect for human rights, labour and social responsibility;
- July – September: Review expectations and impact on “stakeholders and supply chains” of the Company’s sustainability policy relating to its social responsibility dimension
- January – December: Organize activities to encourage social responsibility and promote social and community activities.

### 3.4.2 Social Work Performance

Performance over the past year (2021), the Company has compiled and implemented the following:

- Channels and practices for complaints / petitions / whistleblowing;
- Policy on the social responsibility dimension to cover guidelines and management for various aspects including:
  - Labour law and related regulations;
  - Respect for human rights and equality;
  - General social responsibility obligations

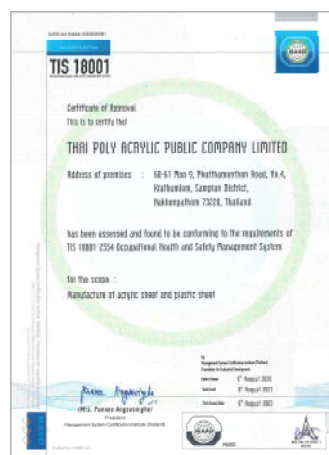
### Issues on law infringement or social rules

In the past year, the Company had no infringements of laws and social rules.

### Sustainability Performance and Activities in 2021

#### • Occupational Health, Safety and the Environment

The Company recognizes the importance of the environment and emphasizes how we operate business while protecting and conserving the environment. The Company implements an integrated management of quality, safety, health and environment with proper considerations given to environmental issues, safety, employee health, the community and stakeholders. The Company regularly inspects factory operations and work areas. Furthermore, the Company submits requests for standard accreditations such as ISO 14001, ISO 9001, TIS 18001 (TIS 18001). Below are the company standard accreditations.





## Performance in the Area of Safety and the Environment in 2021

Incidents	Amount
Injuries Causing Work to Stop for 1-3 Days	0 Employees
Injuries That Cause Work to Stop for 3 Days or Longer	0 Employees
Fires	0 Fires
Chemical Leaks Outside the Factory	0 Leaks

## Occupational Health, Safety and Environmental Activities Carried Out in 2021



The Company arranged an annual medical examination for the staff on 27 December 2021 (SD's UN's Goal 3 Good Health and Well - Being)





The Company carried out a fire drill exercise on 29 December 2021  
(SD's UN's Goal 3 Good Health and Well - Being)



#### ● Reductions of Usage, Consumption and Waste Disposal

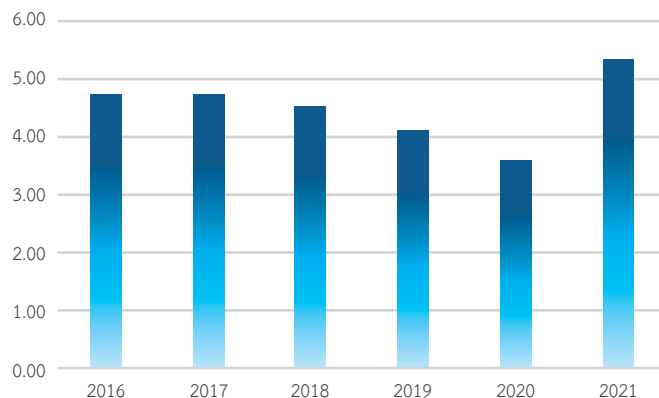
The Company recognizes the importance of environmental care, efficient use of resources and environmental impact prevention in every aspect such as water management, waste management and reduction of greenhouse gas emissions.



#### Water Management (SD's UN's Goal 6 Clean water and Sanitation)

The Company uses tap water in production processes and in office buildings. Therefore, the Company regularly maintains and inspects the water distribution system in production processes to meet standards. The Company collects data on water use in every sector to enable the Company to effectively improve water resource management.

In 2021, the Company had a water consumption of 5.32 (Te)/ Production Volume (Te), which is an increase compared to the year 2020 with a water consumption of 3.59 (Te)/ Production Volume (Te). The amount of water used compared to the production volume increased due to the decrease in the total production volume while using water at the boiler and the use of water in the main production process still requires at the normal level.



Furthermore, the Company regularly monitors the quality of water disposal from the Company's factories on an annual basis to prevent and monitor potential environmental impacts.

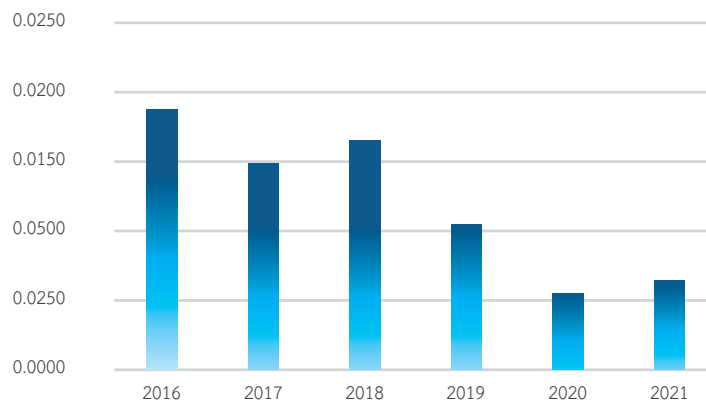


## Waste Management

(SD's UN's Goal 12 Responsible Consumption and Production)

The Company has systematic garbage and waste management in the business operation process according to the 3Rs principle (Reduce, Reuse, Recycle). The Company has an effective system for sorting waste into categories along with building awareness and participation among the people involved.

In 2021, the Company's waste volume is 0.0065 (Te)/ Production Volume (Te), which is an increase compared to 2020 with a waste volume of 0.0055 (Te)/ Production Volume (Te). The amount of waste compared to the production volume has increased due to cleaning and maintenance the production area during the past year. Therefore, there is an increase in the level of waste while the production volume was declined



There is a selection process to choose waste collector services who strictly follow the legal requirements and care for the health and safety of employees and nearby communities.

In addition, the Company regularly monitors environment quality on a yearly basis to prevent occupational health and external environmental issues.

## Testing Occupational Health, Work Environments and External Environments

Thai Poly Acrylic Public Company Limited has evaluated and analyzed our work environments in 2021 to prevent occupational health and external environmental issues

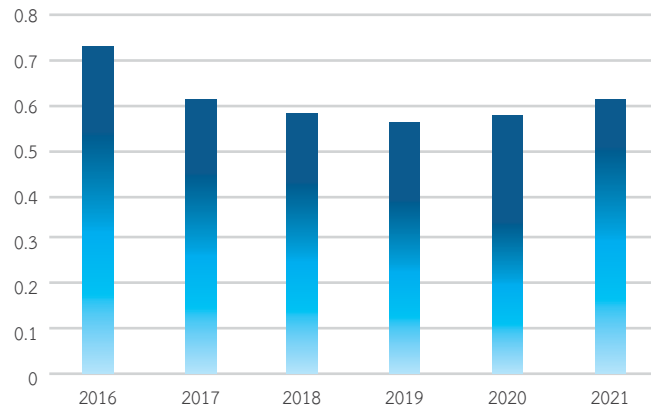


### Management to Reduce Greenhouse Gases (SD's UN's Goal 13 Climate Action)

Energy is extremely essential in most activities of the Company. However, energy consumption contributes to greenhouse gas emissions and causes climate change.

One of the Company's targets is to improve greenhouse gas management. The Company collects data on sources of greenhouse gases emitted from the Company's activities to aid the plan for greenhouse gas reduction.

In 2021, the company has CO<sub>2</sub> emissions of 0.611 (Te)/ Production Volume (Te), which is an increase compared to 2020 with a CO<sub>2</sub> emission of 0.577 (Te)/ Production Volume (Te). The amount of CO<sub>2</sub> emissions compared to the production volume increased due to the decrease in total production while using fuel at the boiler and the use of electricity in the production process which is the main process of CO<sub>2</sub> emissions still required at the normal level

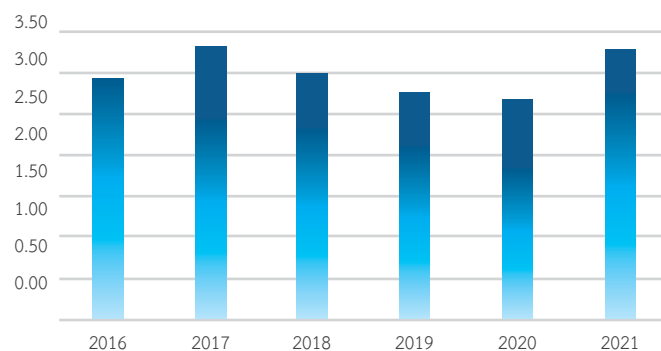


### Energy Management (SD's UN's Goal 7 Affordable and Clean Energy)

The Company recognizes the importance of energy management in the whole process while emphasizes on energy efficiency in every company activity. Renewable energy, sources of clean energy and new technology that can reduce pollution with sustainable effects on the environment are being explored and implemented in several activities of the company.

The Company prepares energy management reports, energy management policies and has energy management work groups. Energy management goals and plans are made on an annual basis.

In 2021, the company's energy consumption is 3.25 (MWh)/ Production Volume (Te), which is an increase compared to the year 2020 with 2.65 (MWh)/ Production Volume (Te). Energy consumption compared to the volume of production, the volume increased due to the decrease in total production. while the use of heat from the boiler and the use of electricity in the production process still need to use at the normal level





- **Human Resources, Society and the Community**

The Company recognizes the importance of social responsibility, especially to the society and nearby community. One particular matter is to enhance children educational and potential development opportunity. Another matter is the company's cooperation with nearby community and government agencies to prevent any actions that may cause harm or negative effects on society and community. In addition, the Board of Directors and executives recognizes the importance of every employee, human rights and ensures that everyone is treated fairly by their colleagues. The Company respects employee differences including gender, race, religion, disabilities, age and other considerations. The Company respects human rights and treats every employee fairly. Supervisors must respect individuals, their rights, and must treat everyone fairly. Promotion should be based on performance, productivity and responsibility without any bias. The Company adheres to the Company's Code of Conduct and compliance practices. Every employees has been trained and informed about the Company's Code of Conduct and compliance practices.

Furthermore, executives must treat every employee at every level with equality and fairness. Employees with knowledge and potential must be given opportunities to further training to enhance their skills. Consideration must be based on individual's capability and suitability for their jobs without biases.

**Performance in the Area of Human Resources, Society and the Community in 2021**



## Activities for Society and Communities Carried Out in 2021

### Social Activities



#### 1. Scholarship Fund Grants (SD's UN's Goal No.4 Quality Education)

Held on 8 January 2021

Thai Poly Acrylic Public Company Limited grants 34 scholarship funds to students at the kindergarten, elementary and junior high school levels at Ban Krathumlom School (Nakorn Ratprasit) on the occasion of National Children's Day on the second Saturday of January of every year.



### Activities for the Community

#### 2. Donation of Spraying Boxes Made from Acrylic Sheets

Held on 25 March 2021

The Company recognizes the importance of dog and cat lives in nearby communities. The Company gave spraying boxes made from clear acrylic sheets prepared by the Company's Technical Center to Don Yai Hom Animal Treatment Center in Don Yai Hom, Muang, Nakhon Pathom, for use in treating sick stray dogs and cats. Mrs. Rawipa Eksirilert accepted the delivery.



## Campaigning and Public Relations Activities for Company Employees

### 3. Songkran Festival Activities

Held on 9 April 2021

Mr. Rakchai Sakulteera, the Managing Director, represented employees and executives in sprinkling water on Buddha images during the Songkran Festival for good fortune and to show respect to the virtues of Buddha and monks at the beginning of the Thai New Year.



### 4. Campaigns on the Spread of COVID-19 (SD's UN's Goal No.3 Good Health and Well - Being)

Held in February and June 2021

To improve awareness about Coronavirus Disease-2019 (COVID-19), the Company campaigns for employees to maintain high guard to prevent the spreading COVID-19. In June, the Company campaigned about infection prevention including: 1. Wash hands frequently with soap; 2. Avoid going to risk points; 3. Maintaining a distance of 1-2 meters; 4. Wearing a mask in community spaces or crowded areas; 5. Reducing large gatherings; 6. Eating hot food and using a tablespoon; and 7. Checking personal symptoms regularly, etc.



### 5. Influenza Campaign (SD's UN's Goal No.3 Good Health and Well - Being)

Held on 10 July 2021

The Company organizes influenza campaigns to enable employees to maintain health and have protections against influenza, which spreads in the rainy season from May to October of every year.







## 6. Campaign against Alcohol Consumption during Buddhist Lent (SD's UN's Goal No.3 Good Health & Well - Being)

Held on 17 July 2021.

This campaign to abstain from alcohol consumption during Buddhist Lent was held on 17 July 2021. The Company and employees campaigned to abstain from alcohol consumption during Buddhist Lent for three months beginning from 25 July 2021 to 21 October 2021.



## 7. National Mother's Day (SD's UN's Goal No.3 Good Health and Well - Being)

Held on September

At the National Mother's Day Activity in August 2021 on National Mother's Day 2021, the Company recognizes the importance of National Mother's Day activities and allowed employees to send pictures of family relationships with parents, children, spouses or other family members into a competition with 26 prizes. In this year, the Company had 20 special prizes for life in the New Normal.



## 8. Statement of Intention to Join in the TO BE NUMBER ONE Club's Activities (SD's UN's Goal No.3 Good Health and Well - Being)

Held on 16 September 2021.

The Company stated the Company's intention to participate in the TO BE NUMBER ONE club's activities to the Province of Nakhon Pathom with Mr. Wannakan Kaolap, Nakhon Pathom Provincial Labor Officer and colleagues, as the people who gave the TO BE NUMBER ONE Heart Center sign to the Company. Mr. Rakchai Sakulteera, Managing Director, received the sign.





## 9. COVID-19 Infection Prevention Supply Handouts to Employees (SD's UN's Goal No.3 Good Health and Well - Being)

Held in January – December 2021.

The Company is aware of the spread of Coronavirus Disease 2019 (COVID-19) and employee safety. In this situation with continually increasing outbreaks, the Company gave face masks and alcohol to employees to prevent COVID-19 infections according to personal hygiene measures.



### ● Corporate Governance

The Company recognizes the importance of corporate governance with an emphasis on fair business operations with stakeholders and meeting consumer and customer demands by manufacturing good quality and safe products for use. Even when competing in trade, the Company has a competition fairness policy and requires executives and employees to strictly comply with the Company's Business Ethics/Code of Conduct. Every employee is trained in the aforementioned ethics and placed signatures to acknowledge practices from the first day of working with the Company.

### Corporate Governance Performance in 2021







## 10. Thailand Private Sector Collective Action Coalition Against Corruption (SD's UN's Goal No.16 Peace Justice and Strong Institutions)

On 22 December 2021.

Mr. Rakchai Sakulteera, Managing Director of Thai Poly Acrylic Public Company Limited, represented the Company in accepting a certificate from the Thailand Private Sector Collective Action Coalition against Corruption (CAC), which is effective from 30 September 2020 to 30 September 2023.



## 11. Anti-corruption Activities (SD's UN's Goal No.16 Peace Justice and Strong Institutions)

Held on 23 December 2021.

Anti-corruption activities in the project to build the Thailand Private Sector Collective Action Coalition Against Corruption were carried out as an extension of certification by the project to build the Thailand Private Sector Collective Action Coalition Against Corruption by advertising channels for making complaints regarding corrupt behaviors/corruption including inconsistencies, inaccuracies, unfairness, violations of the law and policies announced by the Company.



## 4. Management Discussion and Analysis (MD&A)

### 1. Operating results under the Business Operation Plans

Operating results under the Business Operation Plans 2021 can be summarized as follows:

- a) The Company is committed to develop to be a sustainable corporate, operate business with responsibility to environment, social and good corporate governance in order to reduce business risk and create opportunities to generate sustainable profits in the long run.

The Company is highly committed to the important of the Safety, Health and Environment (SHE) policy which all Directors, Management, Employees and Visitors must strictly follow the policy and guidelines.

The SHE Committee is set up and assigned to supervise and control, set SHE's policies & guidelines, objectives and targets, including annual SHE Improvement Plan. Furthermore, the Committee also monitors and evaluates the performances during the year.

The Company has focused on encountering the corruption by setting up Anti-Corruption Policy, commitments from the Board of Directors and the management corruption risk assessment, and internal control review and monitoring. The company has joined Thailand's Private Sector Collective Action Coalition Against Corruption (CAC) and received a notice of recertificate for a period of 3 years from September 30<sup>th</sup>, 2020 till September 30<sup>th</sup>, 2023.

One of the important targets that the Company has considered is to set up annual plan for pre-maintenance and improvement for machinery and equipment conditions to ensure the maximum safety in working place to all Operators and improve production efficiency.

SHE is the Company's important policy that all management and staff are responsible for adhering to policy and strictly follow the safety at work regulation in all aspects.

The Company has been examined and accredited for Occupational Health and Safety Management Systems (TIS18001) and Environment Management System (ISO 14001) , which is to ensure that the Company is attentive in the work of health, safety and environment of staff and all relevant persons.

- b) In 2021 the Company maintained a good proportion between domestic and export sales in order to maximize the benefit from the fluctuation on conversion rate between Baht and other hard currencies, especially US Dollar. In order to avoid the risk from loss currency conversion, the Company has the policy to hedge the currency with the reputable commercial bank in Thailand.

Also the Company has developed new marketing strategies and adjusted new product portfolios in order to improve production line of plastic materials in responding to the dynamic changes of supply and demand in both domestic and overseas market. The management will continue to search for more new business opportunities through the new product development (NPD) process, particularly focusing on value added products. The NPD process will be handled by NPD Committee, headed by Managing Director. The Committee is fully responsible and manage the Product Portfolio for a sustainable long term growth of the company.

- c) In the past year, the Company continued to focus on product quality and service improvement in order to attain higher standards so as to respond to the needs of its customers both in domestic and overseas, and also aimed to improving the production efficiency and reducing production waste that will be beneficial to the overall production costs. Also, the company has a high emphasis on the product differentiation as a key business driven to growing profitable volume for both existing and new products that will encourage the company to avoid price competition.

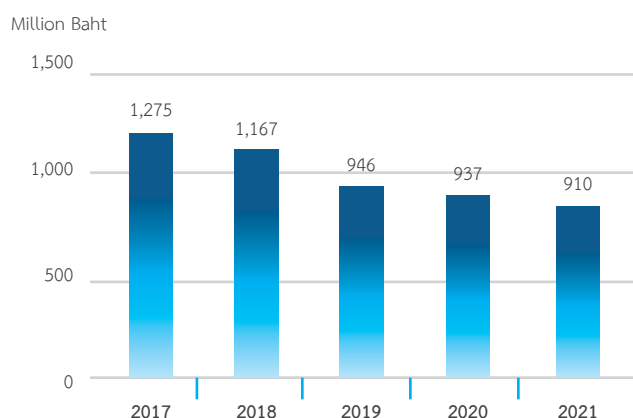
## 2. Operating Results

Operating Results for the year 2021

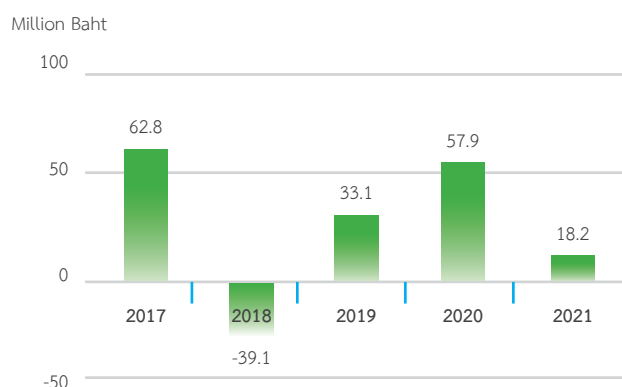
Key Financial Performance	Year 2021	Year 2020	Year 2019	Inc (Dec) 2021/2020		Inc (Dec) 2020/2019	
	Million Baht	Million Baht	Million Baht	Million Baht	%	Million Baht	%
Total Sales and service income	894.3	930.8	935.7	(36.5)	-3.9%	(4.9)	-0.5%
Total Revenues	909.8	936.6	945.8	(26.8)	-2.9%	(9.2)	-1.0%
Total Expenses	887.1	863.6	904.6	23.5	2.7%	(41.0)	-4.5%
Gross Profit	130.0	202.3	148.8	(72.3)	-35.8%	53.5	35.9%
Profit before tax	22.6	72.9	41.3	(50.3)	-69.0%	31.6	76.7%
Net profit	18.2	57.9	33.1	(39.7)	-68.5%	24.9	75.2%
Earnings per share (Baht)	0.15	0.48	0.27	(0.33)	-68.8%	0.21	77.8%
Dividend per share (Baht)	0.45	0.45	0.45	-	-	-	-

Ratios	Year 2021	Year 2020	Year 2019	% Inc (Dec)	
				2021/2020	2020/2019
Gross Profit Margin	14.5%	21.7%	15.9%	-7.2%	5.8%
Net Profit Margin to total revenues	2.0%	6.2%	3.5%	-4.2%	2.7%
Return on Equity	3.7%	11.4%	6.3%	-7.7%	5.0%
Return on Assets	2.3%	7.1%	4.0%	-4.8%	3.1%

Total Revenues (Million Baht)



Net profit (loss) (Million Baht)



### Sales and service income

In 2021, the Company had revenue from sales and services of Baht 894.3 million, decreased by Baht 36.5 million or 3.9% compared to the previous year. The main reasons were decrease in sales volume whereas increase in average selling price compared to the previous year.

### Gross Profit Margin

Gross profit in 2021 of Baht 130.0 million, decreased by Baht 72.3 million or 35.8% YoY with gross profit margin of 14.5%, decreased by 7.2% compared to the previous year at 21.7%, as a result of lower sales volume and higher production cost.

### Net Profit and Earnings per share

The Company's operating results in 2021 was net profit after tax at Baht 18.2 million, decreasing by Baht 39.7 million or 68.5% compared to net profit in previous year at Baht 57.9 million. Earning per share was Baht 0.15, decreased by Baht 0.33 per share. The main reasons of the decrease in profitability in 2021 were decrease in sales volume and lower contribution margin as a result of higher production costs.

### Profitability Ratio

In 2021, the overall profitability ratio decreased from the previous year, with net profit margin to total revenues of 2.0% (2020 = 6.2%), return on equity of 3.7% (2020 = 11.4%) and return on assets of 2.3% (2020 = 7.1%).

## 3. Financial position, Cash flows and Liquidity

Summary Financial position as of December 31, 2021

Unit: Million Baht

Financial position as of December 31	2021	2020	2019	% Inc (Dec)	
				2021/2020	2020/2019
Current Assets	464.12	609.18	491.05	-23.8%	24.1%
Non-current assets	248.93	259.96	260.20	-4.2%	-0.1%
Total assets	713.05	869.14	751.25	-18.0%	15.7%
Current liabilities	193.24	312.80	203.64	-38.2%	53.6%
Non-current liabilities	40.62	45.39	38.90	-10.5%	16.7%
Total liabilities	233.86	358.19	242.54	-34.7%	47.7%
Total shareholders' equity	479.19	510.95	508.71	-6.2%	0.4%
Book Value per share (Baht)	3.94	4.21	4.19	-6.2%	0.4%

### Total Assets

As at 31<sup>st</sup> December 2021, the Company had total assets at Baht 713.05 million, a decrease of Baht 156.1 million or 18.0% from the previous year, which comprised the key items as follows :

- Cash and cash equivalents including fixed deposit, in total of Baht 112.9 million, decreased by Baht 67.2 million.
- Trade and other receivables of Baht 236.9 million, decreased by Baht 59.2 million due to the decrease in sales of the 4<sup>th</sup> quarter compared to the previous year.
- Inventories of Baht 106.2 million, decreased by Baht 16.8 million which resulted from stock management plan to maintain proper safety levels of stock.
- Property, plant and equipment of Baht 242.5 million, slightly decreased by Baht 7.7 million which resulted from depreciation and amortization of Baht 21.9 million and acquisitions of Baht 14.2 million.

### Total Liabilities

As at 31<sup>st</sup> December 2021, the Company had total liabilities at Baht 233.9 million, a decrease of Baht 124.3 million or 34.7% from the previous year, which comprised the key items as follows :

- Trade and other payables of Baht 187.3 million, decreased by Baht 106.7 million mainly from lower purchase volume of key raw material during the 4<sup>th</sup> quarter.
- Provision for long-term employee benefits at Baht 37.7 million, decreased by Baht 5.4 million due to the effects of changes in actuarial assumptions.

### Cash flows

In 2021, the Company had cash and cash equivalents amounting to Baht 74.9 million, decreased from the previous year by Baht 67.4 million, consisting of :

- net cash flows used in operating activities were Baht 1.7 million, a decrease in net cash flow from operating of 83.9 million from the previous year mainly from lower operating profit.
- net cash flows used in investing activities were Baht 9.3 Million; a decrease of 37.5 Million from the previous year mainly from investing in fixed deposits increase Baht 36.7 million. The investments in 2021 mainly concerned the improvement of plant and acquisition of machinery and equipment of Baht 10.1 million.
- Net cash flows used in financing activities were Baht 56.4 million from dividend payment at 54.7 million and payment of lease liabilities at Baht 1.7 million.

### Liquidity and capital structure

As at 31<sup>st</sup> December 2021 The Company has good and adequate financial liquidity and stability with sufficient cash flow for its operation and sufficient current assets for short-term debt repayment, with the key financial ratio as follows :

- Liquidity ratio in 2021 at 2.40 times, improved from previous year 0.45 times from in 2020 at 1.95 times mainly due to decrease in trade payables.
- The Debt to Shareholders' equity Ratio in 2021 at 0.49 times, decreased from the previous year 0.21 times from in 2020 at 0.70 times due to a decrease in total liabilities of Baht 124.3 million mainly from decrease in trade payables, whereas a decrease in shareholder's equity of Baht 31.8 million resulted from dividend payment and lower operating profit.

Based on the Company's financial position, the operating results, cash flow and liquidity position of the year 2021, the Board of Directors Meeting No 1/2022, on 24 February 2022 passed a resolution to propose to the annual General Shareholders Meeting to approve the payment of final dividend at the rate of Baht 0.45 per share, totaling Baht 54,675,000 (Fifty four million six hundred and seventy five thousand only) which will be paid on 19<sup>th</sup> May 2022.



## 4. Asset Management Capabilities

### Trade Receivables

Comparative trade receivables from year 2019 – 2021 are detailed below

Comparative trade receivables	31-Dec-21		31-Dec-20		31-Dec-19	
	Million Baht	%	Million Baht	%	Million Baht	%
<b>Trade receivables - related parties</b>						
Not due	-	0%	-	0%	-	0%
Overdue Not over 3 months	-	0%	-	0%	-	0%
<b>Total trade receivables - related parties</b>	-	0%	-	0%	-	0%
<b>Trade receivables - non-related parties</b>						
Not due	192.26	81%	227.19	75%	179.58	78%
Overdue						
Not over 3 months	44.99	19%	71.20	23%	45.69	20%
3 - 6 months	0.27	0%	0.01	0%	-	0%
6 - 12 months	0.52	0%	2.25	1%	-	0%
Over 12 months	0.01	0%	2.46	1%	5.65	2%
<b>Total trade receivables - non-related parties</b>	238.05	100%	303.11	100%	230.92	100%
<b>Total trade receivables</b>	238.05	100%	303.11	100%	230.92	100%
Less: Allowance for expected credit losses	(1.15)	0%	(6.99)	-2%	(6.55)	-3%
<b>Total trade receivables - net</b>	<b>236.90</b>	<b>100%</b>	<b>296.12</b>	<b>98%</b>	<b>224.37</b>	<b>97%</b>

Trade receivables as at 31 December 2019, 2020 and 2021 were Baht 224.4 million, Baht 296.1 million and Baht 236.9 million, respectively, comprising trade receivables-non-related parties. Most of the trade receivables were not due and overdue not over 3 months, accounted for 99.7% of total trade receivables before allowance for expected credit losses. The trade receivables that were overdue for more than 3 months accounted for 0.3%.

The average day receivable from 2019-2021 were 100 days, 103 days and 109 days, respectively. As at 31 December 2019 - 2021, the Company set up allowance for expected credit losses amounting to Baht 6.6 million, Baht 7.0 million and Baht 1.2 million respectively. In 2021 the allowance for expected credit losses decreased by Baht 5.8 million, resulting from the written-off bad debts for Baht 2.4 million and the reversal of expected credit loss for Baht 3.4 million according to the implementation of the expected credit loss model using simplified approach under Thai Financial Reporting Standards (TFRS).

The allowance for expected credit losses was set up by considering the aging of the accounts, payment history and probability to receive payment, the company's historical credit loss experience and the forecast economic conditions. The company has credit control management policy to evaluate customers and review credit terms and credit limits annually by considering individual sales target plan, trading and payment history. Trade receivables have credit terms of 15 – 120 days depending on trade conditions of each customer.

The Company has closely followed up with accounts which were overdue through calls as well as taking appropriate legal measures. Allowance for expected credit losses were set up for accounts having difficulty in payment.

## Inventory

Inventories are detailed below. (comparative year 2019 - 2021)

Comparative inventory	31-Dec-21		31-Dec-20		31-Dec-19	
	Million Baht	%	Million Baht	%	Million Baht	%
Finished goods	30.08	26%	45.38	34%	30.32	28%
Raw materials	38.83	34%	45.60	34%	41.87	39%
Spare parts and factory supplies	44.16	38%	35.73	27%	32.49	30%
Goods in transit	1.83	2%	6.21	5%	2.94	3%
Total	114.90	100%	132.92	100%	107.62	100%
Less : Reduce cost to net realisable value	-8.70	-8%	-9.94	-7%	-10.72	-10%
<b>Total inventory-net</b>	<b>106.19</b>	<b>92%</b>	<b>122.98</b>	<b>93%</b>	<b>96.90</b>	<b>90%</b>

Inventory as at 31 December 2021 were Baht 106.2 million, decreased from the previous year at 123.0 million. The inventory turnover ratio from 2019-2021 were 23.59 times, 19.25 times and 20.26 times, respectively. The average number-of-day-sales from 2019-2021 were 15 days, 19 days and 18 days respectively.

The decrease of inventory lead time in 2021 resulted from stock management plan to maintain proper safety levels of stock and continuously monitor the slow-moving and obsolete inventory items.

The Company has a policy to set up an allowance to reduce cost to net realizable value based on slow moving items, aging profile of inventories and the amount the inventories are expected to realize. The allowance of reduce cost to net realizable value from 2019-2021 were Baht 10.7 million, Baht 9.9 million and Baht 8.7 million, respectively. The decreased allowance in 2021 was due to continuous monitoring the slow-moving and obsolete inventory.

## Property, Plant and equipment

Details of property, plant and equipment are per following (comparative year 2019 - 2021)

Category of Asset	31-Dec-21		31-Dec-20		31-Dec-19	
	Million Baht	%	Million Baht	%	Million Baht	%
Land	136.33	56%	136.33	55%	136.33	54%
Building and building improvement	36.35	15%	42.06	17%	41.22	16%
Machine and equipment	57.22	24%	55.54	22%	60.86	24%
Furniture, fixture, office equipment and vehicles	7.31	3%	5.42	2%	3.70	2%
Assets under construction and installation	5.27	2%	10.86	4%	10.36	4%
<b>Total asset</b>	<b>242.48</b>	<b>100%</b>	<b>250.21</b>	<b>100%</b>	<b>252.47</b>	<b>100%</b>

During the year 2021 the Company had acquired additional assets amounting Baht 14.2 million (2020:Baht 17.0 million). The return on fixed assets ratio from 2019-2021 were 20.86%, 32.09% and 16.40%, respectively.

## 5. Main Factor and Influences That May Affect Operations or Financial Position in the Future

The factor that may have certain influences towards the future operations of the Company have already been stated in Part 1 : Article 2 ‘Risk Management’.

## 5. General information and other material facts

### 5.1 General information

	<b>Company name</b> <b>Thai Poly Acrylic Public Company Limited</b>	<b>Type of Business</b> Manufacturer and Distributor of Acrylic cast sheets and Extruded Plastic sheets
<b>Registration Number</b>	0107537002257	
<b>Registered Capital</b>	Baht 121,500,000 in an ordinary share and paid-up capital in the amount of Baht 1.00 per share	
<b>Shareholding in other Business Entity at and above 10%</b>	None	
<b>Head Quarter and factory located at:</b>	60 – 61 Moo 9, Phutthamonthon 4 Rd., Krathumlom, Sam Phran, Nakhonpathom 73220, Thailand	
<b>Telephone</b>	0 2429 - 2020, 0 2429 - 2487 - 8, 0 2889 - 8720 - 5	
<b>Facsimile</b>	0 2429 - 2541, 0 2888 - 5953	
<b>Sales office</b>	134/5 Krung Thonburi Road, Klong Tonsai, Klong Sarn, Bangkok 10600, Thailand	
<b>Telephone</b>	0 2860 - 8765 - 70	
<b>Facsimile</b>	0 2860 - 9106, 0 2860 - 8762	
<b>Website</b>	<a href="http://www.thaipolyacrylic.com">http://www.thaipolyacrylic.com</a>	
<b>Registrar</b>	<b>Thailand Securities Depository Co., Ltd.</b> 1 <sup>st</sup> Floor, The Stock Exchange of Thailand, Tower B 93 Ratchadaphisek Road, Dindang, Bangkok 10400	
<b>Telephone</b>	0 2009 - 9999	
<b>Facsimile</b>	0 2009 - 9001	
<b>Auditor</b>	<b>EY Office Limited</b> 33 <sup>rd</sup> Floor, Lake Rajada Office Complex, 193/136-137 Rajadapisek Road Klongtoey, Bangkok 10110 P.O.Box 1047	
<b>Telephone</b>	0 2264 - 9090	
<b>Facsimile</b>	0 2264 - 0789 - 90	
<b>Website</b>	<a href="http://www.ey.com">http://www.ey.com</a>	
<b>Legal Advisor</b>	<b>Mr. Surat Jankaew</b> BZ Legal Advisor Law Office 52 Ladprao 81 (Thitiporn) Klongchoakhunsing, Wang Thong Lang Bangkok 10310	
<b>Telephone</b>	098-2741047	
<b>Facsimile</b>	0 2539 - 3230 # 103	

## **5.2 Other Information that may influence investor's decision making.**

- None

## **5.3 Legal disputes**

- Throughout the year 2021, the Company has no significant legal disputes.

## **5.4 Secondary Market**

- The Company has no securities listed on a stock exchange of another country.

## **5.5 Financial Institution with regular contact (only in case of debt securities offeror).**

- Bangkok Bank Public Company Limited





## Part 2 Corporate Governance



## 6. Corporate Governance Policy

### 6.1 Overview of the Policy and Guidelines

#### 6.1.1 Policy and guidelines related to the Board of Directors

The Board of Directors of Thai Poly Acrylic Public Company Limited is obliged to perform its duties in the best interests of the Shareholders and shall treat its stakeholders and all parties concerned with utmost fairness and provide quality products and services to fit the needs and requirements of the customers.



The Board of Directors adheres to the principles of good corporate governance, and have introduced recommendations under the guideline for listed companies 2017 issued by the Office of Securities and Exchange Commission (SEC). The guideline consists of 8 practices for director and to be the norm in controlling business transparent management and fair for the mutual benefit of the shareholders of the company, stakeholders including society and communities in which the company operates as following detail ;

1. Recognizing the roles and responsibilities of the Board of Directors as leaders that create value for the business sustainably.
2. To determine the objectives and main goals of the business that are going for sustainability.
3. To strengthen the Board of Directors.
4. Recruiting and developing high-level executives and personnel management.
5. To promote innovation and responsible business operations.
6. Ensuring appropriate risk management systems and internal controls.
7. To maintain financial credibility and disclosure.
8. Support participation and communication with shareholders.

The Company has publicized “Corporate Governance, Business Ethics Rules and Anti-Corruption Policy” on its website <https://www.thaipolyacrylic.com>

The Company’s Corporate Governance performance can be summarized as follows :

#### **1. RIGHTS OF SHAREHOLDERS**

The rights of Shareholders include all basic rights such as the right as an investor and the right as an owner of the Company including for instance the rights to buy new shares, sell or transfer owned shares, the rights to receive dividends, the rights to attend the Shareholders’ meetings, the rights to express or raise questions at the meetings, the rights to make decision by voting on the important affairs of the Company i.e. nomination of Directors, amendment of Memorandum of Association and Articles of Association of the Company etc. and acknowledge the Minutes of Annual General’s Meeting.

#### **2. EQUITABLE TREATMENT OF SHAREHOLDERS**

The Company shall provide the equitable treatment to every individual shareholder, every group of shareholders, major or minor shareholders as well as the investors and foreign investment institutions. The fundamental rights of the shareholders are preserved regardless of gender, age, origin, nationality, religion, belief or social status.

#### **3. ROLES OF STAKEHOLDERS**

The Company conducts its business responsibly in order to provide mutual benefits to all groups of stakeholders, and thereby ensuring that the administration and the business operations of the Company shall not have any impact on the rights of any stakeholder concerned.

#### **4. DISCLOSURE AND TRANSPARENCY**

Disclosure of information is a key index of transparency and an important factor to create confidence among investors and stakeholders. The Company values accurate disclosure of information and creates variety channels of disclosure of information so that all stakeholders can gain easy access to information.

## 5. RESPONSIBILITIES OF BOARD OF DIRECTORS

The Board of the Directors recognizes its roles and responsibilities in instituting policies and directions of the Company's operations in compliance with the law, the Company's objectives and regulations as well as the resolution from the Shareholder's Meeting. The Company supervises and monitors departments to follow the set policies effectively to maintain the Company's interest, increase economic value to the business and promote stability among shareholders base on good corporate governance. The Board of Directors has followed up the implementation of strategies for sustainable business management. Roles and responsibilities of Board of Directors toward the Company and Shareholders are important since the Board consists of the expert persons with leadership skills, sharp vision, knowledge and high experience. They have honesty and independence for decision making, which is beneficial to the Company's maximum interest and overall shareholders.

### 6.1.2 Policy and guidelines related to shareholders and stakeholders

#### 1. THE RIGHTS OF SHAREHOLDERS

1.1 Shareholders' Meetings - As a rule, the Company schedules an Annual General Meeting of shareholders (AGM) within 4 months of the annual closing date of its accounting books. For urgent matters that affect or involve the shareholders' interests or relate to conditions, regulations or laws that require shareholders' approval, it calls an Extraordinary General Meeting of the shareholders. In 2021, an Extraordinary General Meeting was not held.

1.2 In 2021, the Annual General Meeting of shareholders took place on 22 April 2021 at the S.D Avenue Hotel, Pinklao Room, 3rd floor, Borom Rajchonni Road, Bangbunru Sub-district, Bangplad District, Bangkok Metropolis.

1.3 Recognizing the importance of protecting and facilitating the exercise of Shareholders' Rights, the Company has established a policy of equitable and fair treatment for all shareholders as follows:

- 1) Promoting Exercise of Shareholders Rights
  - The Company encourages all shareholders to exercise their rights in an equitable manner.
  - All shareholders are encouraged to attend the shareholders' meetings, and to provide comments and suggestions to the Board of Directors.
- 2) Facilitating Shareholders Attendance and Voting at the Meetings
- 3) The Company encourages shareholders' participation in decision making on important issues and voting on such issues at General Meetings. All resolutions are voted on by poll.
- 4) Giving Information Relating to Shareholders' Meetings

The Company will ensure that shareholders are informed in advance of General Meetings, of important information, criteria and procedures for those meetings, including the voting procedure for each agenda item. The Company will strive to provide all information regarding General Meetings to all Shareholders 21 days (but not less than 7 days) in advance, so that Shareholders can study all the information prior to attending the meeting. In addition, the Company will post all information on the Company's web site prior to sending out the notice of the meeting.
- 5) Giving Opportunity to Shareholders to ask questions and express their Opinions in the Annual General Meetings.
- 6) The Company will, at all General Meetings, provide the opportunity to all Shareholders to ask questions, express comments or offer any suggestions.

#### 1.4 Disclosure of Resolutions of Shareholders' Meetings

The Company will submit the summary of resolutions of Shareholders' Meetings to the Stock Exchange of Thailand within the date after the meeting or 9 am of the next working day at the latest. The Company will also submit the report of the Shareholders' Meeting with Minutes (each agenda item clearly separated), number of Directors in attendance and/or absent, questions raised by Shareholders and answers from the Directors and voting tallies of each agenda item to SET within 14 days and to the Ministry of Commerce within 30 days after the meetings. All meeting information will be accessible through the Company's website.

## 2. THE EQUITABLE TREATMENT OF SHAREHOLDERS

### 2.1 Proposing Additional Meeting Agenda Items and Nomination of Directors

- To enable minor shareholders to take part in the operations of the Company, the Company has established criteria and process for them to propose meeting agenda items and/or nominate Directors in advance.
- The Company will post such criteria on its website and post an announcement on the website of SET to enable shareholders to propose meeting agenda items and/or nominate Directors in advance.

### 2.2 Facilitating Shareholders at the Meetings

As most shareholders attending the Shareholder Meetings are Thais, the meetings will be conducted in the Thai language. The Company's website is bilingual.

### 2.3 Appointing Proxies

To maintain the rights of shareholders who cannot attend Annual General Meetings in person, they have the right to appoint proxies or delegate their votes to any Independent Director in attendance. The Company will state the names of these Independent Directors in the proxy forms as defined by the Ministry of Commerce for voting on behalf of shareholders without conditions. The Company treats proxies as shareholder votes. Thirty days ahead of each meeting, the Company discloses the proxy form and procedures on its website. Shareholders may make further inquiries about this by phone or through other channels such as the Company's website and e-mail.

## 3. THE ROLES TOWARD STAKEHOLDERS

### • To Shareholders

Operating a profitable business that leads to sustainable growth. The Company is committed to corporate governance in tandem with corporate social responsibility (CSR) to ensure investors that the Company provides sound investment returns and is sustainable. The Company has established channels for all stakeholders to contact directly through whistleblowing via its website [www.thaipolyacrylic.com](http://www.thaipolyacrylic.com).

### • To Employees

The Company regards all employees as the most valuable asset and shall continue to develop the competencies and the integrity of the employees. The Company shall provide its employees with good benefits and provide a workplace that is safe within a healthy environment. Professional development opportunities are provided for all employees, helping to continuously and sustainably increase their productivity. The Company has indicated the employee's performance by using performance indicator to measure the employee's performance. The Company will provide reasonable benefits to all employees based on their capabilities and competencies as well as career path and succession plan.

**The employee benefits are divided into two categories: Short – term benefits, and post – employment benefits and other long – term benefits.**

### 1. Short – term employee benefits

The Company has a policy to consider remuneration for employees and executives in term of considering adjusting the rate of employment for employees and executives, they will consider the working conditions, Intentions of work assigned, duties and responsibilities, other abilities, Company's performance and also comparison with market competition. In part of considers the annual bonus, Company has a policy to pay every year. However, some criteria will be taken into consideration for approval, including the annual operating results of the Company, both financial and non-financial. The work of the staff and the team dedication to work under responsibility etc.

### 2. Post-employment benefits and other long-term employee benefits

#### 2.1 Defined Contribution plans

The Company and its employees have jointly established a provident fund. The fund is monthly contributed by Employees and by the Company.

## 2.2 Defined Retirement Benefit plans and other long – term employee

The Company has obligations in respect of the severance payments to employees upon retirement under Labor Law and other employee benefit plans. The Company treats these severance payment obligations as a defined benefit plan. In addition, the Company provides other long – term employee benefit plan, namely long service awards.

- **To Customers**

Ensuring customer satisfaction and loyalty by delivering world-class quality products and services at competitive prices. The Company takes customer satisfaction seriously, since customers are buyers and users of our products and services. The Company offers fair prices, quality products and accountability to customers and consumers, and is committed to consistently develop its products and to provide safe, integrated, attentive quality services in response to their needs. The Company has implemented quality, security, safety and occupational health standards in its operations in order to focus on quality management through efficient work processes with a view to deliver products and services that satisfy customers.

- **To Business Partners**

Observing fair and mutually beneficial business practices with all business partners while promoting trust as well as relationship and cooperation with a view to expand business capabilities and increase efficiency in a long-term partnership. Business partners are the key to business success through mutual support, and the Company treats them fairly. The Company strictly complies with contracts and values procurement processes. Clear procurement procedures have been formulated to ensure transparency, openness to scrutiny and mutual benefit.

The Company requires business partners to strictly conform to the rules about work safety and handling of tools, as well as other regulations, particularly in the type of work affecting health, safety and the surrounding environment.

The Company's approved Vendor List is prepared through a detailed selection process that reviews business /operational procedures of candidates to ensure that the business partners selected for the Vendor List are efficient and are capable of delivering products/services that meet the Company's requirements.

- **To Creditors**

Maintain good relationship with creditors in such a way that mutual trust and confidence are gained. In doing so the Company shall commit to and honor promises, and obligations agreed with the creditors. The Company ensures strict compliance with all terms of any loan agreement it enters into in a responsible and transparent manner. The Company will not conceal any information or hide any facts that might possibly result in the realization of losses for its creditors.

- **To Business Competitors**

The Company's policy is that it shall treat its business competitors in a manner that is acceptable in accordance with International law and generally accepted principles and standards. The Company shall furthermore operate its business within a fair, but competitive context and shall not take unfair advantage of its business competitors. The framework of this policy has been shaped by related laws and regulations as well as concepts related to generally accepted business codes of conduct. The collection of insider information from a business competitor is expressly prohibited. The policy further prohibits the infringement of intellectual property rights and trade secrets. Furthermore, it includes provisions that prohibit the slandering of business competitors and any form of collusion in conflict with existing laws and regulations.

- **Community and Society**

The Company shall continue to operate its business in a manner that is beneficial to the society and the community in which it operates. The Company shall co-operate with the community and relevant authorities to prevent any business transaction with any party that might be hazardous to the community and the society as a whole.

#### 4. DISCLOSURE OF INFORMATION AND TRANSPARENCY

The Company promotes awareness among Directors, the Management and the employees of the importance of good corporate governance and transparency in their work, and creates appropriate mechanisms to receive complaints and fair treatment both for those who file complaints and those who have been complained against.

The Company offers opportunities for the public to file complaints on improper behavior of Directors, the Management and staff or their violation of Company's business ethics.

- (1) Department Manager and / or Human Resources Manager
- (2) Audit Committee Email: [Audit.Committee@thaipolyacrylic.com](mailto:Audit.Committee@thaipolyacrylic.com)
- (3) Corporate Whistle Blower  
Hotline URL : (Thai site) <https://www.hotline.tokyo.jp/multi/mchc-th/access/login>  
(English site) <https://www.hotline.tokyo.jp/multi/mchc-en/access/login>  
password: MCHCthai

The Company will listen to all complaints equally, transparently, caring and giving fairness to all parties as appropriate action.

The Company discloses information of the Company and financial statements to the Stock Exchange of Thailand completely, accurately, adequately and in time. In addition, the Company has disclosed other information. More to achieve transparency in operation.

1. Allow the investors, community, institutions and interested persons to access the information of the Company through Company website.
2. Recognizing the fact that some Directors reside abroad, and may consequently be excused from attending all Board Meetings, the Board encourages all Directors to attend the meetings when important issues are raised in the meeting agenda, such as the consideration and approval of future investments for plant expansion projects, and the consideration and approval of the annual financial statements and the annual budget proposals, etc.
3. Publish the corporate governance policy and Anti-Corruption policy on the Company's website.
4. Disclose the direct shareholding of directors and executives and indirect shareholding of spouses, or/and minor children of the "Directors Shareholding" and "Executive Shareholding" in Annual Report.
5. The Company has a policy that all directors must report their interests with the Company or that is expected to be immediately available for further in order to consider and disclose.
6. Provide the opportunity for the shareholders to propose matters to be included as agenda items for the Annual General Meeting of Shareholders ("AGM") and to nominate person(s) to serve as the Company's director(s). The criteria and procedures have been disclosed on the Company's websites at <http://www.thaipolyacrylic.com>
7. Appointment for Auditor's Remuneration  
Agenda for an appointment of auditors clearly includes names of auditors, affiliated Company, auditor licenses, experience, auditors' competency, years of auditing for the Company, issues relating to the independence of auditors and auditors' remuneration with the opinion of the Board of Directors according to recommendation of the Audit Committee.

#### 5. BOARD RESPONSIBILITIES

Company has prescribed that the Board shall comprise of 9 Directors consisting of 3 Independent Directors (Company has Independent Directors not less than 3 persons and not less than one third of total directors of the Company), 3 Executive Directors and 3 Non-Executive Directors (Representatives of its major shareholder) Audit Committee is appointed by the Board of Directors, and consists of 3 members and all must be Independent Directors. Nomination and Remuneration Committee will be selected from Board of Directors, and consists of 3 members out of which the Chairman of the Committee and at least one member must be Independent Directors. Nomination and Remuneration Committee serve for 3 years per term.



## TERM OF DIRECTORS

In compliance with the Public Companies Limited Act one third of the directors retire by rotation at the Annual General Meeting every year but are eligible for re-election. It is the policy that the tenure of an Independent Director should not exceed a cumulative term of 9 years from the first day of appointment as Independent Director. Upon completing 9 years, an Independent Director may continue to serve on the Board, subject to the Board's rigorous review of his/her continued independence.

## APPOINTMENT AND DISMISSAL OF DIRECTORS

According to the Company's Articles of Association, one third of Directors shall be retired on the rotation basis at every Annual General Meeting, however, the retired Directors can be re-elected at the Shareholders' Meeting. In the case any Director has tendered a resignation or is to be retired for any other reasons prior to the end of the term, the Board can appoint a succeeding Director and he or she can remain in the position to complete the remaining term of the former Director.

## SEGREGATION OF DUTIES OF THE CHAIRMAN AND THE MANAGING DIRECTOR

To segregate policy-making duties from those of day-to-day management and to enable Directors to oversee, look after and assess performance effectively, the Company requires that the Chairman and the Managing Director are always two distinct and separate persons to ensure the balance of authority. The role of the Chairman is the Head at the policy level and the role of the Managing Director is the Head of Operational Management who look after the daily management of the Company. The Company has decided to appoint Chairman, who is not an Independent Director as defined in the SET guidelines, but whose interests are fully disclosed to the Board. However, the Board has appointed one of the Independent Directors to participate in setting the agendas for Board Meetings

## ORIENTATION FOR NEW DIRECTORS

The Board of Directors establishes an orientation for every new Directors to create knowledge and understanding in the business including the Company's operations such as capital structure, shareholders, performance and system information including laws and regulation that useful for being a Director. This aims to prepare readiness of new Directors, enabling them to recognize their roles and responsibilities. There is a policy to enhance conceptual knowledge so that Directors can hold positions with efficiency.

## SUCCESSION PLAN

The Board of Directors has established a succession plan in the management level and positions in the main line by considering performance, potential and readiness of the individual. The Company has equipped a successor with knowledge development, skills required by job positions so that he or she will take important positions in the future.

## DEVELOPMENT OF DIRECTORS

The Board of Directors has a policy to promote and facilitate training and education for the Directors. In order to improve and perform continually, training courses inside and outside the country are offered to the Directors, enabling them to understand the Directors' performance. Due to the Covid – 19 situation therefore, In 2020 there is no Board of Director participated in Training course.

## POLICY OF DIRECTORSHIP IN OTHER COMPANIES

The Company has carried out policy to allow Managing Director to assume directorship in other companies which the Company invests in, in joint venture companies or any other companies authorized by the Board of Directors to manage those companies according the Company's policies. The directorship in other companies should not disrupt his main duties in the Company.

## **RISK MANAGEMENT**

The Board has established a risk management system and has applied this throughout the Company's operations in order to prevent and manage identified risks. Moreover, the Company has a monitoring and assessment system in place. The Board has assigned the Audit Committee to oversee and audit the risk management system in order to ensure that risks being identified are addressed suitably and sufficiently.

The Audit Committee reviews the risk management processes with relevant department / function and the internal auditor. Its opinion is that the Board maintains adequate risk management practices that are relevant, suitable and sufficient.

### **6.2 Business code of conduct (if any)**

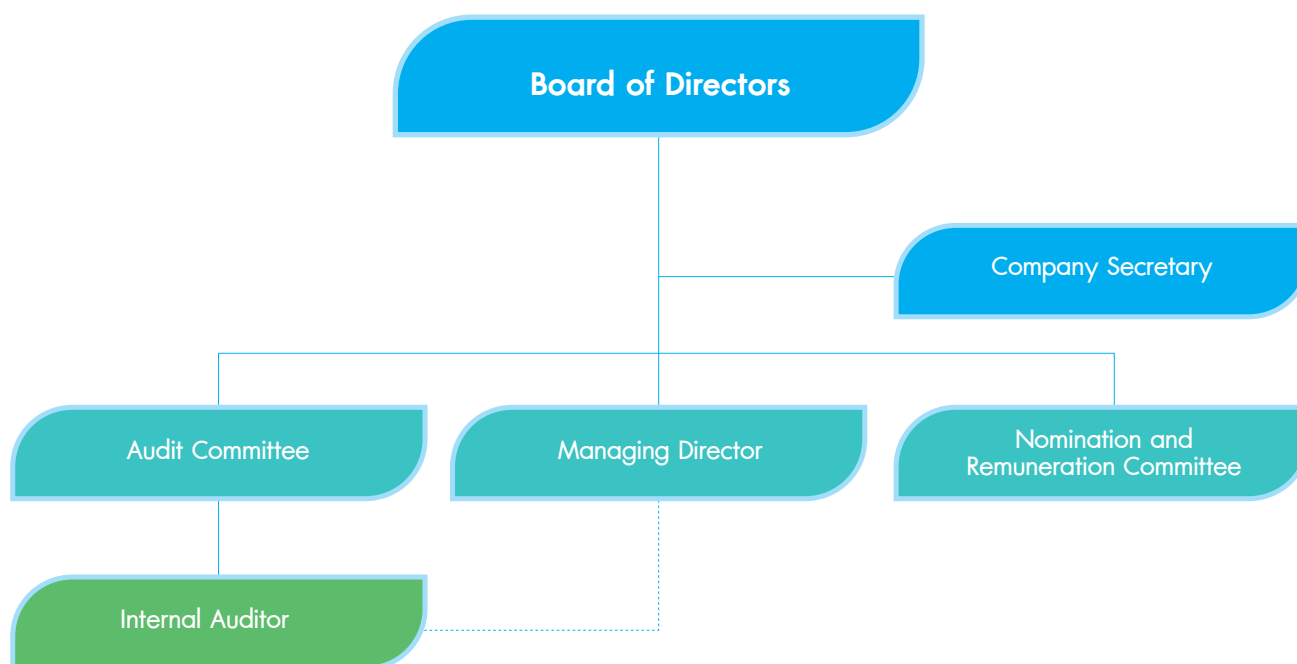
The Company has disclosed the Corporate governance policy, business code of conduct and anti- corruption policy on Company website. For more details, please visit our website <https://www.thaipolyacrylic.com>

### **6.3 Material changes and developments regarding policy, guidelines and corporate governance system in the preceding year**

In 2021, the Company has received an evaluation from Corporate Governance Report of Thai Listed Companies or CGR Checklist by Institution of Director (IOD) scores at 84 from 100 and received the AGM Checklist evaluation scores at 93 from 100 by Thai Investor Association (TIA).

## 7. Corporate governance structure and significant information related to the Board of Directors, Sub Committees, Executives, Employees and others

### 7.1 Corporate Governance Structure



### 7.2 Information on the Board of Directors

#### 7.2.1 Composition of Directors

Board of Directors consists of 9 Directors

Composition	Independent Director 3 Directors	Executive Director 3 Directors	Non – Executive Director 3 Directors
Term of Director	One third of Directors shall be retire on the rotation at the Annual General Meeting every year, however, the retired Directors can be re-election.		
Specific term of Independent Director	Not exceed a cumulative term of 9 years from first day of appointment as Independent Director. However, an Independent Director can continue to serve on the Board subject to the Board's rigorous review of his/her continued independence.		
Appointed by	Annual General Meeting		

### 7.2.2 The information on each director and controlling person

As of 31 December 2021, Board of Directors consists of the following directors as listed below

Name of Directors	Position
1. Dr. Benjamin James Harris	Chairman of the Board of Directors Executive Director
2. Mr. Rakchai Sakulteera	Executive Director Managing Director Company Secretary
3. Mr. Shinya Yano	Executive Director
4. Dr. Anuphan Kitnichiva	Independent Director Chairman of Audit Committee
5. Mr. Jan Dam Pedersen	Independent Director Member of Audit Committee Chairman of Nomination and Remuneration Committee
6. Mr. Jetsada Wongwatanasin	Independent Director Member of Audit Committee Member of Nomination and Remuneration Committee
7. Mr. Dai Oyama	Non-Executive Director Member of Nomination and Remuneration Committee
8. Mr. Adam Jonathan Sloan	Non-Executive Director
9. Mr. Martin Thaysen	Non-Executive Director

#### Scope of Authority and Duties of the Board of Directors

The Board of Directors has an authority to determine and amend the name of the Directors who are authorized to sign on behalf of the Company. The names of Directors who are authorized to sign on behalf of the Company are “Mr. Benjamin James Harris, Mr. Shinya Yano, and Mr. Rakchai Sakulteera”, any two of these three Directors can jointly sign together with the Company’s seal affixed. The names of Directors who are authorized to sign on behalf of the Company are

1. To file a complaint and proceed with legal action on behalf of the Company including to settle a dispute or assign arbitrator to settle any dispute.
2. To purchase, procure, lease, lease out, hold ownership or right of possession, modify, utilize, or carry out anything related to the assets and gains from those assets.
3. To sell, transfer, accept pledge, mortgage, exchange, or distribute assets in other way.
4. To borrow money, guarantee debtors, aval or endorse bills of exchange or other kinds of transferable financial instruments.
5. To bail out Directors, officials, or employees of the Company charged in criminal court cases as a result of their performance carrying out the Company’s business.
6. To hold shares and/or manage other public or private limited companies as well as collaborate with those companies to carry out specified business.
7. To carry out any duties that can only be performed by natural persons in accordance with the Company’s objectives.
8. To prepare the Company’s financial statements, financial documents, and submit evaluation reports on the adequacy of the Company’s internal control system.

### 7.2.3 Duties and Responsibilities of the Board of Directors

1. Define the Company's vision, mission, policies, strategies and business plans as well as to monitor the Company's performance to ensure set targets are achieved.
2. Perform its duties under TPA's Articles of Association, Policies, the resolutions of Board of Directors and shareholders' meetings and supervise the management to achieve the set targets and the budget efficiency and effectiveness of the Company.
3. Protect the interests of the Company by executing the policy to prohibit all directors, executives and employees to conduct any business competing with the Company and not acting in conflict of interest to the Company and ensuring that the Directors, executives and employees of the Company abide by the corporate governance policies and ethical business practices.
4. Voting at the meeting must have a minimum quorum of Directors more than 2 out of 3 of the total number of all Directors who attend in the meeting.
5. The Board of Directors will arrange the evaluation of the Board of Directors to be considered and improved work efficiency.
6. The Board of Directors is responsible for overseeing the succession plan, the highest executive position of the organization with guidelines for actions such as monitoring the progress of the successor, development of competence and readiness in various areas that are necessary to perform in the highest management position as well as academic training continuous.

### 7.2.4 Board Skill Matrix and Diversity

The Board of Directors consists of 9 Directors who have skills that are in line with the Company's business strategy through the Skills Table (Board Skills Matrix) and a variety of education background, experience, without prejudice. Details of the biography of Directors disclosed on attachment 1 the details of Directors.



Business / Management = 9 persons



Industry - Direct = 5 persons



Industry - Related = 4 persons



Strategic Planning = 7 persons



Legal = 2 persons



Accounting - Auditing = 3 persons



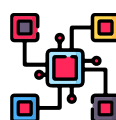
Accounting - other = 4 persons



Finance - Corporate Financial = 5 persons



Finance - Other = 4 persons



Information Technology = 4 persons



Other - Business Law = 2 persons



Economic = 7 persons



Corporate Governance = 9 persons



## 7.3 Information on subcommittees

### 7.3.1 the composition of the sub committees

Management Structure of Company consists of Board of Directors and 2 Subcommittees: Audit Committee, Nomination and Remuneration Committee. Therefore, Company has Management Structure which has Independent Directors, not less than 3 persons and not less than one-third of total directors of the Company. The qualification of each Independent Directors and Audit Committee are complied with the Rules of Notification of the Capital Market Supervisory.

Sub Committee	Audit Committee	Nomination and Remuneration Committee
Qualification	Independent Director and Qualifications are complied with the Rules of Notification of the Capital Market Supervisory.	Member of the Board of Directors and at least one person is an Independent Director
Appointed by	Board of Directors	

### 7.3.2 The composition of Audit Committee

As of 31 December 2021, the Audit Committee comprises of 3 members whose names are listed below:

1. Dr. Anuphan Kitnitchiva Chairman of Audit Committee
2. Mr. Jan Dam Pedersen Member of Audit Committee
3. Mr. Jetsada Wongwatanasin Member of Audit Committee

The Secretary of the Audit Committee is Miss Phen Phenprucksakul, Internal Auditor effective on 1 November 2021 replacing Miss Thanjira Kunathipsritrakool who tendered the resignation as Internal Auditor effective on 31 October 2021.

### Duties and Responsibilities of the Audit Committee

1. To review and ensure that the Company's financial reports are accurate and sufficient.
2. To review and give opinions on good governance, risk management, and internal control in terms of sufficiency and appropriateness in accordance with the Securities and Exchange law and the regulations of the Stock Exchange of Thailand.
3. To review and ensure that the Company complies with the law on Securities and Exchange, the regulations of the Stock Exchange, and the laws applicable to the Company's business.
4. To consider, select and propose for appointment or termination any independent individual to act as the Company's auditor, and to propose the fee for such individual.
5. To have a meeting with the Auditor without the Management present at least once a year.
6. To review and regulate to ensure that associated transactions or transactions, which may involve a conflict of interests, are in compliance with the law and the regulations of the Stock Exchange.
7. To consider the independency of the internal audit, approve appointments, transfers or removals, and consider the merits.
8. To prepare the Audit Committee's report signed by the Chairman of the Audit Committee and publish in the Company's Annual report. The report shall contain at least the following information:
  - 8.1 opinions on the accuracy, completeness and reliability of the financial reports;
  - 8.2 opinions on the sufficiency of good governance, risk management and internal control;
  - 8.3 opinions on compliance with the Securities and Exchange law, the regulations of the Stock Exchange, and the laws applicable to the Company's business;

- 8.4 opinions on the suitability of the auditor;
  - 8.5 opinions on the transactions which may involve conflicts of interest;
  - 8.6 the number of meetings and the attendance of each member of the Audit Committee;
  - 8.7 opinions or overall observations of the Audit Committee derived from the execution in accordance with the charter of the Audit Committee; and
  - 8.8 matters which, in the Audit Committee's opinion, should be made known to the shareholders and general investors within the scope of duties and responsibilities entrusted by the Company's Board of Directors.
9. In the performance of its duties, if the Audit Committee finds or suspects that any transaction or act may significantly affect the financial position and operational results of the Company, the Audit Committee shall report it to the Company's Board of Directors for improvement or correction within a period as the Audit Committee deems fit:
    - 9.1 any transaction involving conflicts of interest;
    - 9.2 any corruption, irregularity or material defect in the internal control system; or
    - 9.3 any violation of the law on Securities and Exchange, the regulations of the Stock Exchange or the laws applicable to the Company's business. Should the Company's Board of Directors or the Management fail to make the improvement within the given period, any member of the Audit Committee may report the transaction or act under 9.1, 9.2 or 9.3 to the Office of the Securities and Exchange Commission or the Stock Exchange of Thailand.
  10. To conduct a self-evaluation at least once a year and report the result to the Company's Board of Directors.
  11. If a member of the Audit Committee wishes to resign before the end of his/her term, a notice should be given to the Company one month in advance with the reasons specified, so that the Company's Board of Directors or the Shareholders' meeting may consider appointing a qualified replacement for the resigning member.
  12. To perform any other work assigned by the Company's Board of Directors, with the approval of the Audit Committee.
  13. To review policies and regulate to ensure that an effective anti-corruption support system is in place, to give advice and monitor the implementation of anti-corruption measures, as well as to receive corruption reports, verify the facts and propose the matter to the Company's Board of Directors for joint consideration on the punishment or solution to the problem.

## **NOMINATION AND REMUNERATION COMMITTEE**

As of 31 December 2021, the Nomination and Remuneration Committee comprises of 3 members whose names are listed below:

- |                              |   |
|------------------------------|---|
| 1. Mr. Jan Dam Pedersen      | Chairman of Nomination and Remuneration Committee |
| 2. Mr. Dai Oyama             | Member of Nomination and Remuneration Committee   |
| 3. Mr. Jetsada Wongwatanasin | Member of Nomination and Remuneration Committee   |

## **Duties and Responsibilities of the Nomination and Remuneration Committee**

1. Search, screen and nominate qualified candidates for Independent Directors to the Board of Directors for approval.
2. Screen candidates nominated by the major shareholders and submit qualified candidates to the Board of Directors for approval.
3. Establish procedures and criteria for nomination of Directors.
4. Submit with opinion, the proposed Director's fees as recommended by the Chairman of the Board and Managing Director of the Company to the Board of Directors for considerations prior to formal approval from the Shareholders Meetings.
5. The Chairman of the Board will propose remuneration for the top Management in consultation with the Committee.
6. To perform any other duties delegated by the Board of Directors of the Company.

## 7.4 Management Team

### 7.4.1 The details of Management Team

As of 31 December 2021, the Management team comprises 17 members whose names are listed below:

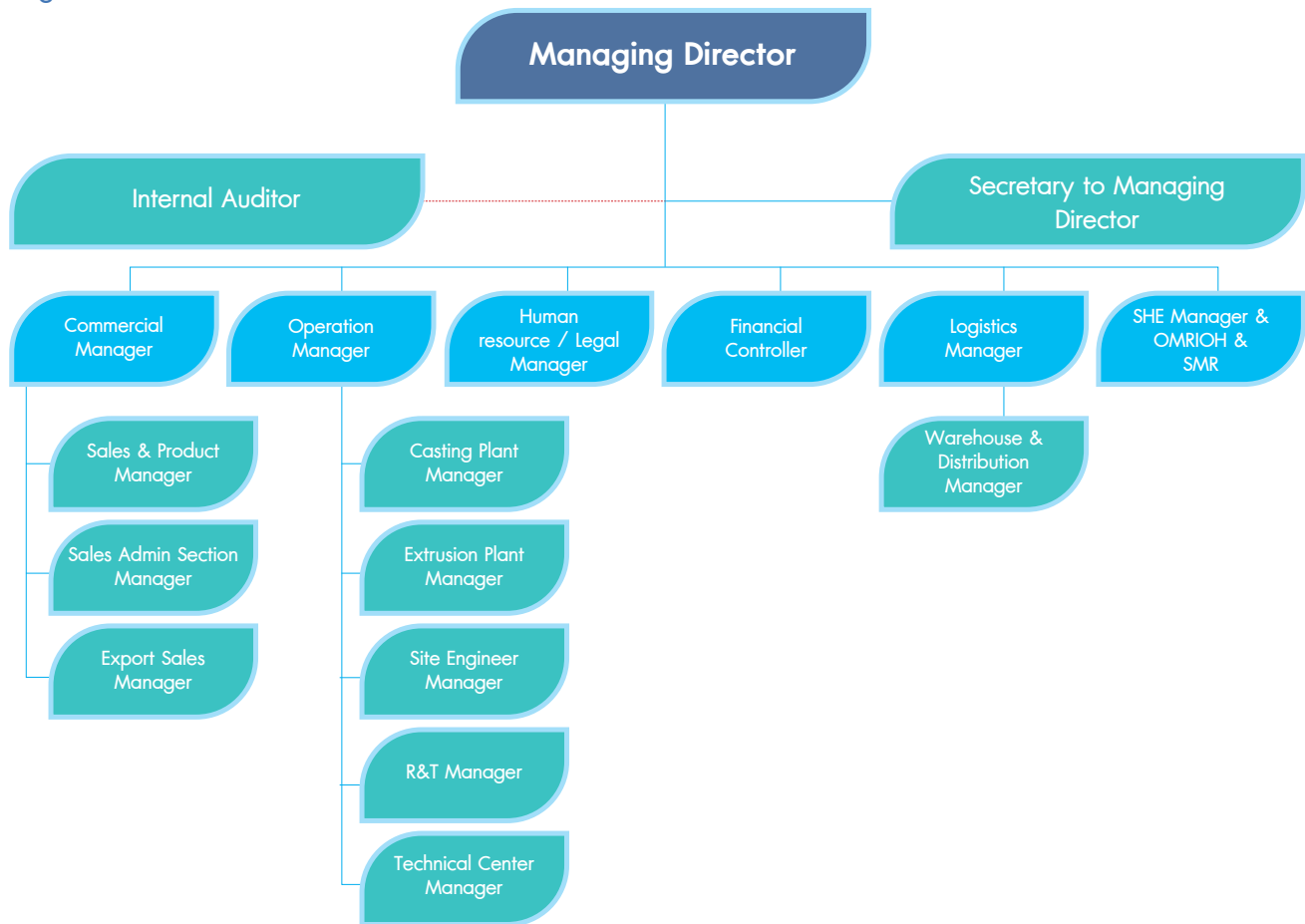
#### Management team

1. Mr. Rakchai Sakulteera	Managing Director
2. Mr. Wiwat Hom la-or	Operations Manager
3. Mr. Thanawat Kulprasertat	Human Resource/Legal Manager
4. Mr. Apichai Srimahunt	SHE Manager & QMR/OH & SMR
5. Mr. Sorachai Wiboonchutikul	Commercial Manager
6. Ms. Surawadee Leethaweekul	Financial Controller
7. Mr. Yotin Tamrongsawapark	Casting Plant Manager
8. Mr. Phairat Kumdee	Extrusion Plant Manager
9. Mr. Pongthorn Chuencharoen	Site Engineering Manager
10. Ms. Noungrutai Boonpetch	Research & Technical Manager
11. Mr. Wittaya Mongkolkachit	Technical Center Manager
12. Mr. Udomsak Tienchan	Warehouse & Distribution Manager
13. Mr. Pongsun Assavasirijinda	Sales & Product Manager
14. Ms. Janjira Thumsorn	Export Sales Manager
15. Ms. Sompong Assavasirijinda	Sales Admin Section Manager (Domestic)
16. Ms. Chanyanat Chongrungruengsawai	Procurement Manager
17. Ms. Intiporn Tanampai	Secretary to Managing Director

#### Remark:

1. Mr. Thanetr Khumchoedchoochai has tendered the resignation as Logistic Manager effective on 30 November 2021
2. Miss Thanjira Kunathipsritrakool has tendered the resignation as Internal Auditor effective on 31 October 2021

## Organization chart



### MANAGING DIRECTOR

On 19 February 2020, the Board of Directors of Thai Poly Acrylic Public Company Limited by suggestion of the Company's Nomination and Remuneration Committee passed the resolution to approve the appointment of Mr. Rakchai Sakulteera as Managing Director effective from 1 January 2020.

#### Roles and Responsibilities of Managing Director

1. To consider the appointment, transfer, dismissal, discharge, and approval of resignations of the Company's employees at every level.
2. To consider remunerations including salary, bonus, and other benefits as well as annual remuneration adjustments of the Company's employees at every level.
3. To approve the determination and changes in conditions on trade as assigned by the Board of Directors.
4. To consider and approve the purchasing of fixed assets within the signing authority as assigned by the Board of Directors.
5. To consider and carry out any operation related to general management of the Company except the acquisition and sale of the Company's assets and other connected transactions that must be operated in accordance with the notification of the Securities Exchange of Thailand and other related laws.

#### Management Selection

The Selection of Management is the responsibility of the Managing Director as described in the Scope of authorities of the Managing Director

#### 7.4.2 Remuneration for Management and Employee

- The Policy of Remuneration for the Board of Directors is under the responsibility of the Nomination and Remuneration Committee.
- The policy of Remuneration for Management and Employee is under the responsibility of the Managing Director.

### 7.4.3 Remuneration for Management and Employee

#### Management Remuneration

- Remuneration in cash

In 2021, the Company paid remuneration in cash for Management as listed below :

Management Remuneration	Remuneration (Baht)
Salary, Bonus and other benefits	21,866,370.00
Provident Fund	1,132,579.00
Total	22,998,949.00

- Other Remuneration (ESOP EJIP)

None

- Employee remuneration

Employee Remuneration	Remuneration (Baht)
Salary, Bonus and other benefits	87,629,665.00
Provident Fund	3,694,314.00
Total	91,323,979.00

Apart from the remuneration in cash, the Company provides the good welfare and benefit to all employees, including the safe workplace, health insurance and also the skill development. The Company is listed as the member of Personnel Management Association of Thailand (PMAT) and also annually performs the salary survey to ensure that the remuneration of each level is up to current market rate.

The Company has established a performance appraisal system on both department level and individual level by setting the standards and goals to monitor the development and progress of employees performance. The assessments will measure the individual performance to ensure that personal performance is aligned with the organization's direction governing credibility, accuracy, fairness and motivation to all employees.

### 7.5 Employees Development Policy

AS of 31 December 2021, the Company has employees (included management) in total of 271 persons, and can classify as listed below:

Administration	36 persons	Production	235 persons	Total	271 persons
Male	9 persons	Male	159 persons	Male	168 persons
Female	27 persons	Female	76 persons	Female	103 persons

The Company has provided its staff with training so that they will recognize their responsibility in the safe and efficient operation of the plant, in operating the plant to be compliant with relevant legislation and to ensure consistency of product quality and to continuously improve all aspects of the manufacturing and commercial operations so as to and in serve and meet customers' expectations. According to the Company's policy and annual training plan, the Company has program covering people training, health and safety in work plan, process changes and new process technology in order to increase an improve employees to be in line with the needs and objectives of the business.



The Company conducted employee training by lecturer in 2021 totalling 987.50 hours and involving training expenses in an amount of Baht 20,500.00 as listed below.

Training Topics	Training hours by lecturer
Management / Procedure and Work Instruction	885.00
SHE / License	102.50
Total	987.50

In 2021, the Company conducted the employee training totalling 6,019.50 hours

Training hours by gender	Training hours
Male	5,649.50
Female	370.00

### Labor Disputes

The Company does not have any significant change on number of employees or any major labor disputes within the past 3 years.

## 7.6 Other significant information

### 7.6.1 The name of the person assigned to take direct responsibility for company secretary

- Company Secretary

In order to comply with the Securities and Exchange Act (No.4) B.E. 2551, at its meeting on 11 November 2017 the Board passed a resolution to appoint Mr. Rakchai Sakulteera, as Company Secretary.

#### Qualification of Company Secretary

1. Having well-rounded knowledge and understanding of the Company's businesses.
2. Understand the roles and duties of the Company Secretary.
3. Having knowledge and understanding concerning legal matters, regulations of the Stock Exchange Control and the Stock Exchange of Thailand.
4. Do not exploit the Company's business opportunity for personal benefits as well as preserve the confidential information of the Company.
5. Having good human relationship and can coordinate and contact with other agencies inside and outside the Company.
6. Possess English proficiency.

#### Duties and Responsibilities

1. Preparing agenda and supporting documents for the Board of Directors' meeting and Shareholders' meeting.
2. Arranging and coordinating the Board of Directors' meeting, Shareholders' meetings as well as coordinate to ensure all resolutions have been implemented and complied with in accordance with the Company's objectives, Articles of Association and the relevant laws and regulations.
3. Monitoring the appointment of Directors and change of Directors' terms and arranging for the registration of the change of directors with the relevant authorities.

4. Preparing and keeping the following documents :
  - (a) Register of Directors.
  - (b) Notice calling Directors' Meeting, Minutes of Board of Directors' Meeting and an Annual report of the Company.
  - (c) Notice calling Shareholders' Meetings and Minutes of Shareholders' Meetings.
5. Ensuring that the Directors and Executives have filed reports on their interest as required by law.
6. Keeping the reports on interest filed by Directors and Executives as well as
7. Submitting a copy of such report to the Chairman and the Chairman of the Audit Committee within 7 business days from the date on which the Company has received the reports.
8. Performing any other acts as specified in the notification of the Capital Market Supervisory Board.
  - **The name of the person assigned to take direct responsibility for Accounting**
    - the details are disclosed on part 4 Certification of Information (Attachment 1)
  - **The name of the person assigned to take direct responsibility for Internal Auditor**
    - the details are disclosed on part 4 Certification of Information (Attachment 3)
  - **The name of the person assigned to take direct responsibility for Compliance**
    - the details are disclosed on part 4 Certification of Information (Attachment 3)

#### 7.6.2 Identify the name of the head of investor relations and contact information

- Secretary to Managing Director  
Thai Poly Acrylic Public Company Limited  
60-61 Moo 9, Phutthamonthon 4 Rd. Krathumlom, Sam Phran, Nakhonpathom 73220, Thailand

#### 7.6.3 Describe the remunerations that the auditor

- Audit fee

The Company paid the audit fee to the EY office Limited in fiscal year 2021 for Baht 1,480,000 and no other non-audit service. The Auditors did not receive any other remuneration from the Company.

Unit: Baht

Remunerations	2021	2020
Audit fee	1,480,000	1,480,000
Other non audit service	-	-
Total	1,480,000	1,480,000

## 8. Report on key operating results on corporate governance

### 8.1 Summary of duty performance of the Board of Directors in the past year

In 2021, the Company has operated according to the good corporate governance plan which can be summarized as follows:

#### 8.1.1 Selection, development and evaluation of duty performance of the Board of Directors.

##### The selection of the Board of Directors

The selection and election of the Directors shall proceed through the Shareholders' Meeting. The Nomination and Remuneration Committee reviews candidates for Director position based on appropriate skills, knowledge and relevant experience. After reviewing their work experience, The Nomination and Remuneration Committee proposes candidates deemed suitable to the Board of Directors for their approval prior to the Board proposed them to the Shareholders' Meeting for approval by the shareholders.

### The criteria and procedure for the appointment of Directors are as follows

- 1) One shareholder's share is good for one vote.
- 2) In the election of Directors, the method of voting is to elect individual Director on person at a time or collectively, several persons at a time, or any other method as the Shareholders' Meeting may see fit: but in passing each resolution, it must be voted on with all the votes entitlements under no. 1. The votes may not be divided between persons or groups to any extent.
- 3) The election of Directors shall be decided by a majority of votes. In case of tied votes, the Chairman of the meeting shall be entitled to a casting vote. In accordance with clauses 22 and 50 of the Company's Articles of Association, one-third of the Directors shall retire from the office at every Annual General Meeting of the Shareholders. The Retiring Directors shall be those who have been longest in the office on the rotation basis. The Chairman shall request for the election of new Directors until the vacant positions are filled.

### COMPOSITION OF THE BOARD OF DIRECTORS

Company has prescribed that the Board shall comprise of 9 Directors consisting of 3 Independent Directors (Company has Independent Directors not less than 3 persons and not less than one third of total directors of the Company), 3 Executive Directors and 3 Non-Executive Directors (Representatives of its major shareholder)

Audit Committee is appointed by the Board of Directors, and consists of 3 members and all must be Independent Directors.

Nomination and Remuneration Committee will be selected from Board of Directors, and consists of 3 members out of which the Chairman of the Committee and at least one member must be Independent Directors. Nomination and Remuneration Committee serve for 3 years per term.

### QUALIFICATIONS OF DIRECTORS

1. Directors must be qualified, experienced professionals from various fields, demonstrating breadth of vision and leadership as well as a proven record of ethical integrity. Furthermore, such persons should have good communication abilities and being capable of expressing themselves professionally. Each director must hold not more than five (5) directorships in other listed companies.
2. Audit Committee must consist of 3 Independent Directors. The Independent Directors must be qualified under the SET's guidelines governing the qualifications and scope of the operation of an Audit Committee. At least one person should have adequate expertise and experience to review the credibility of the financial reports.
3. Independent Directors must be qualified under the SET's guidelines governing the qualifications and scope of the operation of the Audit Committee as follows:

- Holding shares not exceeding one per cent of the total number of shares with voting rights of the applicant, its parent company, subsidiary, affiliate, major shareholder or controlling parties, including shares held by related persons of such independent director.

- Neither being nor used to be an executive director, employee, staff, advisor who receives salary, or controlling parties of the company, its parent company, subsidiary, affiliate, major shareholder or controlling parties. Exception: It has been at least two years after the person has held the position.

- Neither by blood nor legally registered with other directors, executives, major shareholders, controlling parties, or persons who will be nominated as directors, executives, or controlling parties of the company or subsidiary.

- Neither having nor used to have a business relationship with the company, its parent company, subsidiary, affiliate major shareholder or controlling parties, in the manner which may interfere with his independent judgement, and neither being nor used to be a significant shareholder or controlling person of any person having a business relationship with the company, its parent company, subsidiary, affiliate major shareholder or controlling parties. Exception: It has been at least two years after the person has held the position.

- Neither being nor used to be an auditor of the company, its parent company, subsidiary, affiliate, major shareholder or controlling parties, and not being a significant shareholder, controlling person, or partner of an audit firm which employs auditors of the company, its parent company, subsidiary, affiliate, major shareholder or controlling parties. Exception: It has been at least two years after the person has held the position.
- Neither being nor used to be a provider of any professional services including those as legal advisor or financial advisor who receives service fees exceeding two million baht per year from the company, its parent company, subsidiary, affiliate, major shareholder or controlling parties, and not being a significant shareholder, controlling person or partner of the provider of professional services. Exception: It has been at least two years after the person has held the position.
- Not being a director appointed as representative of directors of the applicant, major shareholder or shareholder who is related to major shareholder.
- Not currently be operating under similar business nature and significant competition to the company or subsidiary; or not a significant partner of the partnership, executive director, salaried worker, employee, or consultant; or holding more than 1% of voting shares of any other companies operating under similar business nature and significant competition to the company and subsidiary.
- Not having any other characteristics which cause the inability to express independent opinions with regards to the company's business operations.

#### TERM OF DIRECTORS

In compliance with the Public Companies Limited Act one third of the directors retire by rotation at the Annual General Meeting every year but are eligible for re-election. It is the policy that the tenure of an Independent Director should not exceed a cumulative term of 9 years from the first day of appointment as Independent Director. Upon completing 9 years, an Independent Director may continue to serve on the Board, subject to the Board's rigorous review of his/her continued independence.

#### APPOINTMENT AND DISMISSAL OF DIRECTORS

According to the Company's Articles of Association, one third of Directors shall be retired on the rotation basis at every Annual General Meeting, however, the retired Directors can be re-elected at the Shareholders' Meeting. In the case any Director has tendered a resignation or is to be retired for any other reasons prior to the end of the term, the Board can appoint a succeeding Director and he or she can remain in the position to complete the remaining term of the former Director.

#### DEVELOPMENT OF DIRECTORS

The Board of Directors has a policy to promote and facilitate training and education for the Directors. In order to improve and perform continually, training courses inside and outside the country are offered to the Directors, enabling them to understand the Directors' performance. Due to the Covid – 19 situation therefore, In 2021 there is no Board of Director participated in Training course.

#### SELF ASSESSMENT OF DIRECTORS

In accordance with the SET's corporate governance principles for listed companies, the Board of Directors makes annual overall self-assessment of performance. This Self - Assessment form is complied with the guideline of the Stock Exchange of Thailand. The conclusion of the overall performance assessment for 2021 was 4.61 out of 5 or equal to 92% (the score of 2020 was 4.53 out of 5). The assessment criteria are divided into 6 main areas as follows (1) structure and qualification of the board (2) Roles and Responsibilities of the Board (3) The Board of Directors Meeting (4) Duties of Directors (5) Relationship with Management (6) Self Development of the Board and the Management.

Audit Committee acted in compliance with the Charter of the Audit Committee and in accordance with SET's guidelines governing the qualifications and scope of the operation of the Audit Committee.

The results from the assessment will be used for planning, developing, and improving the roles and responsibilities of the Board of Directors.

### 8.1.2 Meeting attendance and remuneration payment to each Board member

The Company has scheduled all Board of Directors' Meeting in advance throughout the year, allowing the Directors to allocate time and attend meeting. Unless there is a special agenda, the Chairman of the Board of Director or Directors required by law can hold additional meetings as necessary. The meetings of the Board of Director or Directors, at least half of the total members must be presented to constitute a quorum.

The Board of Directors' Meeting has meetings in every 3 months according to the Company's Articles of Association, and Audit Committee meeting shall have the duty to arrange meetings at least 4 times a year. The Company Secretary or Audit Committee's secretary will send a letter of meeting invitation together with the agenda and meeting documents to members at least 7 days in advance so that the Board or Director could have sufficient time to study the information before attending each meeting.

- The Nomination and Remuneration Committee will be meeting at least 2 times a year.
- On Monday 8 November 2021, the Company had organized a meeting with no participation of management team concerned. The Meeting without management concerned will be conducted at least once a year.

The details of Board of Directors' Meeting and Sub Committees' Meeting are as follows:

Name	Board of Directors' Meeting via online	Audit Committees' Meeting via online	Nomination and Remuneration Committees' Meeting via online	Annual General Meeting of Shareholders at S.D.Avenue Hotel
Number of meeting	4 times by quarter	4 times by quarter	2 times/year	1 time/ year
Dr. Benjamin James Harris	4/4			0/1
Mr. Rakchai Sakulteera	4/4			1/1
Mr. Shinya Yano	4/4			1/1
Mr. Dai Oyama	4/4		2/2	0/1
Mr. Adam Jonathan Sloan	4/4			0/1
Mr. Martin Thaysen	4/4			0/1
Dr. Anuphan Kitnitchiva	4/4	4/4		0/1
Mr. Jan Dam Pedersen	3/4	4/4	2/2	0/1
Mr. Jetsada Wongwatanasin	4/4	3/4	2/2	1/1
Attendance rate	97%	92%	100%	33%

### REMUNERATION FOR DIRECTORS

The Company has a policy to pay remuneration for directors both in terms of remuneration for Independent Directors and meeting allowance per time (only for attendants) which will pay only 3 Independent Directors. The Remuneration for Directors will be at the rate specified in each year as approved by Shareholders' Meeting. For other Directors who is not the Independent Director but being a director who has been selected and appointed by the Management of the Company or being a representative director of a major Shareholders which received compensation and other forms of benefits from the employment of the Company or from the representative of the major shareholder, they will not receive any remuneration or meeting allowance in any way.



According to the resolution from 2021 Annual General Meeting of Shareholders hold on 22 April 2021 was approved the Remuneration and Meeting Allowance of Independent Directors for the year 2021 as follows:

Remuneration	2021
1. Remuneration of	(per person/ year)
- Chairman of Audit Committee	Baht 460,000
- Independent Directors	Baht 460,000
2. Meeting Allowance of Sub-Committee	(per person/meeting)
- Chairman of Audit Committee	Baht 10,000
- Chairman of Sub-Committee	Baht 10,000
- Independent Directors	Baht 8,000

#### The Remuneration and Meeting Allowance of Independent Directors for the year 2021

(Unit: Baht)

Name	Position	Remuneration for Independent Directors	Meeting Allowance
Dr. Anuphan Kitnitchiva	Independent Director Chairman of Audit Committee	460,000.00	80,000.00
Mr. Jan Dam Pedersen	Independent Director Member of Audit Committee Chairman of Nomination and Remuneration Committee	460,000.00	124,000.00
Mr. Jetsada Wongwatanasin	Independent Director Member of Audit Committee Member of Nomination and Remuneration Committee	460,000.00	72,000.00
Remuneration and Meeting Allowance in Total		1,380,000.00	276,000.00

#### Other Remuneration (ESOP EJIP)

- None

#### 8.1.3 Supervision of subsidiaries and associated companies

- The Company has no supervision of subsidiaries and associated companies.

#### 8.1.4 Monitoring of compliance with the corporate governance policy and guidelines

##### 8.1.4 (1) Prevention of conflicts of interest

The company has set a clear policy that, employees (including Directors, Managers, and all company representatives) must avoid entering into any situations in which their personal or financial interests may conflict with company. Employees dealing with customers, suppliers, contractors, competitors or any person doing, or seeking to do, business with company are to act in the best interests of company and must disregard any personal preference or advantage. Where any potential conflict of interest may arise or have any enquiry, the employee should declare that interest and seek advice from their managers or HR manager.

#### 8.1.4 (2) Use of inside information to seek benefits

##### INSIDER INFORMATION POLICY

Insider trading is both illegal and unethical. Securities laws and Company policy prohibit the buying or selling of securities on the basis of material, non-public information. Directors, officers and any other employees, at any level, who are aware of non-public material information related to the Company or any other businesses, may not, directly or indirectly, use such material non-public information in purchasing or selling any securities of the Company or these businesses. Directors, officers and any other employees prohibited from purchasing or selling the securities of the Company or other businesses because they possess material, non-public information, may not have any other person purchase or sell securities on their behalf. Any purchases or sales made by another person on their behalf will be attributable to them. Material non-public information may not be disclosed to any person outside the Company (including relatives, friends or business associates and regardless of the purpose for which such disclosure may be made) until authorized Company officials have adequately disclosed the information to the public.

The Company established and communicated the Inside information and Securities Trading Policy for the Company's Directors, Executives and employees for acknowledgement and strict compliance as follows:

(1) All Directors, Executives and employees must strictly comply with the prohibition of insider trading in securities prescribed in the Securities and Exchange Act B.E.2535 (1992)

(2) The person specified by the Company is prohibited to trade the Company's securities within 30 days prior to the disclosure of quarterly and annual financial statements and other periods which will be occasionally specified by the Company unless in some necessary situations or complying with the law or being under the court's order, the Compliance Unit shall notify the prohibited securities trading period in advance.

Designated person(s) means the following person(s) with positions or duty that knows the Company's inside information (including spouse and non-full age children of the said person) as follows:

- (a) Director
- (b) Executive
- (c) Executive and employee of the Company who knows the Company's inside information
- (d) Spouse and non-full age children of the person specified by the Company under Clause (a)-(c)
- (e) All executives and employees who attend the meetings of the Board of Directors and/or the meetings of Sub-Committees
- (f) Any other persons specified by the Company

(3) In reporting the securities holding, any designated person shall report their holding of the Company's securities (including securities possession of his/her spouse and non – full age children) as follows:

**The initial securities holding report: The report must be submitted to the Company Secretary as following conditions:**

- In case of Directors and Executive, they shall report within 7 working days from the position appointment date by filling in the form of the Conflict of interest Report (Form 89/14) and attaching their personal profile.
- In case of any designated person other than Directors and Executives, he/she shall report within 7 working days from the date notified by the Company Secretary by filling the form of the Company's Securities Holding Change Report.

**Reporting when having changes: The report must be submitted to the Company Secretary within 3 working days from the securities trading date as follows:**

- In case of Directors and Executives, they shall use the form of the Conflict of interest Report (Form 89/14) and attaching personal profile of Director.
- In case of any designated person other than Directors and Executives, he/she shall use the form of Company's Securities Holding Change Report.

(4) All Directors and Executives are responsible in reporting their own holding of the Company's Securities, including their spouse and non-full age children's holding of the Company securities and also reporting their change of securities holding to the office of SEC in accordance with Section 59 of the Securities and Exchange Act B.E.2535 (1992).

(5) The Company Secretary is required to prepare copies of Securities Holding Report as mentioned in Clause (3) and submit to the Chairman of the Board of Directors, the Chairman of the Audit Committee and the Chairman of the Board of Executives within 7 working days from the date of receiving reports, and the report to the Board of Directors for acknowledgement in the next meeting.

(6) Any Director, Executive or employee who violates this policy may be considered for disciplinary punishment up to dismissal, and may be liable both for criminal and civil cases in accordance with the Securities and Exchange Act, B.E.2535 (1992) In case the group of person mentioned on No. (2) would like to purchase the Company's Securities or have any questions, they can contact Senior Manager or Company Secretary Department.

#### **SUPERVISION ON THE USE OF INSIDE INFORMATION**

The company has announced a policy since 1996 that the executives and employees of the company to comply to the rules and regulations of the company. "Work ethics", also known as "Business Ethic", employees must comply with the Company instructions and guidelines. All employees are responsible for learning to understand the applicable directives. Information produced within the Group is the property of the Company and cannot be shared with outsiders by employees. (except in the case of documents required by law) without permission from the authorized person directly. Employees must comply with the instructions strictly. Employees must not use confidential information obtained from their work as an employee for personal advantages.

#### **8.1.4 (3) ANTI-CORRUPTION POLICY**

The Company shall operate its business with integrity, morality, and under principles of good governance to promote continuing sustainable growth, and corporate social and environmental responsibility.

On 9 October 2015, the Company formulated the Anti-Corruption Policy and enforced to all employee and agents throughout the world to not offer, promise to pay cash, or transfer any benefits (including service rendered, gifts, entertainment to government or other units), with objective to receive or maintain unappropriated benefits related to business. This includes payment or transfer benefit through third party.

The Board of Directors passed a resolution to declare an intent to join Thailand's Private Sector Collective Action Coalition Against Corruption (CAC). The Company has received a notice of recertificate for a period of 3 years from September 30<sup>th</sup>, 2020 till September 30<sup>th</sup>, 2023.

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

Complaints, information and questions relating to corruption may be directed to:

1. Your direct manager, the Human Resources Manager.
2. The Audit Committee, email: [Audit.Committee@thaipolyacrylic.com](mailto:Audit.Committee@thaipolyacrylic.com)
3. Secretary to the Managing Director, postal address: 60-61 Moo 9, Putthamonthon 4 Road, Krathumlom Sub-District, Sampran District, Nakornpathom Province 73220
4. The Company's website at [www.thaipolyacrylic.com](http://www.thaipolyacrylic.com)
5. Hotline URL: (Thai site) <https://www.hotline.tokyo.jp/multi/mchc-th/access/login>  
(English site) <https://www.hotline.tokyo.jp/multi/mchc-en/access/login>  
password: MCHCthai

The Company will process the complaints or information from these channels through the inquiry procedures and respond to the complainant or information within 30 days in a confidential manner, and will provide justice and protection for the employee or any other person who has given information or evidence on the corruption related to the Company.

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

### **8.2.1 Specify the total number of the Audit Committee's meetings and the attendance**

In 2021, The Audit Committee hold the meeting at 4 times by quarter equal to 92% of the meetings and submit the report to Board of Directors every times. The details of attendance are as follows:

1. Dr. Anuphan Kitnitchiva	Chairman of Audit Committee	attend the meeting 4/4 times
2. Mr. Jan Dam Pedersen	Member of Audit Committee	attend the meeting 4/4 times
3. Mr. Jetsada Wongwatanasin	Member of Audit Committee	attend the meeting 3/4 times

### **8.2.2 Describe the results of duty performance of the Audit Committee.**

- The results of duty performance of the Audit Committee is disclosed on part 4 Certification of Information (attachment No. 6 Report of Audit Committee).

## **9. Internal control and related party transactions**

### **9.1 Internal control**

The Board of Directors and the Management give the importance to internal control. The Company has continuous monitoring and supervision as it realizes that an internal control system is an important mechanism that enables the Company to conduct business and achieve its objectives, reliable financial and operational data reporting, compliance with laws, rules and regulations and prevention or mitigation of risks from actions that may cause loss to the Company's properties and reputation. Internal control evaluates performance based on Good Corporate Governance (GCG) and Collective Action Coalition Against Corruption (CAC). The Board of Directors has clearly defined roles and responsibilities and the Directors shall comply with such roles and responsibilities. The Company clearly defines structure of organization, committee and the Management and monitors work lines in order to balance the authority and internal control appropriately, leading to appropriate work.

The Board of Directors appoints the Audit Committee to supervise and manage the internal control system, risk management system, corporate governance and compliance with the Company's policy and anti-corruption measures to ensure its appropriateness and effectiveness. The internal control also requires the Company to comply with related regulations and laws. It ensures that there will be no conflict of interest, relate transaction and use of properties to prevent fraud or misconduct. The Company has established the Internal Auditor (as present, the Internal Auditor is Miss Phen Phenplugsakul) who is an independent auditor directing working under the Audit Committee, to inspect and evaluate sufficiency of internal control systems, risk management system, corporate governance in all departments in the Company. This is to ensure that operations employ sufficient and appropriate with overall performance, and ensure that the internal control systems are fully operated as defined so that immediate solution can be proceeded in a timely manner. (supervise results on above are disclose in Audit Committee report)

## 9.2 Related party transactions

The material related party transactions consist of the transactions carried out with Mitsubishi Chemical Holding Corporation Group and Asiatic Acrylic Company Limited.

During the years, the Company had significant business transactions with related parties. Such transactions, which are summarized below, arose in the ordinary course of business and were concluded on commercial terms and bases agreed upon between the Company and those related parties.

### 1. Transactions with related parties for the year ended 31 December 2021

(Unit : Million Baht.)

Parties that might cause the conflict	Relationship	Type of transaction	Transaction Value	Price Policy	Reason
Lucite International (Shanghai) Trading Company Limited	Shareholder is MCC Methacrylates UK Overseas Holdco Limited*	Service expenses	0.17	Contract price and as agreed.	To expand the business in China.
Mitsubishi Chemical UK Limited	Shareholder is MCC Methacrylates UK Overseas Holdco Limited*	Service expenses	1.29	Contract price and as agreed.	Contract price and as agreed. To expand the business in United Kingdom
Mitsubishi Chemical Methacrylates Singapore Pte. Ltd.	Shareholder is MCC Methacrylates UK Overseas Holdco Limited*	Service expenses	0.10	Contract price and as agreed.	To expand the business in Singapore.
Thai MMA Company Limited	Mitsubishi Chemical Holding Corporation Group	Purchase of raw materials	337.83	As agreed with reference to market price.	Quality and prevent loss of raw material supply.
Diapolyacrylate Company Limited	Mitsubishi Chemical Holding Corporation Group	Purchase of raw materials	4.51	As agreed with reference to market price.	Quality and prevent loss of raw material supply.
Mitsubishi Chemical (Thailand) Company Limited	Mitsubishi Chemical Holding Corporation Group	Purchase of spare parts and factory supplies	4.51	As agreed with reference to market price.	Quality and prevent loss of raw material supply.

\*formerly known as Lucite International UK Overseas Holdco1 Limited.



2. The balances of the accounts between the Company and those related parties as at 31 December 2021 as follows:

(Unit : Million Baht.)

Parties that might cause the conflict	Relationship	Type of transaction	Transaction Value	Price Policy	Reason
Thai MMA Company Limited	Mitsubishi Chemical Holding Corporation Group	Trade Accounts Payable	105.20	As agreed with reference to market price	Quality and prevent loss of raw materials supply
Diapolyacrylate Company Limited	Mitsubishi Chemical Holding Corporation Group	Trade Accounts Payable	1.30	As agreed with reference to market price	Quality and prevent loss of raw materials supply

ded 100%



map navigation



world data

Finance Business Culture  
Weather Sport News Video  
Audio Technics Films  
Electronics Shopping Design  
Mail Internet Maps Radio  
TV Work Travel Tech  
Entertainment Security  
Global Music Companies  
Songs Graphics Vacancy  
Job Data Games People

statistics



# financial statements

Thai Poly Acrylic Public Company Limited

## Business solutions

- money transfer
- net banking
- strategic planning
- statistics
- video conferencing
- e-mail, ftp
- database working

## Entertainment

- films
- music
- games
- e-books
- chats

## Internet

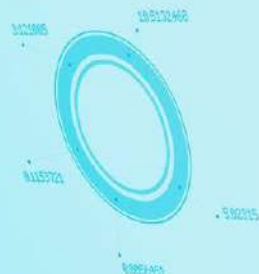
- websites
- hosting
- banners
- searching systems
- blogs
- chats
- applications

## Business solutions

- money transfer
- net banking
- strategic planning
- statistics
- video conferencing
- e-mail, ftp
- database working

## Security

- vpn
- database



# Thai Poly Acrylic Public Company Limited

## Statement of financial position

As at 31 December 2021

			(Unit: Baht)
	<u>Note</u>	<u>2021</u>	<u>2020</u>
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	7	74,856,494	142,246,712
Trade and other receivables	8	237,806,621	296,768,010
Inventories	9	106,192,484	122,984,222
Other current financial assets - fixed deposit	10	38,002,429	37,861,867
Other current assets		<u>7,258,252</u>	<u>9,320,438</u>
<b>Total current assets</b>		<u>464,116,280</u>	<u>609,181,249</u>
<b>Non-current assets</b>			
Other non-current financial assets		303,018	303,018
Property, plant and equipment	11	242,483,488	250,208,082
Intangible assets - computer software		400,001	657,960
Deferred tax assets	20	<u>5,748,817</u>	<u>8,791,071</u>
<b>Total non-current assets</b>		<u>248,935,324</u>	<u>259,960,131</u>
<b>Total assets</b>		<u><u>713,051,604</u></u>	<u><u>869,141,380</u></u>

The accompanying notes are an integral part of the financial statements.

# Thai Poly Acrylic Public Company Limited

## Statement of financial position (continued)

As at 31 December 2021

			(Unit: Baht)
	<u>Note</u>	<u>2021</u>	<u>2020</u>
<b>Liabilities and shareholders' equity</b>			
<b>Current liabilities</b>			
Trade and other payables	12	187,286,718	293,999,689
Current portion of lease liabilities	13	1,924,209	1,575,414
Income tax payable		-	9,338,458
Advance received from customers		2,455,434	6,060,353
Other current liabilities		1,570,222	1,827,344
<b>Total current liabilities</b>		<u>193,236,583</u>	<u>312,801,258</u>
<b>Non-current liabilities</b>			
Lease liabilities, net of current portion	13	2,888,652	2,215,807
Provision for long-term employee benefits	14	37,735,737	43,173,316
<b>Total non-current liabilities</b>		<u>40,624,389</u>	<u>45,389,123</u>
<b>Total liabilities</b>		<u>233,860,972</u>	<u>358,190,381</u>

The accompanying notes are an integral part of the financial statements.

# Thai Poly Acrylic Public Company Limited

## Statement of financial position (continued)

As at 31 December 2021

			(Unit: Baht)
	<u>Note</u>	<u>2021</u>	<u>2020</u>
<b>Shareholders' equity</b>			
Share capital			
Registered			
121,500,000 ordinary shares of Baht 1 each		<u>121,500,000</u>	<u>121,500,000</u>
Issued and fully paid			
121,500,000 ordinary shares of Baht 1 each		121,500,000	121,500,000
Share premium		233,350,000	233,350,000
Retained earnings			
Appropriated - statutory reserve	16	12,150,000	12,150,000
Unappropriated		<u>112,190,632</u>	<u>143,950,999</u>
<b>Total shareholders' equity</b>		<u>479,190,632</u>	<u>510,950,999</u>
<b>Total liabilities and shareholders' equity</b>		<u>713,051,604</u>	<u>869,141,380</u>

The accompanying notes are an integral part of the financial statements.



# Thai Poly Acrylic Public Company Limited

## Statement of comprehensive income

For the year ended 31 December 2021

			(Unit: Baht)
	Note	2021	2020
<b>Profit or loss:</b>			
<b>Revenues</b>			
Sales and service income		894,289,522	930,788,341
Other income	17	15,512,227	5,810,594
<b>Total revenues</b>		<u>909,801,749</u>	<u>936,598,935</u>
<b>Expenses</b>			
Cost of sales and services		764,329,035	728,497,762
Selling and distribution expenses		52,392,338	47,880,362
Administrative expenses		70,331,540	83,383,229
Other expenses	18	-	3,841,812
<b>Total expenses</b>		<u>887,052,913</u>	<u>863,603,165</u>
<b>Operating profit</b>		22,748,836	72,995,770
Finance cost	13	(160,040)	(118,394)
<b>Profit before income tax expenses</b>		22,588,796	72,877,376
Income tax expenses	20	(4,374,689)	(14,964,233)
<b>Profit for the year</b>		<u>18,214,107</u>	<u>57,913,143</u>
<b>Other comprehensive income:</b>			
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i>			
Actuarial gain (loss) - net of income tax		4,700,526	(994,582)
<b>Other comprehensive income for the year</b>		<u>4,700,526</u>	<u>(994,582)</u>
<b>Total comprehensive income for the year</b>		<u>22,914,633</u>	<u>56,918,561</u>
<b>Earnings per share</b>	21		
Basic earnings per share		<u>0.15</u>	<u>0.48</u>

The accompanying notes are an integral part of the financial statements.

# Thai Poly Acrylic Public Company Limited

## Statement of changes in shareholders' equity

For the year ended 31 December 2021

(Unit: Baht)

	Issued and fully paid		Retained earnings		Total
	share capital	Share premium	Appropriated - statutory reserve	Unappropriated	
<b>Balance as at 1 January 2020</b>	121,500,000	233,350,000	12,150,000	141,707,438	508,707,438
Profit for the year	-	-	-	57,913,143	57,913,143
Other comprehensive income for the year	-	-	-	(994,582)	(994,582)
Total comprehensive income for the year	-	-	-	56,918,561	56,918,561
Dividend paid (Note 24)	-	-	-	(54,675,000)	(54,675,000)
<b>Balance as at 31 December 2020</b>	<u>121,500,000</u>	<u>233,350,000</u>	<u>12,150,000</u>	<u>143,950,999</u>	<u>510,950,999</u>
<b>Balance as at 1 January 2021</b>	121,500,000	233,350,000	12,150,000	143,950,999	510,950,999
Profit for the year	-	-	-	18,214,107	18,214,107
Other comprehensive income for the year	-	-	-	4,700,526	4,700,526
Total comprehensive income for the year	-	-	-	22,914,633	22,914,633
Dividend paid (Note 24)	-	-	-	(54,675,000)	(54,675,000)
<b>Balance as at 31 December 2021</b>	<u>121,500,000</u>	<u>233,350,000</u>	<u>12,150,000</u>	<u>112,190,632</u>	<u>479,190,632</u>

The accompanying notes are an integral part of the financial statements.

# Thai Poly Acrylic Public Company Limited

## Cash flow statement

For the year ended 31 December 2021

	(Unit: Baht)	
	<u>2021</u>	<u>2020</u>
<b>Cash flows from (used in) operating activities</b>		
Profit before tax	22,588,796	72,877,376
Adjustments to reconcile profit before tax to		
net cash provided by (paid from) operating activities		
Depreciation and amortisation	22,188,934	22,744,593
Expected credit loss (reversal)	(3,460,578)	435,281
Write-off of bad debts	(2,381,804)	-
Reversal of reduce cost of inventory to net realisable value	(1,239,030)	(779,089)
Gains on sales of machinery and equipment	(709,809)	(124,317)
Provision for long-term employee benefits	4,804,128	5,521,943
Unrealised loss (gain) on foreign exchange	(380,302)	3,154,309
Interest income	(253,354)	(331,842)
Finance cost	160,040	118,394
Profit from operating activities before		
changes in operating assets and liabilities	41,317,021	103,616,648
Operating assets (increase) decrease		
Trade and other receivables	65,100,771	(76,301,904)
Inventories	18,030,768	(25,309,703)
Other current assets	3,274,676	(3,897,429)
Operating liabilities increase (decrease)		
Trade and other payables	(108,023,667)	89,207,071
Other current liabilities	(3,846,705)	6,236,241
Cash paid for provision for long-term employee benefits	(4,366,050)	(2,487,113)
Cash flows from operating activities	11,486,814	91,063,811
Cash paid for interest expenses	(160,040)	(118,394)
Cash paid for corporate income tax	(13,058,514)	(8,769,575)
<b>Net cash flows from (used in) operating activities</b>	<u>(1,731,740)</u>	<u>82,175,842</u>

The accompanying notes are an integral part of the financial statements.

# Thai Poly Acrylic Public Company Limited

## Cash flow statement (continued)

For the year ended 31 December 2021

	(Unit: Baht)	
	<u>2021</u>	<u>2020</u>
<b>Cash flows from (used in) investing activities</b>		
Increase in other current financial assets - fixed deposit	(140,562)	(36,695,578)
Cash paid for improvements of plant, machinery and equipment	(10,143,980)	(10,786,987)
Cash received from sales of machinery and equipment	719,397	386,995
Cash received from interest income	254,253	293,020
<b>Net cash flows used in investing activities</b>	<u>(9,310,892)</u>	<u>(46,802,550)</u>
<b>Cash flows from (used in) financing activities</b>		
Payment of lease liabilities	(1,676,860)	(1,441,606)
Dividend paid	(54,675,000)	(54,675,000)
<b>Net cash flows used in financing activities</b>	<u>(56,351,860)</u>	<u>(56,116,606)</u>
<b>Net decrease in cash and cash equivalents</b>	(67,394,492)	(20,743,314)
Net foreign exchange difference for cash and cash equivalents	4,274	246,010
<b>Cash and cash equivalents at beginning of year</b>	<u>142,246,712</u>	<u>162,744,016</u>
<b>Cash and cash equivalents at end of year</b>	<u><u>74,856,494</u></u>	<u><u>142,246,712</u></u>
<b>Supplemental cash flow information</b>		
Non-cash transactions		
Increase in accounts payable on asset acquisition	1,373,489	4,434,251
Additions to right-of-use assets and lease liabilities	3,412,000	3,290,000

The accompanying notes are an integral part of the financial statements.

# Thai Poly Acrylic Public Company Limited

## Notes to financial statements

For the year ended 31 December 2021

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### 1. General information

#### 1.1 Corporate information

Thai Poly Acrylic Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand. Its major shareholders are MCC Methacrylates UK Overseas Holdco Limited, incorporated in the United Kingdom and Asiatic Acrylics Company Limited, incorporated in Thailand, with shareholdings of 42.3 percent and 34.1 percent, respectively. MCC Methacrylates UK Overseas Holdco Limited is a subsidiary of Mitsubishi Rayon Lucite Group Limited, incorporated in the United Kingdom and the ultimate controlling party of the Group is Mitsubishi Chemical Holding Corporation, incorporated in Japan.

During the year 2020, Asiatic Acrylics Company Limited, the second-largest shareholder of the Company, restructured the shareholder. As a result, Asiatic Acrylics Company Limited has become a foreign company, as defined under the Foreign Business Act B.E. 2542. As a consequence, the combined holdings of all the Company’s foreign shareholders result in the Company becoming a foreign company.

During the year 2020, the Company was granted a license to operate original equipment manufacturer (OEM) business under Section 17 of the Foreign Business Act B.E. 2542. The Company must comply with the conditions specified in the foreign business license requiring the Company to maintain minimum capital of not less than Baht 67.5 million, in addition to the capital required under other laws. Furthermore, the conditions require that ratio of the capital to loans for the operation of the licensed businesses must not exceed seven times the share capital and at least one person who is responsible for the operation of the licensed business must be domiciled in Thailand.

The Company is principally engaged in the manufacture and distribution of Acrylic sheets, Acrylonitrile Butadiene Styrene sheets, High Impact Polystyrene sheets and other extruded plastic sheets. The registered office of the Company is at 60 - 61 Moo 9, Putthamonthon Sai 4 Road, Krathumlom, Sampran, Nakhonpathom (Its branch office is located at 134/5 Krung Thonburi Road, Klong Tonsai, Klong Sarn, Bangkok).



## **1.2 Coronavirus disease 2019 pandemic**

The Coronavirus disease 2019 pandemic is adversely impacting most business and industries. This situation may bring uncertainties and have an impact on the environment in which the Company operates.

The Company's management has continuously monitored ongoing developments and assessed the financial impact in respect of the valuation of assets, provisions and contingent liabilities, and has used estimates and judgement in respect of various issues as the situation has evolved.

## **2. Basis of preparation**

The financial statements have been prepared in accordance with Thai Financial Reporting Standards (TFRS) enunciated under the Accounting Professions Act B.E. 2547 and their presentation has been made in compliance with the stipulations of the Notification of the Department of Business Development, issued under the Accounting Act B.E. 2543.

The financial statements in Thai language are the official statutory financial statements of the Company. The financial statements in English language have been translated from the Thai language financial statements.

The financial statements have been prepared on a historical cost basis except where otherwise disclosed in the accounting policies.

## **3 New financial reporting standards**

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

During the year, the Company has adopted the revised financial reporting standards and interpretations which are effective for fiscal years beginning on or after 1 January 2021. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards.

The adoption of these financial reporting standards does not have any significant impact on the Company's financial statements.

### **3.2 Financial reporting standards that will become effective for fiscal years beginning on or after 1 January 2022**

The Federation of Accounting Professions issued a number of revised financial reporting standards, which are effective for fiscal years beginning on or after 1 January 2022. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and, for some standards, providing temporary reliefs or temporary exemptions for users.

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

## **4. Significant accounting policies**

### **4.1 Revenue recognition**

#### *Sales of goods*

Revenue from sale of goods is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the goods. Revenue is measured at the amount of the consideration received or receivable, excluding value added tax, of goods supplied after deducting returns, discounts, allowances and price promotions to customers.

Consideration received before transferring control of the asset to the customer are presented under the caption of "Advances received from customers" in the statement of financial position.

#### *Rendering of services*

Service revenue is recognised at a point in time upon completion of the service.

### **4.2 Cash and cash equivalents**

Cash and cash equivalents consist of cash in hand and at banks, and all highly liquid investments with an original maturity of three months or less and not subject to withdrawal restrictions.

### **4.3 Inventories**

Finished goods are valued at the lower of cost (under the weighted average method) and net realisable value. The cost of inventories is measured using the standard cost method, which approximates actual cost and includes all production costs and attributable factory overheads.

Raw materials, spare parts and factory supplies are valued at the lower of cost (under the first-in, first-out method) and net realisable value and are charged to production costs whenever consumed.

#### 4.4 Property, plant and equipment and depreciation

Land is stated at cost. Buildings and equipment are stated at cost less accumulated depreciation and allowance for loss on impairment of assets (if any).

Depreciation of plant and equipment is calculated by reference to their costs, on the straight-line basis over the following estimated useful lives:

Buildings	-	20 years
Building improvements	-	5 and 10 years
Machinery and equipment	-	3 - 20 years
Furniture, fixtures and office equipment	-	3 and 5 years
Motor vehicles	-	5 years

Depreciation is included in determining income.

No depreciation is provided on land and assets under installation and under construction.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on disposal of an asset is included in profit or loss when the asset is derecognised.

#### 4.5 Leases

At inception of contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

As a lessee, the Company applied a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. At the commencement date of the lease (i.e. the date the underlying asset is available for use), the Company recognises right-of-use assets representing the right-of-use underlying assets and lease liabilities based on lease payments.

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

Right-of-use assets are measured at cost, less accumulated depreciation, any accumulated impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities initially recognised, initial direct costs incurred, and lease payments made at or before the commencement date of the lease less any lease incentives received.

Depreciation of right-of-use assets are calculated by reference to their costs on the straight-line basis over the shorter of their estimated useful lives and the lease term.

Buildings	-	2 years
Motor vehicles	-	7 years

If ownership of the leased asset is transferred to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

Right-of-use are presented as part of the property, plant and equipment in the statement of financial position.

### ***Lease liabilities***

Lease liabilities are measured at the present value of the lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be payable under residual value guarantees. Moreover, the lease payments include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising an option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

The Company discounted the present value of the lease payments by the interest rate implicit in the lease or the Company's incremental borrowing rate. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

### ***Short-term leases and leases of low-value assets***

A lease that has a lease term less than or equal to 12 months from commencement date or a lease of low-value assets is recognised as expenses on a straight-line basis over the lease term.

#### **4.6 Related party transactions**

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

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

#### **4.7 Foreign currencies**

The financial statements are presented in Baht, which is also the Company's functional currency.

Transactions in foreign currencies are translated into Baht at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Baht at the exchange rate ruling at the end of reporting period.

Gains and losses on exchange are included in determining income.

#### **4.8 Impairment of non-financial assets**

At the end of each reporting period, the Company performs impairment reviews in respect of the property, plant and equipment, right-of-use assets and intangible assets whenever events or changes in circumstances indicate that an asset may be impaired. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount.

An impairment loss is recognised in profit or loss.

#### **4.9 Employee benefits**

##### ***Short-term employee benefits***

Salaries, wages, bonuses and contributions to the social security fund are recognised as expenses when incurred.

##### ***Post-employment benefits and other long-term employee benefits***

##### ***Defined contribution plans***

The Company and its employees have jointly established a provident fund. The fund is monthly contributed by employees and by the Company. The fund's assets are held in a separate trust fund and the Company's contributions are recognised as expenses when incurred.

### ***Defined benefit plans and other long-term employee benefits***

The Company has obligations in respect of the severance payments it must make to employees upon retirement under labor law and other employee benefit plans. The Company treats these severance payment obligations as a defined benefit plan. In addition, the Company provides other long-term employee benefit plan, namely long service awards.

The obligations under the defined benefit plan and other long-term employee benefit plan are determined by a professionally qualified independent actuary based on actuarial techniques, using the projected unit credit method.

Actuarial gains and losses arising from defined benefit plans are recognised immediately in other comprehensive income.

Actuarial gains and losses arising from other long-term employee benefits are recognised immediately in profit and loss.

Past service costs are recognised in profit or loss on the earlier of the date of the plan amendment or curtailment and the date that the Company recognises restructuring-related costs.

#### **4.10 Provisions**

Provisions are recognised when the Company has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

#### **4.11 Income tax**

Income tax expense represents the sum of corporate income tax currently payable and deferred tax.

##### **Current tax**

Current income tax is provided in the accounts at the amount expected to be paid to the taxation authorities, based on taxable profits determined in accordance with tax legislation.

##### **Deferred tax**

Deferred income tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts at the end of each reporting period, using the tax rates enacted at the end of the reporting period.

The Company recognises deferred tax liabilities for all taxable temporary differences while it recognises deferred tax assets for all deductible temporary differences and tax losses carried forward to the extent that it is probable that future taxable profits will be available against which such deductible temporary differences and tax losses carried forward can be utilised.



At each reporting date, the Company reviews and reduces the carrying amount of deferred tax assets to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax asset to be utilised.

The Company records deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

#### **4.12 Financial instruments**

The Company initially measures financial assets at its fair value plus, in the case of financial assets that are not measured at fair value through profit or loss, transaction costs. However, trade receivables, that do not contain a significant financing component are measured at the transaction price as disclosed in the accounting policy relating to revenue recognition.

##### **Classification and measurement of financial assets**

Financial assets are classified, at initial recognition, as to be subsequently measured at amortised cost, fair value through other comprehensive income (FVOCI), or fair value through profit or loss (FVTPL). The classification of financial assets at initial recognition is driven by the Company's business model for managing the financial assets and the contractual cash flows characteristics of the financial assets.

##### ***Financial assets at amortised cost***

The Company measures financial assets at amortised cost if the financial asset is held in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest rate (EIR) method and are subject to impairment testing. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

##### ***Financial assets at FVTPL***

Financial assets measured at FVTPL are carried in the statement of financial position at fair value with net changes in fair value recognised in profit or loss.

These financial assets include derivatives, security investments held for trading, equity investments which the Company has not irrevocably elected to classify at FVOCI and financial assets with cash flows that are not solely payments of principal and interest.

## **Classification and measurement of financial liabilities**

Except for derivative liabilities, at initial recognition the Company's financial liabilities are recognised at fair value net of transaction costs and classified as liabilities to be subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. In determining amortised cost, the Company takes into account any fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in profit or loss.

## **Derecognition of financial instruments**

A financial asset is primarily derecognised when the rights to receive cash flows from the asset have expired or have been transferred and either the Company has transferred substantially all the risks and rewards of the asset, or the Company has transferred control of the asset.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss.

## **Impairment of financial assets**

The Company recognises an allowance for expected credit losses ("ECLs") for all debt instruments not held at FVTPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate.

For trade receivables, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date.

ECLs are calculated based on its historical credit loss experience and adjusted for forward-looking factors specific to the debtors and the economic environment.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

## **Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

### **4.13 Derivatives**

The Company uses derivatives which are forward currency contracts, to hedge its foreign currency risks.

Derivatives are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. The subsequent changes are recognised in profit or loss. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Derivatives are presented as non-current assets or non-current liabilities if the remaining maturity of the instrument is more than 12 months, and it is not due to be realised or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

### **4.14 Fair value measurement**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between buyer and seller (market participants) at the measurement date. The Company applies a quoted market price in an active market to measure their assets and liabilities that are required to be measured at fair value by relevant financial reporting standards. Except in case of no active market of an identical asset or liability or when a quoted market price is not available, the Company measures fair value using valuation technique that are appropriate in the circumstances and maximises the use of relevant observable inputs related to assets and liabilities that are required to be measured at fair value.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy into three levels based on categorise of input to be used in fair value measurement as follows:

Level 1 - Use of quoted market prices in an active market for such assets or liabilities

Level 2 - Use of other observable inputs for such assets or liabilities, whether directly or indirectly

Level 3 - Use of unobservable inputs such as estimates of future cash flows

At the end of each reporting period, the Company determines whether transfers have occurred between levels within the fair value hierarchy for assets and liabilities held at the end of the reporting period that are measured at fair value on a recurring basis.

## **5. Significant accounting judgements and estimates**

The preparation of financial statements in conformity with financial reporting standards at times requires management to make subjective judgements and estimates regarding matters that are inherently uncertain. These judgements and estimates affect reported amounts and disclosures; and actual results could differ from these estimates. Significant judgements and estimates are as follows:

### **5.1 Leases**

#### ***Determining the lease term with extension and termination options***

In determining the lease term, the management is required to exercise judgement in assessing whether the Company is reasonably certain to exercise the option to extend or terminate the lease considering all relevant facts and circumstances that create an economic incentive for the Company to exercise either the extension or termination option.

#### ***Estimating the incremental borrowing rate***

The Company cannot readily determine the interest rate implicit in the lease, therefore, the management is required to exercise judgement in estimating its incremental borrowing rate (IBR) to discount lease liabilities. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

### **5.2 Allowance for expected credit losses of trade receivables**

In determining an allowance for expected credit losses of trade receivables, the management needs to make judgement and estimates based upon, among other things, past collection history, aging profile of outstanding debts and the forecast economic condition for groupings of various customer segments with similar credit risks. The Company's historical credit loss experience and forecast economic conditions may also not be representative of whether a customer will actually default in the future.

### **5.3 Reduction of inventory cost to net realisable value**

In determining a reduction of inventory cost to net realisable value, the management makes judgement and estimates net realisable value of inventory based on the amount the inventories are expected to realise. These estimates take into consideration fluctuations of price directly relating to events occurring after the end of the reporting period. Also, the management makes judgement and estimates expected loss from stock obsolescence based upon aging profile of inventories and the prevailing economic condition.

#### 5.4 Property, plant and equipment and depreciation

In determining depreciation of plant and equipment, the management is required to make estimates of the useful lives and residual values of the plant and equipment and to review estimate useful lives and residual values when there are any changes.

In addition, the management is required to review property, plant and equipment for impairment on a periodical basis and record impairment losses when it is determined that their recoverable amount is lower than the carrying amount. This requires judgements regarding forecast of future revenues and expenses relating to the assets subject to the review.

#### 5.5 Deferred tax assets

Deferred tax assets are recognised for deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the temporary differences and losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of estimate future taxable profits.

#### 5.6 Post-employment benefits under defined benefit plans and other long-term employee benefits

The obligations under the defined benefit plans and other long-term employee benefit plan are determined based on actuarial techniques. Such determination is made based on various assumptions, including discount rate, future salary increase rate, mortality rate and staff turnover rate.

### 6. Related party transactions

During the years, the Company had significant business transactions with related parties. Such transactions, which are summarised below, arose in the ordinary course of business and were concluded on commercial terms and bases agreed upon between the Company and those related parties.

	(Unit: Million Baht)		
	<u>2021</u>	<u>2020</u>	<u>Transfer pricing policies</u>
<u>Transactions with related parties</u>			
Purchases of raw materials	342	349	As agreed with reference to market price
Purchases of spare parts and factory supplies	5	9	As agreed with reference to market price
Service expenses	2	3	Contract price and as agreed

The balances of the accounts between the Company and those related parties as at 31 December 2021 and 2020 are as follows:

	(Unit: Thousand Baht)	
	<u>2021</u>	<u>2020</u>
<u>Trade and other payables - related parties</u> (Note 12)		
Related parties (by common shareholders):		
Thai MMA Company Limited	105,205	150,031
Diapolyacrylate Company Limited	1,303	1,123
Mitsubishi Chemical (Thailand) Company Limited	-	1,616
Mitsubishi Chemical UK Limited	-	937
Lucite International (Shanghai) Trading Company Limited	-	214
Mitsubishi Chemical Methacrylates Singapore Pte. Ltd. (formerly known as “Lucite International Singapore Pte. Ltd.”)	-	5
Total trade and other payables - related parties	<u>106,508</u>	<u>153,926</u>

#### Directors and management’s benefits

During the years ended 31 December 2021 and 2020, the Company had employee benefit expenses payable to its directors and management as below.

	(Unit: Thousand Baht)	
	<u>2021</u>	<u>2020</u>
Short-term employee benefits	20,540	17,213
Post-employment benefits	2,402	1,841
Total directors and management’s benefits	<u>22,942</u>	<u>19,054</u>

## **7. Cash and cash equivalents**

	(Unit: Thousand Baht)	
	<u>2021</u>	<u>2020</u>
Cash	20	20
Bank deposits	74,836	142,227
Total cash and cash equivalents	<u>74,856</u>	<u>142,247</u>

Bank deposits in saving accounts carried interests between 0.05 and 0.125 percent per annum.



## 8. Trade and other receivables

	(Unit: Thousand Baht)	
	<u>2021</u>	<u>2020</u>
<u>Trade receivables - unrelated parties</u>		
Aged on the basis of due dates		
Not yet due	192,255	227,189
Past due		
Up to 3 months	44,993	71,200
3 - 6 months	265	11
6 - 12 months	522	2,246
Over 12 months	15	2,462
Total	238,050	303,108
Less: Allowance for expected credit losses	(1,148)	(6,990)
Total trade receivables - unrelated parties, net	236,902	296,118
Other receivables	905	650
Total trade and other receivables - net	237,807	296,768

The normal credit term is ranging between 15 and 120 days.

Set out below is the movement in the allowance for expected credit losses of trade receivables:

	(Unit: Thousand Baht)	
	<u>2021</u>	<u>2020</u>
Beginning balance	6,990	6,555
Allowance for expected credit losses (reversal)	(3,460)	435
Write-off of bad debts	(2,382)	-
Ending balance	1,148	6,990

## 9. Inventories

(Unit: Thousand Baht)

	Cost		Reduce cost to net realisable value		Inventories - net	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Finished goods	30,075	45,379	(2,090)	(3,074)	27,985	42,305
Raw materials	38,833	45,606	(3,496)	(3,520)	35,337	42,086
Spare parts and factory supplies	44,158	35,734	(3,117)	(3,349)	41,041	32,385
Goods in transit	1,829	6,208	-	-	1,829	6,208
Total inventories	<u>114,895</u>	<u>132,927</u>	<u>(8,703)</u>	<u>(9,943)</u>	<u>106,192</u>	<u>122,984</u>

During the current year, the Company reversed the write-down of cost of inventories by approximately Baht 1 million (2020: approximately Baht 1 million), and reduced the amount of inventories recognised as expenses during the year.

## 10. Other current financial assets

(Unit: Thousand Baht)

	<u>2021</u>	<u>2020</u>
<u>Debt instruments at amortised cost</u>		
Fixed deposits	31,318	31,178
Restricted fixed deposits	<u>6,684</u>	<u>6,684</u>
Total other current financial assets	<u>38,002</u>	<u>37,862</u>

Bank deposits in 12-month fixed account carried interest 0.375 percent per annum.

In addition, the Company had placed such fixed deposit of approximately Baht 7 million with banks to secure bank guarantees issued by banks on behalf of the Company (2020: approximately Baht 7 million).

## 11. Property, plant and equipment

(Unit: Thousand Baht)

	<u>2021</u>	<u>2020</u>
<u>Net book value</u>		
Property, plant and equipment	235,786	245,067
Right-of-use assets (Note 13)		
Buildings	940	2,194
Motor vehicles	<u>5,757</u>	<u>2,947</u>
Total	<u>242,483</u>	<u>250,208</u>

Movements of property, plant and equipment for the years ended 31 December 2021 and 2020 are summarised below.

	Land	Buildings and building improvements	Machinery and equipment	Furniture, fixtures and office equipment	Motor vehicles	Assets under installation and under construction	(Unit: Thousand Baht) Total property, plant and equipment
<b>Cost</b>							
1 January 2020	136,331	192,827	473,145	20,254	10,133	10,359	843,049
Adjustments of right-of-use assets due to TFRS 16 adoption	-	3,447	-	-	-	-	3,447
Additions	-	450	2,493	838	3,290	9,936	17,007
Disposals	-	(559)	(1,688)	(451)	(2,849)	-	(5,547)
Transfer in (out)	-	4,420	5,018	-	-	(9,438)	-
31 December 2020	136,331	200,585	478,968	20,641	10,574	10,857	857,956
Additions	-	-	1,212	456	3,412	9,135	14,215
Disposals/write-off	-	-	(1,585)	(648)	(2,822)	-	(5,055)
Transfer in (out)	-	1,472	13,253	-	-	(14,725)	-
31 December 2021	136,331	202,057	491,848	20,449	11,164	5,267	867,116
<b>Accumulated depreciation</b>							
1 January 2020	-	151,604	412,285	16,931	9,760	-	590,580
Depreciation for the year	-	7,478	12,571	1,687	716	-	22,452
Depreciation on disposals	-	(560)	(1,428)	(448)	(2,848)	-	(5,284)
31 December 2020	-	158,522	423,428	18,170	7,628	-	607,748
Depreciation for the year	-	7,180	12,773	1,376	602	-	21,931
Depreciation on disposals/write-off	-	-	(1,577)	(646)	(2,823)	-	(5,046)
31 December 2021	-	165,702	434,624	18,900	5,407	-	624,633
<b>Net book value</b>							
31 December 2020	136,331	42,063	55,540	2,471	2,946	10,857	250,208
31 December 2021	136,331	36,355	57,224	1,549	5,757	5,267	242,483
<b>Depreciation for the year</b>							
2020 (Baht 18 million included in manufacturing cost, and the balance in selling and distribution and administrative expenses)							22,452
2021 (Baht 18 million included in manufacturing cost, and the balance in selling and distribution and administrative expenses)							21,931

As at 31 December 2021, certain items of plant and equipment were fully depreciated but are still in use. The gross carrying amount before deducting accumulated depreciation of those assets amounted to approximately Baht 446 million (2020: Baht 436 million).

## 12. Trade and other payables

	(Unit: Thousand Baht)	
	<u>2021</u>	<u>2020</u>
Trade payables - related parties (Note 6)	106,508	151,237
Trade payables - unrelated parties	51,426	87,524
Other payables - related parties (Note 6)	-	2,689
Other payables - unrelated parties	6,548	12,526
Accrued expenses	22,805	40,024
Total trade and other payables	<u>187,287</u>	<u>294,000</u>

## 13. Leases

The Company has lease contracts for various items of property, plant, and equipment used in its operations. Leases generally have lease terms between 2 - 5 years.

### a) Right-of-use assets

Movement of right-of-use assets for the years ended 31 December 2021 and 2020 are summarised below:

	(Unit: Thousand Baht)		
			Total right-of-use assets
<b>1 January 2020</b>	<u>Buildings</u>	<u>Motor vehicles</u>	
	3,447	-	3,447
Additions	-	3,290	3,290
Depreciation for the year	(1,253)	(343)	(1,596)
<b>31 December 2020</b>	<u>2,194</u>	<u>2,947</u>	<u>5,141</u>
Additions	-	3,412	3,412
Depreciation for the year	(1,254)	(602)	(1,856)
<b>31 December 2021</b>	<u>940</u>	<u>5,757</u>	<u>6,697</u>

**b) Lease liabilities**

	(Unit: Thousand Baht)	
	<u>2021</u>	<u>2020</u>
Lease payments	5,451	4,098
Less: Deferred interest expenses	(638)	(307)
Total	4,813	3,791
Less: Portion due within one year	(1,924)	(1,575)
Lease liabilities - net of current portion	2,889	2,216

Movements of the lease liability account during the years ended 31 December 2021 and 2020 are summarised below:

	(Unit: Thousand Baht)	
	<u>2021</u>	<u>2020</u>
Balance at beginning of year	3,791	3,447
Additions	3,190	2,160
Accretion of interest	(491)	(374)
Repayments	(1,677)	(1,442)
Balance at end of year	4,813	3,791

A maturity analysis of lease payments is disclosed in Note 26.2 under the liquidity risk.

**c) Expenses relating to leases that are recognised in profit or loss**

	(Unit: Thousand Baht)	
	<u>2021</u>	<u>2020</u>
Depreciation expense of right-of-use assets	1,856	1,596
Interest expense on lease liabilities	160	118

**d) Others**

The Company had total cash outflows for leases for the year ended 31 December 2021 of Baht 1.8 million (2020: Baht 1.6 million).

#### 14. Provision for long-term employee benefits

Provision for long-term employee benefits, which represents severance payment plan and other long-term employee benefits, namely long service awards, was as follows:

	2021				2020			
	Severance payment plan	Long service awards	Total provision for long-term employee benefits		Severance payment plan	Long service awards	Total provision for long-term employee benefits	
<b>Provision for long-term employee benefits</b>								
<b>at beginning of year</b>	41,938	1,235	43,173		37,818	1,077	38,895	
Included in profit or loss:								
Current service cost	4,183	277	4,460		4,310	301	4,611	
Interest cost	552	18	570		882	29	911	
Past service costs and gains on settlement	(20)	(206)	(226)		-	-	-	
Included in other comprehensive income:								
Actuarial loss (gain) arising from								
Financial assumptions changes	(4,605)	-	(4,605)		1,243	-	1,243	
Demographic assumptions changes	(451)	-	(451)		-	-	-	
Experience adjustments	(819)	-	(819)		-	-	-	
Benefits paid during the year	(4,146)	(220)	(4,366)		(2,315)	(172)	(2,487)	
<b>Provision for long-term employee benefits</b>								
<b>at end of year</b>	36,632	1,104	37,736		41,938	1,235	43,173	

(Unit: Thousand Baht)



The Company expects to pay Baht 0.2 million of long-term employee benefits within next year (2020: Baht 0.6 million).

As at 31 December 2021, the weighted average duration of the liabilities for long-term employee benefit is 11 years (2020: 9 years).

Significant actuarial assumptions are summarised below:

	<u>2021</u>	<u>2020</u>
Discount rate	1.7%	1.1%
Salary increase rate	3.0%	4.0%
Turnover rate	0% - 29.0%	0% - 27.0%

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at 31 December 2021 and 2020 are summarised below:

(Unit: Million Baht)

	2021			
	Severance payment plan		Long service awards	
	Increase 1%	Decrease 1%	Increase 1%	Decrease 1%
Discount rate	(2.9)	3.3	(0.1)	0.1
Salary increase rate	3.3	(3.0)	-	-
Turnover rate	(3.1)	1.9	(0.1)	0.1

(Unit: Million Baht)

	2020			
	Severance payment plan		Long service awards	
	Increase 1%	Increase 1%	Increase 1%	Increase 1%
Discount rate	(3.0)	3.4	(0.1)	0.1
Salary increase rate	4.1	(3.6)	-	-
Turnover rate	(3.2)	2.1	(0.1)	0.1

## 15. Undrawn credit facilities

As at 31 December 2021, undrawn credit facilities of the Company granted by financial institutions amounted to approximately Baht 343 million (2020: Baht 338 million).

## 16. Statutory reserve

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside to a statutory reserve at least 5 percent of its net profit after deducting accumulated deficit brought forward (if any), until the reserve reaches 10 percent of the registered capital. The statutory reserve is not available for dividend distribution. At present, the statutory reserve has fully been set aside.

## 17. Other income

	(Unit: Thousand Baht)	
	<u>2021</u>	<u>2020</u>
Scrap sales	4,575	3,326
Net foreign exchange gain	6,866	-
Others	4,071	2,485
Total	<u>15,512</u>	<u>5,811</u>

## 18. Other expense

	(Unit: Thousand Baht)	
	<u>2021</u>	<u>2020</u>
Net loss on forward contracts	-	237
Net foreign exchange gain	-	3,605
Total	<u>-</u>	<u>3,842</u>

## 19. Expenses by nature

Significant expenses classified by nature are as follows:

	(Unit: Thousand Baht)	
	<u>2021</u>	<u>2020</u>
Raw materials and consumables used	600,218	567,517
Salaries, wages and other employee benefits	119,376	132,458
Fuel and utility expenses	51,783	52,460
Transportation expenses	39,922	33,985
Depreciation and amortisation	22,189	22,745
Repair and maintenance expenditure	10,050	10,476
Changes in finished goods	15,304	(15,057)

## 20. Income tax

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

	(Unit: Thousand Baht)	
	<u>2021</u>	<u>2020</u>
<b>Current income tax</b>		
Current income tax charge	2,984	17,281
Adjustment in respect of income tax of previous year	(476)	-
<b>Deferred tax</b>		
Relating to origination and reversal of temporary differences	1,867	(2,317)
<b>Income tax expenses reported in profit or loss</b>	<u>4,375</u>	<u>14,964</u>

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2021 and 2020 are as follows:

	(Unit: Thousand Baht)	
	<u>2021</u>	<u>2020</u>
Deferred tax relating to actuarial gain (losses)	<u>1,175</u>	<u>(249)</u>

The reconciliation between accounting profit and income tax expenses is shown below.

	(Unit: Thousand Baht)	
	<u>2021</u>	<u>2020</u>
Accounting profit before tax	<u>22,589</u>	<u>72,877</u>
Applicable tax rate	20 percent	20 percent
Accounting profit before tax multiplied by income tax rate	4,518	14,575
Adjustment in respect of income tax of previous year	(476)	-
Effects of:		
Non-deductible expenses	524	657
Additional expense deductions allowed	<u>(191)</u>	<u>(268)</u>
<b>Income tax expenses reported in profit or loss</b>	<u>4,375</u>	<u>14,964</u>

The components of deferred tax assets and deferred tax liabilities as at 31 December 2021 and 2020 are as follows:

	(Unit: Thousand Baht)	
	<u>2021</u>	<u>2020</u>
<b>Deferred tax assets</b>		
Provision for long-term employee benefits	7,547	8,635
Reduction of inventory cost to net realisable value	1,741	1,988
Allowance for expected credit loss	230	1,398
Provision for expenses	-	1,470
Unrealised fair value loss on forward contracts	21	47
Leases	20	31
Total deferred tax assets	<u>9,559</u>	<u>13,569</u>
<b>Deferred tax liabilities</b>		
Difference depreciation for accounting and tax purposes	<u>(3,810)</u>	<u>(4,778)</u>
Total deferred tax liabilities	<u>(3,810)</u>	<u>(4,778)</u>
<b>Deferred tax assets - net</b>	<u>5,749</u>	<u>8,791</u>

## 21. Earnings per share

Basic earnings per share is calculated by dividing profit for the year attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year.

## 22. Segment information

The Company is engaged principally in the manufacture, sale and original equipment manufacturer business of Acrylic sheets, Acrylonitrile Butadiene Styrene sheets, High Impact Polystyrene sheets and other extruded plastic sheets. Each of these products is considered part of the same line of business, which is regarded as a single operating segment. As a result, all of the revenues, operating profit and assets as reflected in these financial statements pertain to the aforementioned reportable operating segment. The chief operating decision maker has been identified as the Board of Directors.

### Geographic information

Sales and service income are based on locations of the customers for the years ended 31 December 2021 and 2020 are as follows:

	(Unit: Million Baht)	
	<u>2021</u>	<u>2020</u>
Thailand	527	509
Overseas	367	422
Total sales and service income	<u>894</u>	<u>931</u>

### Major customers

For the year 2021, the Company has no major customer with revenue of 10 percent or more of an entity's revenues. (2020: The Company has revenue from one major customer in amount of Baht 161 million).

## **23. Provident fund**

The Company and its employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. The registered provident fund plan was approved by the Ministry of Finance on 1 June 1999. Both employees and the Company contribute to the fund monthly at the rate of 3 or 5 or 7 percent of basic salary. The fund, which is managed by a fund manager, will be paid to employees upon termination in accordance with the fund rules. The contributions for the year 2021 amounting to approximately Baht 5 million were recognised as expenses (2020: Baht 4 million).

## **24. Dividends**

<u>Dividends</u>	<u>Approved by</u>	<u>Total dividends</u> (Million Baht)	<u>Dividend per share</u> (Baht per share)
Interim dividend on the unappropriated retained earnings	Board of Directors' Meeting on 2 April 2020	<u>54.7</u>	<u>0.45</u>
Total dividend paid in 2020		<u>54.7</u>	<u>0.45</u>
Final dividend for 2020	Annual General Meeting of the shareholders on 22 April 2021	<u>54.7</u>	<u>0.45</u>
Total dividend paid in 2021		<u>54.7</u>	<u>0.45</u>

## **25. Commitments and contingent liabilities**

### **25.1 Capital commitments**

As at 31 December 2021, the Company had capital commitments relating to the acquisitions of building improvements, machinery and equipment totaling Baht 4 million (2020: Baht 8 million).

### **25.2 Service commitments**

The Company has entered into several service agreements. The terms of the agreements are generally between 1 to 3 years. As at 31 December 2021, the Company has future minimum payments required under these service agreements amounted to Baht 2 million (2020: Baht 2 million).

### **25.3 Guarantees**

As at 31 December 2021, there were outstanding bank guarantees of approximately Baht 7 million (2020: Baht 7 million) issued by a bank on behalf of the Company in respect of certain performance bonds as required in the normal course of business. These included letter of guarantee to guarantee electricity usage and others.

## **26. Financial instruments**

### **26.1 Derivatives**

As at 31 December 2021, the Company had the derivatives liabilities not designated as hedging instruments, which were foreign exchange forward contracts. Their fair value were Baht 0.1 million that were measured at fair value using level 2 of fair value measurement (2020: Baht 0.2 million). The derivatives liabilities were presented under other current liabilities in the statement of financial position.

#### **Derivatives not designated as hedging instruments**

The Company uses foreign exchange forward contracts to manage some of its transaction exposures. The contracts are entered into for periods consistent with foreign currency exposure of the underlying transactions, generally from 1 to 6 months.

### **26.2 Financial risk management objectives and policies**

The Company's financial instruments principally comprise of cash and cash equivalents and trade accounts receivable. The financial risks associated with these financial instruments and how they are managed is described below.



## **Credit risk**

The Company is exposed to credit risk primarily with respect to trade accounts receivable, deposits with banks and financial institutions and other financial instruments. Except for derivative financial instruments, the maximum exposure to credit risk is limited to the carrying amounts as stated in the statement of financial position.

### **Trade receivables**

The Company manages the risk by adopting appropriate credit control policies and procedures and therefore does not expect to incur material financial losses. Outstanding trade receivables are regularly monitored and any shipments to major customers are generally covered by letters of credit or other forms of credit insurance obtained from reputable banks and other financial institutions. In addition, the Company does not have high concentrations of credit risk since it has a large customer base in various industries.

An impairment analysis is performed at each reporting date to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar credit risks. The Company classifies customer segments by customer type and similar credit risks. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, trade receivables are written-off if past due for more than one year and not subject to enforcement activity.

### **Financial instruments and cash deposits**

Credit risk from balances with banks and financial institutions is managed by the Company's management in accordance with the Company's policy. Investments are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Company's Board of Directors on an annual basis, and may be updated throughout the year subject to approval of the Company's Executive Committee. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through a counterparty's potential failure to make payments.

The credit risk on debt instruments and derivative financial instruments is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

## Market risk

There is type of market risk which is a currency risk. The Company enters into derivative financial instruments to manage its risk exposure, including foreign exchange forward contracts to hedge the foreign currency risk arising on the export of goods.

### *Foreign currency risk*

The Company's exposure to the foreign currency risk relates primarily to its trading transactions that are denominated in foreign currencies. The Company seeks to reduce this risk by entering into foreign exchange forward contracts when it considers appropriate. Generally, the forward contracts mature within one year.

As at 31 December 2021 and 2020, the balances of financial assets and liabilities denominated in foreign currencies are summarised below.

Foreign currency	Financial assets		Financial liabilities		Average exchange rates	
	2021	2020	2021	2020	2021	2020
	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	
US dollar	2.2	6.0	0.3	0.9	33.4199	30.0371
Australian dollar	1.0	0.7	0.1	-	24.2627	22.9118
Japanese yen	-	-	7.5	16.6	0.2906	0.2907
Euro	-	-	-	0.2	37.8948	36.8764

### *Foreign currency sensitivity*

The following table demonstrates the sensitivity of the Company's profit before tax to a reasonably possible change in US dollar exchange rate, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities as at 31 December 2021.

(Unit: Million Baht)				
Currency	2021		2020	
	Effect on profit before tax		Effect on profit before tax	
	Increase 1%	Decrease 1%	Increase 1%	Decrease 1%
US dollar	0.6	(0.6)	1.5	(1.5)

The Company's exposure to foreign currency changes for all other currencies is not material.

## Interest rate risk

The Company's exposure to interest rate risk relates primarily to its cash at banks. Most of the Company's financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate.

As at 31 December 2021 and 2020, significant financial assets and liabilities classified by type of interest rate are summarised in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the repricing date if this occurs before the maturity date.

(Unit: Million Baht)

	2021				
	Fixed interest rates within 1 year	Floating interest rate	Non-interest bearing	Total	Effective interest rate (% p.a.)
<b>Financial assets</b>					
Cash and cash equivalents	-	75	-	75	0.05 - 0.125
Trade and other receivables	-	-	238	238	-
Other current financial assets	38	-	-	38	0.375
	38	75	238	351	
<b>Financial liabilities</b>					
Trade and other payables	-	-	187	187	-
	-	-	187	187	

(Unit: Million Baht)

	2020				
	Fixed interest rates within 1 year	Floating interest rate	Non-interest bearing	Total	Effective interest rate (% p.a.)
<b>Financial assets</b>					
Cash and cash equivalents	-	142	-	142	0.05 - 0.125
Trade and other receivables	-	-	297	297	-
Other current financial assets	38	-	-	38	0.375
	38	142	297	477	
<b>Financial liabilities</b>					
Trade and other payables	-	-	294	294	-
	-	-	294	294	

The Company only exposure to interest rate risk related to cash at bank. Since the interest rates on savings accounts are considered low and bear floating interest rates or fixed interest rates which are close to the market rate. The Company believes that the impact of interest rate risk is immaterial.

### Liquidity risk

The Company monitors the risk of a shortage of liquidity through the use of bank overdrafts and lease contracts. Approximately 83% of the Company's debt will mature in less than one year at 31 December 2021 (2020: 87%) based on the carrying value of borrowings reflected in the financial statements. The Company has assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. The Company has access to a sufficient variety of sources of funding.

The table below summarises the maturity profile of the Company's non-derivative financial liabilities as at 31 December 2021 and 2020 based on contractual undiscounted cash flows:

(Unit: Million Baht)			
As at 31 December 2021			
	Less than 1 year	1 to 5 years	Total
<b>Non-derivatives</b>			
Trade and other payables	187	-	187
Lease liabilities	2	3	5
<b>Total non-derivatives</b>	<b>189</b>	<b>3</b>	<b>192</b>

(Unit: Million Baht)			
As at 31 December 2020			
	Less than 1 year	1 to 5 years	Total
<b>Non-derivatives</b>			
Trade and other payables	294	-	294
Lease liabilities	2	2	4
<b>Total non-derivatives</b>	<b>296</b>	<b>2</b>	<b>298</b>

## 26.3 Fair values of financial instruments

Since the majority of the Company's financial instruments are short-term in nature and bank deposits bear interest rates which are close to the market rate, their fair value is not expected to be materially different from the amounts presented in statement of financial position.

## **27. Capital management**

The primary objective of the Company's capital management is to ensure that it has appropriate capital structure in order to support its business and maximise shareholder value. As at 31 December 2021, the Company's debt-to-equity ratio was 0.49:1 (2020: 0.70:1).

## **28. Event after the reporting period**

On 24 February 2022, the Board of Directors' meeting passed a resolution to propose the payment of a dividend of Baht 0.45 per share, or a total of Baht 54.7 million, to its shareholders. The dividend payment will be proposed to the 2022 Annual General Meeting of the Company's shareholders for approval.

## **29. Approval of financial statements**

These financial statements were authorised for issue by the Company's Board of Directors on 24 February 2022.

## **Part 4**

### **Certification of Information for Submission of 56-1 One Report**

#### **Attachment 1**

Details of Directors, Executives, controlling persons, the person assigned to take the highest responsibility in Accounting and Finance, the person assigned to take direct responsibility for accounting supervision, the Company's secretary, and the representative for contact and coordination in case of a foreign company



As of 31 December 2021





## BOARD OF DIRECTORS



**Dr. Benjamin James Harris**

**56 years**

**Position in TPA**

- Chairman of the Board of Directors

**Date of Appointment**

- 9 November 2017

**Education Background**

- Ph.D. Department of Chemical Engineering University of Cambridge, United Kingdom
- Bachelor's Degree in Chemical and Process. Engineering (1<sup>st</sup> Class Honors), University of Canterbury, New Zealand

**Director Training - Thai Institute of Directors (IOD)**

- None

**Personal Qualification**

- None

**(%) of share Possession**

- None

**Family Relationship among Directors and Executives**

- None

**5 Years past working experiences**

- |                        |  |
|------------------------|--|
| • Jan 2022             | Deputy Chief Technology Officer<br>Mitsubishi Chemical Methacrylates           |
| • April 2021- Dec 2021 | Technical Director<br>Mitsubishi Chemical Methacrylates                        |
| • 2017 - Present       | Chairman of the Board of Directors<br>Thai Poly Acrylic Public Company Limited |
| • 2016 – April 2021    | Executive General Manager<br>Saudi Methacrylates Company (SAMAC)               |
| • 2015 - 2017          | Executive Directors<br>Thai Poly Acrylic Public Company Limited                |
| • 2013 – 2016          | General Manager<br>Mitsubishi Chemical Methacrylates Singapore Co., Ltd.       |

**Board Member in other listed Company**

- None

**Positions in other Company/ Organization / Institution**

- Board of Directors  
Asiatic Acrylic Company Limited

**Position in other organization competing with the Company**

- None



**Mr. Rakchai Sakulteera**

**61 years**

**Position in TPA**

- Executive Director
- Managing Director
- Company Secretary

**Date of Appointment**

- 13 August 2015 Executive Director
- 1 January 2020 Managing Director
- 11 November 2016 Company Secretary

**Education Background**

- Master's Degree in Business Administration International Program, Bangkok University
- Bachelor's Degree in Accounting
- Chulalongkorn University Graduate Diploma in Auditing
- Graduate Diploma in Auditing Thammasat University

**Director Training - Thai Institute of Directors (IOD)**

- Director Accreditation Program (DAP) 126/2016
- Company Secretary Program (CSP) 811/2017

**Personal Qualification**

- Certified Public Accountant of Thailand

**(%) of share Possession**

- 30,000 Shares

**Family Relationship among Directors and Executives**

- None

**5 Years past working experiences**

- 2015 - Present Executive Director  
Thai Poly Acrylic Public Company Limited
- 2020 - Present Managing Director  
Thai Poly Acrylic Public Company Limited
- 2016 - Present Company Secretary  
Thai Poly Acrylic Public Company Limited
- 2015 - 2019 Financial Director  
Thai Poly Acrylic Public Company Limited
- 2014 - 2015 Independent Director and Member of Audit Committee  
Thai Poly Acrylic Public Company Limited

**Board Member in other listed Company**

- None

**Positions in other Company/ Organization / Institution**

- Board of Directors  
Asiatic Acrylic Company Limited

**Position in other organization competing with the Company**

- None



## Mr. Shinya Yano

**55 years**

### Position in TPA

- Executive Director

### Date of Appointment

- 14 November 2019

### Education Background

- Bachelor's Degree in Economics Seikei University, Tokyo, Japan

### Director Training - Thai Institute of Directors (IOD)

- None

### Personal Qualification

- None

### (%) of share Possession

- None

### Family Relationship among Directors and Executives

- None

### 5 Years past working experiences

- 2019 – Present      Executive Director  
Thai Poly Acrylic Public Company Limited
- 2019 - Present      President  
Diapolyacrylate, Thailand
- 2017 – 2019      Manager  
Mitsubishi Chemical
- 2014 - 2017      Director  
Plastic Sheeting Department Mitsubishi Rayon

### Board Member in other listed Company

- None

### Positions in other Company/ Organization / Institution

- President  
Diapolyacrylate, Thailand

### Position in other organization competing with the Company

- None



## Mr. Dai Oyama

**53 years**

### Position in TPA

- Non - Executive Director
- Member of Nomination and Remuneration Committee

### Date of Appointment

- 24 April 2019

### Education Background

- Bachelor's Degree in Law Rikkyo University, Tokyo, Japan

### Director Training - Thai Institute of Directors (IOD)

- None

### Personal Qualification

- Certified Public Accountant of USA (USCPA, Pass in 2008)

### (%) of share Possession

- None

### Family Relationship among Directors and Executives

- None

### 5 Years past working experiences

- 2021 - Present Chief Financial Officer  
Mitsubishi Chemical Methacrylates Limited
- 2019 - Present Non-Executive Director Member of  
Nomination and Remuneration  
Committee  
Thai Poly Acrylic Public Company Limited
- 2017- March 2021 Deputy General Manager  
MMA Planning Department  
Mitsubishi Chemical Headquarter
- 2015 - 2017 General Director  
MMA Administration Department  
Mitsubishi Rayon Headquarter
- 2014 - 2015 Director Corporate Planning Division  
Mitsubishi Rayon Headquarter
- 2013 - 2014 Finance Director  
Lucite International UK Limited.

### Board Member in other listed Company

- None

### Positions in other Company/ Organization / Institution

- Board of Directors
  1. Mitsubishi Chemical Methacrylates Limited
  2. Mitsubishi Chemical Methacrylates Japan Co., Ltd.
  3. The Saudi Methacrylates Company
  4. Kaohsiung Monomer Company Limited
  5. MCC Methacrylates Holdco Limited
  6. MCC Methacrylates UK Overseas Holdco Limited

### Position in other organization competing with the Company

- None



## Dr. Anuphan Kitnitchiva

**59 years**

### Position in TPA

- Independent Director
- Chairman of Audit Committee

### Date of Appointment

- 26 April 2016

### Education Background

- Ph.D. in Development Administration School of Public Administration (International Doctoral Program) The National Institute of Development Administration
- Senior Executive Program at Sasin Graduate Institute of Business Administration Chulalongkorn University
- LL.M. (Business Law) Faculty of Law Thammasat University
- LL.B (Honours) Faculty of Law, Thammasat University

### Director Training - Thai Institute of Directors (IOD)

- Successful formulation and Execution of Strategy (SFE) 26/2016
- Role of the Chairman Program (RCP) 38/2016
- Advanced Audit Committee Program (AACP) 17/2014
- Director Certification Program (DCP) 130/2010

### Personal Qualification

- Lawyer License No. 18024/1986

### (%) of share Possession

- None

### Family Relationship among Directors and Executives

- None

### 5 Years past working experiences

- 2014 - Present Chairman of Audit Committee and Independent Director  
Thai Poly Acrylic Public Company Limited
- 2014 - Present Director  
Humanica Public Company Limited
- 2004 - Present Senior Partner / Director  
Dherakupt International Law Office Ltd.
- 2014 – 2018 Chairman of Audit Committee and Independent Director  
TOT Public Company Limited
- 2013 – 2014 Member of Audit Committee and Independent Director  
Thai Poly Acrylic Public Company Limited

### Board Member in other listed Company

- Director  
Humanica Public Company Limited

### Positions in other Company/ Organization / Institution

- Senior Partner / Director  
Dherakupt International Law Office Ltd.

### Position in other organization competing with the Company

- None



## Mr. Martin Thaysen

**50 years**

### Position in TPA

- Non - Executive Director

### Date of Appointment

- 14 November 2019

### Education Background

- Master's Degree in Business Administration (M.B.A) IMD Business school, Lausanne, Switzerland

### Director Training - Thai Institute of Directors (IOD)

- None

### Personal Qualification

- None

### (%) of share Possession

- None

### Family Relationship among Directors and Executives

- None

### 5 Years past working experiences

- 2019 - Present Non-Executive Director  
Thai Poly Acrylic Public Company Limited
- 2019 - Present CEO and Member of the Board  
EAC Invest A/S, Copenhagen, Denmark
- 2015 – 2019 CEO of EAC and Santa Fe Group A/S  
London, United Kingdom
- 2012 - 2014 Managing Director  
CEVA Logistics, Shanghai, China

### Board Member in other listed Company

- EAC Invest A/S, Copenhagen, Denmark

### Positions in other Company/ Organization / Institution

- Chairman of the Board of Directors
  1. East Asiatic (Thailand) Company Limited
  2. East Asiatic (China) Company Limited
  3. Asiatic Acrylics Company Limited
- Board of Directors
  1. Beijing Dongzhimen Apartment Company Limited

### Position in other organization competing with the Company

- None





**Mr. Adam Jonathan Sloan**

**36 years**

**Position in TPA**

- Non-Executive Director

**Date of Appointment**

- 21 March 2019

**Education Background**

- Master's Degree in Business Administration (M.B.A)  
Herriot Watt University Edinburgh, United Kingdom

**Director Training - Thai Institute of Directors (IOD)**

- Director Accreditation Program (DAP) 158/2019

**Personal Qualification**

- None

**(%) of share Possession**

- None

**Family Relationship among Directors and Executives**

- None

**5 Years past working experiences**

- 2019 - Present Non-Executive Director  
Thai Poly Acrylic Public Company Limited
- 2020 - Present Managing Director  
South Asia Santa Fe Relocation
- 2018 - Present Country General Manager  
Santa Fe Relocation Thailand
- 2017 – 2018 General Manager Sales & Marketing  
Santa Fe Relocation Thailand
- 2016 - 2017 Sales Director  
Santa Fe Relocation Thailand
- 2013 – 2016 Corporate Sales Manager  
Santa Fe Relocation Thailand

**Board Member in other listed Company**

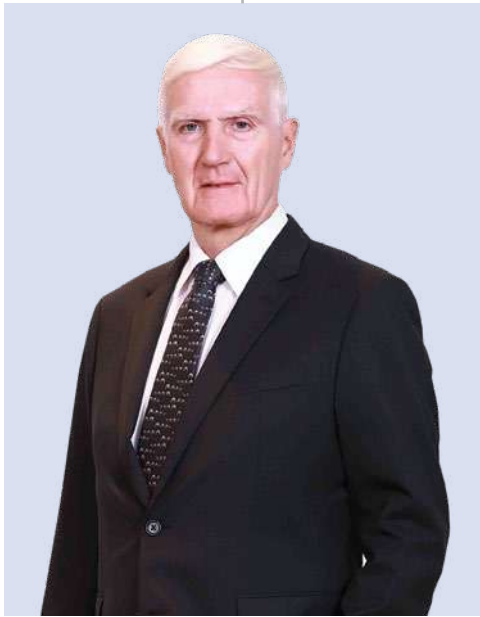
- None

**Positions in other Company/ Organization / Institution**

- Chairman
  1. Santa Fe Relocation Thailand
  2. Santa Fe Enterprises
  3. Santa Fe Services

**Position in other organization competing with the Company**

- None



## Mr. Jan Dam Pedersen

**69 years**

### Position in TPA

- Independent Director
- Member of Audit Committee
- Chairman of Nomination and Remuneration Committee

### Date of Appointment

- 24 April 2015

### Education Background

- Diploma, EAC's full time course in Business Administration Management, Finance, Strategy and Marketing IMD Switzerland

### Director Training - Thai Institute of Directors (IOD)

- Director Certification Program (DCP) 256/2018
- Director Accreditation Program (DAP) 125/2016

### Personal Qualification

- None

### (%) of share Possession

- None

### Family Relationship among Directors and Executives

- None

### 5 Years past working experiences

- 2018 - Present Chairman of Nomination and Remuneration Committee  
Thai Poly Acrylic Public Company Limited
- 2015 - Present Member of Audit Committee and Independent Director  
Thai Poly Acrylic Public Company Limited
- 2013 - Present Non- Executive Director  
Berli Asiatic Soda Company Ltd.
- 2013 - 2015 Non - Executive Director  
Thai Poly Acrylic Public Company Limited

### Board Member in other listed Company

- None

### Positions in other Company/ Organization / Institution

- Non - Executive Director  
Berli Asiatic Soda Company Limited

### Position in other organization competing with the Company

- None



**Mr. Jetsada Wongwatanasin**

**51 years**

**Position in TPA**

- Independent Director
- Member of Audit Committee
- Member of Nomination and Remuneration Committee

**Date of Appointment**

- 22 February 2019

**Education Background**

- Master's Degree in International Business  
The George Washington University, Washington DC, U.S.A
- Bachelor's Degree in Economics (International Economics)  
2<sup>nd</sup> class Honors, Chulalongkorn University

**Director Training - Thai Institute of Directors (IOD)**

- Director Accreditation Program (DAP) 151/2018

**Personal Qualification**

- None

**(%) of share Possession**

- None

**Family Relationship among Directors and Executives**

- None

**5 Years past working experiences**

- 2019 - Present Independent Director Member of Audit Committee Member of Nomination and Remuneration Committee Thai Poly Acrylic Public Company Limited
- 2018 - Present President Thai Ethanol Manufacturing Association
- 2010 - Present CFO Thai Udon Thani Sugar Mill Company Limited (TSM GROUP)
- 2004 - Present Managing Director Thai Sugar Ethanol Company Limited
- 2003 - Present Managing Director Thai Sugar Mill Group Company Limited

**Board Member in other listed Company**

- None

**Positions in other Company/ Organization / Institution**

- CFO Thai Udon Thani Sugar Mill Company Limited (TSM GROUP)
- Managing Director Thai Sugar Mill Group Company Limited

**Position in other organization competing with the Company**

- None

## Details of the person assigned to take the highest responsibility in Accounting and Finance

**Mr. Rakchai Sakulteera** 61 years

### Position in TPA

- Executive Director
- Managing Director
- Company Secretary  
(Person who assigned to take highest responsibility in Accounting and Finance)

### Date of Appointment

- 13 August 2015 Executive Director
- 1 January 2020 Managing Director
- 11 November 2016 Company Secretary

### Education Background

- Master's Degree in Business Administration International Program, Bangkok University
- Bachelor's Degree in Accounting Chulalongkorn University Graduate Diploma in Auditing
- Graduate Diploma in Auditing Thammasat University

### Director Training - Thai Institute of Directors (IOD)

- Director Accreditation Program (DAP) 126/2016
- Company Secretary Program (CSP) 811/2017

### Personal Qualification

- Certified Public Accountant of Thailand

### (%) of share Possession

- 30,000 Shares

### Family Relationship among Directors and Executives

- None

### 5 Years past working experiences

- 2015 - Present Executive Director  
Thai Poly Acrylic Public Company Limited
- 2020 - Present Managing Director  
Thai Poly Acrylic Public Company Limited
- 2016 - Present Company Secretary  
Thai Poly Acrylic Public Company Limited
- 2015 - 2019 Financial Director  
Thai Poly Acrylic Public Company Limited
- 2014 - 2015 Independent Director and Member of Audit Committee  
Thai Poly Acrylic Public Company Limited

### Board Member in other listed Company

- None

### Positions in other Company/ Organization / Institution

- Board of Directors  
Asiatic Acrylic Company Limited

### Position in other organization competing with the Company

- None

## Details of the person assigned to take direct responsibility for accounting supervision

**Miss Surawadee Leethaweekul** 49 years

### Position in TPA

- Financial Controller  
(Person who assigned to take direct responsibility for accounting supervision)

### Date of Appointment

- 1 June 2017

### Education Background

- Master's Degree in Financial Accounting, Chulalongkorn University
- Bachelor's Degree in Accounting, Chulalongkorn University

### Director Training - Thai Institute of Directors (IOD)

- None

### Training

- Participated in Continuing Professional Development (CPD) courses in 2021 (12 hours)

### Personal Qualification

- Certified Public Accountant of Thailand

### (%) of share Possession

- None

### Family Relationship among Directors and Executives

- None

### 5 Years past working experiences

- 2017 - Present Finance and Accounting Manager  
Thai Poly Acrylic Public Company Limited

### Board Member in other listed Company

- None

### Positions in other Company/ Organization / Institution

- None

### Position in other organization competing with the Company

- None

## Details of the Company Secretary

### Mr. Rakchai Sakulteera 61 years

#### Position in TPA

- Executive Director
- Managing Director
- Company Secretary

#### Date of Appointment

- 13 August 2015 Executive Director
- 1 January 2020 Managing Director
- 11 November 2016 Company Secretary

#### Education Background

- Master's Degree in Business Administration International Program, Bangkok University
- Bachelor's Degree in Accounting Chulalongkorn University Graduate Diploma in Auditing
- Graduate Diploma in Auditing Thammasat University

#### Director Training - Thai Institute of Directors (IOD)

- Director Accreditation Program (DAP) 126/2016
- Company Secretary Program (CSP) 811/2017

#### Personal Qualification

- Certified Public Accountant of Thailand

#### (%) of share Possession

- 30,000 Shares

#### Family Relationship among Directors and Executives

- None

#### 5 Years past working experiences

- 2015 - Present Executive Director  
Thai Poly Acrylic Public Company Limited
- 2020 - Present Managing Director  
Thai Poly Acrylic Public Company Limited
- 2016 - Present Company Secretary  
Thai Poly Acrylic Public Company Limited
- 2015 - 2019 Financial Director  
Thai Poly Acrylic Public Company Limited
- 2014 - 2015 Independent Director and Member of Audit Committee  
Thai Poly Acrylic Public Company Limited

#### Board Member in other listed Company

- None

#### Positions in other Company/ Organization / Institution

- Board of Directors  
Asiatic Acrylic Company Limited

#### Position in other organization competing with the Company

- None



### Details of the directors of subsidiaries

- -NONE-

### Details of the Head of Internal Audit

**Miss Phen Phenprucksakul** Age 54 Years

#### Position

- Internal Auditor

#### Date of Appointment

- 1 November 2021

#### Education Background

- Bachelor's degree  
from Dhurakij Pundit University, major in Accounting

#### Director Training – Thai Institute of Directors (IOD)

- None

#### Certification

- Internal Audit Training from The Institute of Internal Auditors of Thailand (IA)
  - Certified Professional Internal Auditor of Thailand (CPIAT)
  - Principles of Fraud Audit
  - Tool and Techniques for the Audit Manager
- Training for being an auditor of ISO9001:2015 from TUV NORD (Thailand) Ltd
- Training for being a system auditor ISO14001:2015 from MASCI and Environmental Law from A.C.T Intelligent Institute
- Training to be an auditor of energy management within the organization and a legal energy management system for operators from Department of Alternative Energy Development and Efficiency
- Training to be a safety officer at work Supervisor level from the Association of Safety Officers at Work in Nakhon Pathom Province

#### Personal Qualification

- None

#### (%) of share possession

- None

#### Family Relationship among Directors and Executives

- None

#### 5 Years past working experience

- 2015 - Present Internal Auditor – ISO9001:2015, ISO14001:2015, TIS18001:2554 and Internal energy auditor within the organization  
Thai Poly Acrylic Public Company Limited.

#### Board Member in other listed Company

- None

#### Positions in other Company / Organization / Institution

- None

#### Position in other organization competing with the Company

- None

REMARK: Ms. Thanjira Kunathipsitrakool tendered the resignation as Internal Auditor with effective on 31 October 2021

## Details of the Head of Compliance Units

### Mr. Rakchai Sakulteera 61 years

#### Position in TPA

- Executive Director
- Managing Director
- Company Secretary

#### Date of Appointment

- 13 August 2015 Executive Director
- 1 January 2020 Managing Director
- 11 November 2016 Company Secretary

#### Education Background

- Master's Degree in Business Administration International Program, Bangkok University
- Bachelor's Degree in Accounting Chulalongkorn University Graduate Diploma in Auditing
- Graduate Diploma in Auditing Thammasat University

#### Director Training - Thai Institute of Directors (IOD)

- Director Accreditation Program (DAP) 126/2016
- Company Secretary Program (CSP) 811/2017

#### Personal Qualification

- Certified Public Accountant of Thailand

#### (%) of share Possession

- 30,000 Shares

#### Family Relationship among Directors and Executives

- None

#### 5 Years past working experiences

- 2015 - Present Executive Director  
Thai Poly Acrylic Public Company Limited
- 2020 - Present Managing Director  
Thai Poly Acrylic Public Company Limited
- 2016 - Present Company Secretary  
Thai Poly Acrylic Public Company Limited
- 2015 - 2019 Financial Director  
Thai Poly Acrylic Public Company Limited
- 2014 - 2015 Independent Director and  
Member of Audit Committee  
Thai Poly Acrylic Public Company Limited

#### Board Member in other listed Company

- None

#### Positions in other Company/ Organization / Institution

- Board of Directors  
Asiatic Acrylic Company Limited

#### Position in other organization competing with the Company

- None

## Assets for business undertaking and details of asset appraisal

### 1. Operating Property of Thai Poly Acrylic Public Company Limited

Fixed operating assets as of December 31, 2021 can be detailed as follows:

(Unit: Million Baht)

Category of Asset	Ownership	Book value	Obligations
Land - No of Land 47349, 47350, 25034, 23173, 25546, 47346, 47347, 47348, 48375, 19133, 68866, 68865, 68864, 68863, 68862, 68861, 68860, 68859	Owner	136.33	-
Building and building improvement	Owner	35.41	-
	lease contract	0.94	-
Machine and equipment	Owner	57.22	-
Furniture, fixture, and office equipment	Owner	1.55	-
Vehicles	lease contract	5.76	-
Assets under construction and installation	Owner	5.27	-
Total		242.48	

**Remark:** Fixed operating assets locate at 60-61 Moo 9 Phutthamonthon 4 Rd, Krathumlom, Sampran, Nakhonpathom 73220. A leased sales office building is located at 134/5 Krung Thonburi Road, Klong Tonsai, Klongsan, Bangkok 10600.

As of December 31, 2021, the Company has intangible assets which are computer software in the amount of 0.40 Million Baht, having ownership with no obligation.

## Unabridged policy and guidelines on corporate governance and unabridged code of business conduct prepared by the Company in the following matters:

### Policy and guideline on Corporate Governance

The Board of Directors of Thai Poly Acrylic Public Company Limited is obliged to perform its duties in the best interests of the Shareholders and shall treat its stakeholders and all parties concerned with utmost fairness and provide quality products and services to fit the needs and requirements of the customers.

The Board of Directors adheres to the principles of good corporate governance, and have introduced recommendations under the guideline for listed companies 2017 issued by the Office of Securities and Exchange Commission (SEC). The guideline consists of 8 practices for director and to be the norm in controlling business transparent management and fair for the mutual benefit of the shareholders of the company, stakeholders including society and communities in which the company operates as following detail ;

1. Recognizing the roles and responsibilities of the Board of Directors as leaders that create value for the business sustainably.
2. To determine the objectives and main goals of the business that are going for sustainability.
3. To strengthen the Board of Directors.
4. Recruiting and developing high-level executives and personnel management.
5. To promote innovation and responsible business operations.
6. Ensuring appropriate risk management systems and internal controls.
7. To maintain financial credibility and disclosure.
8. Support participation and communication with shareholders.

The Company has publicized “Corporate Governance, Business Ethics Rules and Anti-Corruption Policy” on its website <https://www.thaipolyacrylic.com>

The Company’s Corporate Governance performance can be summarized as follows :

#### 1. RIGHTS OF SHAREHOLDERS

The rights of Shareholders include all basic rights such as the right as an investor and the right as an owner of the Company including for instance the rights to buy new shares, sell or transfer owned shares, the rights to receive dividends, the rights to attend the Shareholders’ meetings, the rights to express or raise questions at the meetings, the rights to make decision by voting on the important affairs of the Company i.e. nomination of Directors, amendment of Memorandum of Association and Articles of Association of the Company etc. and acknowledge the Minutes of Annual General’s Meeting.

#### 2. EQUITABLE TREATMENT OF SHAREHOLDERS

The Company shall provide the equitable treatment to every individual shareholder, every group of shareholders, major or minor shareholders as well as the investors and foreign investment institutions. The fundamental rights of the shareholders are preserved regardless of gender, age, origin, nationality, religion, belief or social status.

#### 3. ROLES OF STAKEHOLDERS

The Company conducts its business responsibly in order to provide mutual benefits to all groups of stakeholders, and thereby ensuring that the administration and the business operations of the Company shall not have any impact on the rights of any stakeholder concerned.

#### 4. DISCLOSURE AND TRANSPARENCY

Disclosure of information is a key index of transparency and an important factor to create confidence among investors and stakeholders. The Company values accurate disclosure of information and creates variety channels of disclosure of information so that all stakeholders can gain easy access to information.

#### 5. RESPONSIBILITIES OF BOARD OF DIRECTORS

The Board of the Directors recognizes its roles and responsibilities in instituting policies and directions of the Company's operations in compliance with the law, the Company's objectives and regulations as well as the resolution from the Shareholder's Meeting. The Company supervises and monitors departments to follow the set policies effectively to maintain the Company's interest, increase economic value to the business and promote stability among shareholders base on good corporate governance. The Board of Directors has followed up the implementation of strategies for sustainable business management. Roles and responsibilities of Board of Directors toward the Company and Shareholders are important since the Board consists of the expert persons with leadership skills, sharp vision, knowledge and high experience. They have honesty and independence for decision making, which is beneficial to the Company's maximum interest and overall shareholders.

### Policy and guidelines related to shareholders and stakeholders

#### 1. THE RIGHTS OF SHAREHOLDERS

- 1.1 Shareholders' Meetings - As a rule, the Company schedules an Annual General Meeting of shareholders (AGM) within 4 months of the annual closing date of its accounting books. For urgent matters that affect or involve the shareholders' interests or relate to conditions, regulations or laws that require shareholders' approval, it calls an Extraordinary General Meeting of the shareholders. In 2021, an Extraordinary General Meeting was not held.
- 1.2 In 2021, the Annual General Meeting of shareholders took place on 22 April 2021 at the S.D Avenue Hotel, Pinklao Room, 3rd floor, Borom Rajchonni Road, Bangbunru Sub-district, Bangplad District, Bangkok Metropolis.
- 1.3 Recognizing the importance of protecting and facilitating the exercise of Shareholders' Rights, the Company has established a policy of equitable and fair treatment for all shareholders as follows:
  - 1) Promoting Exercise of Shareholders Rights
    - The Company encourages all shareholders to exercise their rights in an equitable manner.
    - All shareholders are encouraged to attend the shareholders' meetings, and to provide comments and suggestions to the Board of Directors.
  - 2) Facilitating Shareholders Attendance and Voting at the Meetings
  - 3) The Company encourages shareholders' participation in decision making on important issues and voting on such issues at General Meetings. All resolutions are voted on by poll.
  - 4) Giving Information Relating to Shareholders' Meetings

The Company will ensure that shareholders are informed in advance of General Meetings, of important information, criteria and procedures for those meetings, including the voting procedure for each agenda item. The Company will strive to provide all information regarding General Meetings to all Shareholders 21 days (but not less than 7 days) in advance, so that Shareholders can study all the information prior to attending the meeting. In addition, the Company will post all information on the Company's web site prior to sending out the notice of the meeting.
  - 5) Giving Opportunity to Shareholders to ask questions and express their Opinions in the Annual General Meetings.
  - 6) The Company will, at all General Meetings, provide the opportunity to all Shareholders to ask questions, express comments or offer any suggestions.

#### 1.4 Disclosure of Resolutions of Shareholders' Meetings

The Company will submit the summary of resolutions of Shareholders' Meetings to the Stock Exchange of Thailand within the date after the meeting or 9 am of the next working day at the latest. The Company will also submit the report of the Shareholders' Meeting with Minutes (each agenda item clearly separated), number of Directors in attendance and/or absent, questions raised by Shareholders and answers from the Directors and voting tallies of each agenda item to SET within 14 days and to the Ministry of Commerce within 30 days after the meetings. All meeting information will be accessible through the Company's website.

### THE EQUITABLE TREATMENT OF SHAREHOLDERS

#### 2.1 Proposing Additional Meeting Agenda Items and Nomination of Directors

- To enable minor shareholders to take part in the operations of the Company, the Company has established criteria and process for them to propose meeting agenda items and/or nominate Directors in advance.
- The Company will post such criteria on its website and post an announcement on the website of SET to enable shareholders to propose meeting agenda items and/or nominate Directors in advance.

#### 2.2 Facilitating Shareholders at the Meetings

As most shareholders attending the Shareholder Meetings are Thais, the meetings will be conducted in the Thai language. The Company's website is bilingual.

#### 2.3 Appointing Proxies

To maintain the rights of shareholders who cannot attend Annual General Meetings in person, they have the right to appoint proxies or delegate their votes to any Independent Director in attendance. The Company will state the names of these Independent Directors in the proxy forms as defined by the Ministry of Commerce for voting on behalf of shareholders without conditions. The Company treats proxies as shareholder votes. Thirty days ahead of each meeting, the Company discloses the proxy form and procedures on its website. Shareholders may make further inquiries about this by phone or through other channels such as the Company's website and e-mail.

### 3. THE ROLES TOWARD STAKEHOLDERS

#### • To Shareholders

Operating a profitable business that leads to sustainable growth. The Company is committed to corporate governance in tandem with corporate social responsibility (CSR) to ensure investors that the Company provides sound investment returns and is sustainable. The Company has established channels for all stakeholders to contact directly through whistleblowing via its website [www.thaipolyacrylic.com](http://www.thaipolyacrylic.com).

#### • To Employees

The Company regards all employees as the most valuable asset and shall continue to develop the competencies and the integrity of the employees. The Company shall provide its employees with good benefits and provide a workplace that is safe within a healthy environment. Professional development opportunities are provided for all employees, helping to continuously and sustainably increase their productivity. The Company has indicated the employee's performance by using performance indicator to measure the employee's performance. The Company will provide reasonable benefits to all employees based on their capabilities and competencies as well as career path and succession plan.

## **The employee benefits are divided into two categories: Short – term benefits, and post – employment benefits and other long – term benefits.**

### **1. Short – term employee benefits**

The Company has a policy to consider remuneration for employees and executives in term of considering adjusting the rate of employment for employees and executives, they will consider the working conditions, intentions of work assigned, duties and responsibilities, other abilities, the Company's performance and also comparison with market competition. In part of considers the annual bonus, the Company has a policy to pay every year. However, some criteria will be taken into consideration for approval, including the annual operating results of the Company, both financial and non-financial. The work of the staff and the team dedication to work under responsibility etc.

### **2. Post-employment benefits and other long-term employee benefits**

#### **2.1 Defined Contribution plans**

The Company and its employees have jointly established a provident fund. The fund is monthly contributed by Employees and by the Company.

#### **2.2 Defined Retirement Benefit plans and other long – term employee benefits**

The Company has obligations in respect of the severance payments to employees upon retirement under Labor Law and other employee benefit plans. The Company treats these severance payment obligations as a defined benefit plan. In addition, the Company provides other long – term employee benefit plan, namely long service awards.

#### **• To Customers**

Ensuring customer satisfaction and loyalty by delivering world-class quality products and services at competitive prices. The Company takes customer satisfaction seriously, since customers are buyers and users of our products and services. The Company offers fair prices, quality products and accountability to customers and consumers, and is committed to consistently develop its products and to provide safe, integrated, attentive quality services in response to their needs. The Company has implemented quality, security, safety and occupational health standards in its operations in order to focus on quality management through efficient work processes with a view to deliver products and services that satisfy customers.

#### **• To Business Partners**

Observing fair and mutually beneficial business practices with all business partners while promoting trust as well as relationship and cooperation with a view to expand business capabilities and increase efficiency in a long-term partnership. Business partners are the key to business success through mutual support, and the Company treats them fairly. The Company strictly complies with contracts and values procurement processes. Clear procurement procedures have been formulated to ensure transparency, openness to scrutiny and mutual benefit.

The Company requires business partners to strictly conform to the rules about work safety and handling of tools, as well as other regulations, particularly in the type of work affecting health, safety and the surrounding environment.

The Company's approved Vendor List is prepared through a detailed selection process that reviews business /operational procedures of candidates to ensure that the business partners selected for the Vendor List are efficient and are capable of delivering products/services that meet the Company's requirements.



- **To Creditors**

Maintain good relationship with creditors in such a way that mutual trust and confidence are gained. In doing so the Company shall commit to and honor promises, and obligations agreed with the creditors. The Company ensures strict compliance with all terms of any loan agreement it enters into in a responsible and transparent manner. The Company will not conceal any information or hide any facts that might possibly result in the realization of losses for its creditors.

- **To Business Competitors**

The Company's policy is that it shall treat its business competitors in a manner that is acceptable in accordance with International law and generally accepted principles and standards. The Company shall furthermore operate its business within a fair, but competitive context and shall not take unfair advantage of its business competitors. The framework of this policy has been shaped by related laws and regulations as well as concepts related to generally accepted business codes of conduct. The collection of insider information from a business competitor is expressly prohibited. The policy further prohibits the infringement of intellectual property rights and trade secrets. Furthermore, it includes provisions that prohibit the slandering of business competitors and any form of collusion in conflict with existing laws and regulations.

- **Community and Society**

The Company shall continue to operate its business in a manner that is beneficial to the society and the community in which it operates. The Company shall co-operate with the community and relevant authorities to prevent any business transaction with any party that might be hazardous to the community and the society as a whole.

#### **4. DISCLOSURE OF INFORMATION AND TRANSPARENCY**

The Company promotes awareness among Directors, the Management and the employees of the importance of good corporate governance and transparency in their work, and creates appropriate mechanisms to receive complaints and fair treatment both for those who file complaints and those who have been complained against.

The Company offers opportunities for the public to file complaints on improper behavior of Directors, the Management and staff or their violation of Company's business ethics.

- (1) Department Manager and / or Human Resources Manager
- (2) Audit Committee Email: [Audit.Committee@thaipolyacrylic.com](mailto:Audit.Committee@thaipolyacrylic.com)
- (3) Corporate Whistle Blower  
Hotline URL : (Thai site) <https://www.hotline.tokyo.jp/multi/mchc-th/access/login>  
(English site) <https://www.hotline.tokyo.jp/multi/mchc-en/access/login>  
password: MCHCthai

The Company will listen to all complaints equally, transparently, caring and giving fairness to all parties as appropriate action.

The Company discloses information of the Company and financial statements to the Stock Exchange of Thailand completely, accurately, adequately and in time. In addition, the Company has disclosed other information. More to achieve transparency in operation.

1. Allow the investors, community, institutions and interested persons to access the information of the Company through Company website.
2. Recognizing the fact that some Directors reside abroad, and may consequently be excused from attending all Board Meetings, the Board encourages all Directors to attend the meetings when important issues are raised in the meeting agenda, such as the consideration and approval of future investments for plant expansion projects, and the consideration and approval of the annual financial statements and the annual budget proposals, etc.

3. Publish the corporate governance policy and Anti-Corruption policy on the Company's website.
4. Disclose the direct shareholding of directors and executives and indirect shareholding of spouses, or/and minor children of the "Directors Shareholding" and "Executive Shareholding" in Annual Report.
5. The Company has a policy that all directors must report their interests with the Company or that is expected to be immediately available for further in order to consider and disclose.
6. Provide the opportunity for the shareholders to propose matters to be included as agenda items for the Annual General Meeting of Shareholders ("AGM") and to nominate person(s) to serve as the Company's director(s). The criteria and procedures have been disclosed on the Company's websites at <http://www.thaipolyacrylic.com>
7. Appointment for Auditor's Remuneration  
 Agenda for an appointment of auditors clearly includes names of auditors, affiliated Company, auditor licenses, experience, auditors' competency, years of auditing for the Company, issues relating to the independence of auditors and auditors' remuneration with the opinion of the Board of Directors according to recommendation of the Audit Committee.

## **5. BOARD RESPONSIBILITIES**

Company has prescribed that the Board shall comprise of 9 Directors consisting of 3 Independent Directors (Company has Independent Directors not less than 3 persons and not less than one third of total directors of the Company), 3 Executive Directors and 3 Non-Executive Directors (Representatives of its major shareholder) Audit Committee is appointed by the Board of Directors, and consists of 3 members and all must be Independent Directors. Nomination and Remuneration Committee will be selected from Board of Directors, and consists of 3 members out of which the Chairman of the Committee and at least one member must be Independent Directors. Nomination and Remuneration Committee serve for 3 years per term.

### **TERM OF DIRECTORS**

In compliance with the Public Companies Limited Act one third of the directors retire by rotation at the Annual General Meeting every year but are eligible for re-election. It is the policy that the tenure of an Independent Director should not exceed a cumulative term of 9 years from the first day of appointment as Independent Director. Upon completing 9 years, an Independent Director may continue to serve on the Board, subject to the Board's rigorous review of his/her continued independence.

### **APPOINTMENT AND DISMISSAL OF DIRECTORS**

According to the Company's Articles of Association, one third of Directors shall be retired on the rotation basis at every Annual General Meeting, however, the retired Directors can be re-elected at the Shareholders' Meeting. In the case any Director has tendered a resignation or is to be retired for any other reasons prior to the end of the term, the Board can appoint a succeeding Director and he or she can remain in the position to complete the remaining term of the former Director.

### **SEGREGATION OF DUTIES OF THE CHAIRMAN AND THE MANAGING DIRECTOR**

To segregate policy-making duties from those of day-to-day management and to enable Directors to oversee, look after and assess performance effectively, the Company requires that the Chairman and the Managing Director are always two distinct and separate persons to ensure the balance of authority. The role of the Chairman is the Head at the policy level and the role of the Managing Director is the Head of Operational Management who look after the daily management of the Company. The Company has decided to appoint Chairman, who is not an Independent Director as defined in the SET guidelines, but whose interests are fully disclosed to the Board. However, the Board has appointed one of the Independent Directors to participate in setting the agendas for Board Meetings

### ORIENTATION FOR NEW DIRECTORS

The Board of Directors establishes an orientation for every new Directors to create knowledge and understanding in the business including the Company's operations such as capital structure, shareholders, performance and system information including laws and regulation that useful for being a Director. This aims to prepare readiness of new Directors, enabling them to recognize their roles and responsibilities. There is a policy to enhance conceptual knowledge so that Directors can hold positions with efficiency.

### SUCCESSION PLAN

The Board of Directors has established a succession plan in the management level and positions in the main line by considering performance, potential and readiness of the individual. The Company has equipped a successor with knowledge development, skills required by job positions so that he or she will take important positions in the future.

### DEVELOPMENT OF DIRECTORS

The Board of Directors has a policy to promote and facilitate training and education for the Directors. In order to improve and perform continually, training courses inside and outside the country are offered to the Directors, enabling them to understand the Directors' performance. Due to the Covid – 19 situation therefore, In 2020 there is no Board of Director participated in Training course.

### POLICY OF DIRECTORSHIP IN OTHER COMPANIES

The Company has carried out policy to allow Managing Director to assume directorship in other companies which the Company invests in, in joint venture companies or any other companies authorized by the Board of Directors to manage those companies according the Company's policies. The directorship in other companies should not disrupt his main duties in the Company.

### RISK MANAGEMENT

The Board has established a risk management system and has applied this throughout the Company's operations in order to prevent and manage identified risks. Moreover, the Company has a monitoring and assessment system in place. The Board has assigned the Audit Committee to oversee and audit the risk management system in order to ensure that risks being identified are addressed suitably and sufficiently.

The Audit Committee reviews the risk management processes with relevant department / function and the internal auditor. Its opinion is that the Board maintains adequate risk management practices that are relevant, suitable and sufficient.

### **Business code of conduct**

The Company has disclosed the Corporate governance policy, business code of conduct and anti- corruption policy on Company website. For more details, please visit our website <https://www.thaipolyacrylic.com>

## Report of the Audit Committee Year 2021

Dear Shareholders,

The Current Audit Committee of Thai Poly Acrylic Public Company Limited is made up of three knowledgeable directors:

- |                              |                                 |
|------------------------------|---------------------------------|
| 1. Dr. Anuphan Kitnitchiva   | Chairman of the Audit Committee |
| 2. Mr. Jan Dam Pedersen      | Audit Committee                 |
| 3. Mr. Jetsada Wongwatanasin | Audit Committee                 |

Ms. Phen Phenplugsakul, Internal Auditor serves as secretary to the Audit Committee.

The Committee performed its Board-assigned duties in line with its own charter, with priority given to the design of a systematic structure and work process. This facilitated the Company's conformance to corporate governance, established a risk management system and a sufficient internal control system.

In 2021, the Committee held 4 meetings with the Management, the Internal Auditor and the External Auditor. Also, the Audit Committee had the annual session with the EY Auditors without the presence of Management one time to get to know the issues independently.

1. Review of financial reports: Together with the Management, the Internal Auditor and the External Auditor, the Committee reviewed quarterly and annual financial statements, including related party transactions and conflict of interest transactions. The Committee discussed with the External Auditor the accuracy and completeness of the financial statements, any adjustment entries materially affecting the statements, adequacy and suitability of account recording methods and provisioning policies as well as accuracy and adequacy of information disclosure and the Auditor's independence. All to ensure that the financial statements preparation is in conformity with legal requirements and accounting standards under the generally accepted accounting principles, and is presented in a reliable and timely manner with information sufficiently disclosed in such statements for the benefit of investors or financial statement users.
2. Review of risk management: The Committee reviewed the efficiency and suitability of risk management processes, including the Risk Management Policy and the plans and the approach that affect the Company's operations and investment plans. Also, the Committee reviewed the Management's risk assessments and oversaw risk mitigation associated with key issues significantly affecting the Company to ensure that the Company commands systematic, efficient, and prompt monitoring processes.
3. Review of the effectiveness of internal control: The Committee evaluated compliance with laws and relevant regulations. The Committee also considered internal control systems with the External Auditor and Internal Auditor once a year by reviewing : Operations, resource consumption, stewardship of properties, prevention or reduction of errors or damage, losses, waste or fraud as well as the credibility of financial reports and compliance with laws and regulations. The External Auditor agreed

that no significant problems or shortcomings were found.

4. Review of good governance: The Committee focused on the management policies supporting good corporate governance. It actively encouraged Management to implement an anti-corruption program in order to ensure the effectiveness of the anti-corruption control. Furthermore, the Committee reviewed compliance with relevant laws and regulations and defined business processes. Related party transactions were also reviewed to ensure that the Company adhered to sensible conformance to normal business conditions. Also, the Committee reviewed the Anti-Corruption guideline, process of complaint and whistle-blowing to ensure alignment with Company's corporate governance and business philosophy.
5. Review of internal audit: This year the Committee reviewed the annual internal audit plans and conformance to the plans and findings of audits. To this end, it commented on and monitored corrective actions for significant aspects of good governance and adequate internal control as well as the annual appraisal and merit consideration for the Internal Auditor. The Committee also encouraged the Internal Auditor to attend training courses on internal audit and English and to participate in a seminar in internal audit with a view to develop and equip her with internal-audit skills and improve her professional knowledge.
6. Appointment of the External Auditor for 2022 : The Committee endorsed the EY Office Limited as the Company's Auditor for 2022 with the Board's concurrence for presentation and shareholders' approval at the AGM 2022 incl. the audit fees.

In summary, the Audit Committee performed the duties and responsibilities stated in its charter with care, prudence and adequate freedom, whilst providing creative views and constructive recommendations for the equitable benefit of stakeholders. Its opinion is that Company's financial reports are accurate, credible and in line with generally accepted accounting standards. In addition, the Company commands practices that comply with relevant laws and business obligations together with good governance, adequate risk management and a suitable, sufficient internal control system and internal audit.



(Anuphan Kitnitchiva, Ph.D.)  
Chairman of the Audit Committee  
February 21, 2022

**REPORT OF THE BOARD OF DIRECTORS' RESPONSIBILITIES FOR FINANCIAL**

The Board of Directors is responsible for overseeing the preparation of financial reports and the presentation financial statements and financial information in accordance with the good corporate governance of the Company and in accordance with generally accepted accounting standards. Financial reports must disclose complete and accurate information and financial statements with transparency as shown in the Company's Annual Report by adopting appropriate accounting policies that are regularly implemented with discretion and care as well as establishing and maintaining an effective internal control to ensure reasonable confidence in the reliability of the financial statements, assets maintenance with good protection system without fraud or unusual business operations, connected transactions which may cause a conflict of interest, actual transactions that are reasonable, normal and for the best interest of the business, including compliance with relevant laws and regulations.

In overseeing the preparation and presentation of the Company's financial reports in order to achieve the above objectives, the Board of Directors has appointed Independent Auditors to audit the Company's financial statements, as well as assigned the Audit Committee, consisting of 3 Independent Directors, to establish a system for auditing financial accounting information.

Every member of the Board of Directors have considered and reviewed the 2021 financial statements, and certify that the Company's financial statements as of December 31, 2021 are accurate and complete with sufficient information, and have been prepared in accordance with generally accepted accounting standards based on the opinion made by the Auditor in the Auditor's Report. In addition, they have also been audited by the Internal Auditor, which is considered that the process of financial statements preparation is in compliance with the above audit process.



(Benjamin James Harris)  
Chairman of the Board of Directors



(Rakchai Sakulteera)  
Managing Director

## INDEPENDENT AUDITOR'S REPORT

### Independent Auditor's Report

To the Shareholders of Thai Poly Acrylic Public Company Limited

### Opinion

I have audited the accompanying financial statements of Thai Poly Acrylic Public Company Limited (the Company), which comprise the statement of financial position as at 31 December 2021, and the related statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Thai Poly Acrylic Public Company Limited as at 31 December 2021, its financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

### Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the Company in accordance with the Code of Ethics for Professional Accountants as issued by the Federation of Accounting Professions as relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

### Key Audit Matter

Key audit matter is the matter that, in my professional judgement, was of most significance in my audit of the financial statements of the current period. This matter was addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on this matter.

I have fulfilled the responsibilities described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report, including in relation to these matters. Accordingly, my audit included the performance of procedures designed to respond to my assessment of the risks of material misstatement of the financial statements. The results of my audit procedures, including the procedures performed to address the matters below, provide the basis for my audit opinion on the accompanying financial statements as a whole.

Key audit matter and how audit procedures respond for the matter are described below.

#### Sales

The amount of sales presented in the financial statements for the year 2021, amounting to Baht 894 million, is significant and the account directly impacts on the Company's operating results. Moreover, the Company has a large number of customers both in Thailand and overseas and sales are made under various terms and conditions. Therefore, I focused on the Company's recognition of sales revenue.

I assessed and tested the Company's internal controls with respect to the revenue cycle by making enquiry of responsible executives, gaining an understanding of the controls and selecting representative samples to test the operation of the designed key controls. I also examined, on a sampling basis, supporting documents



for sales transactions occurring during the year and near the end of the accounting period. In addition, I reviewed credit notes that the Company issued after the period-end and performed analytical review procedures on sales accounts.

### **Other Information**

Management is responsible for the other information. The other information comprises the information included in annual report of the Company, but does not include the financial statements and my auditor's report thereon. The annual report of the Company is expected to be made available to me after the date of this auditor's report.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated.

When I read the annual report of the Company, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance for correction of the misstatement.

### **Responsibilities of Management and Those Charged with Governance for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Thai Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Thai Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Thai Standards on Auditing, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the financial statements of the current period and is therefore the key audit matter. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

I am responsible for the audit resulting in this independent auditor's report.

**Preecha Arunnara**  
 Certified Public Accountant (Thailand) No. 5800  
 EY Office Limited  
 Bangkok: 24 February 2022





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