



TIPCO
ASPHALT

TIPCO ASPHALT PUBLIC COMPANY LIMITED

COMMITMENT TO CLIMATE



56-1 ONE REPORT

2023

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This 56-1 One Report referred to the information disclosed on the Company's website, which is an integral part of the 56-1 One Report.

MESSAGE FROM THE CHAIRMAN



Despite the sluggish economy, crude price wide fluctuations, geopolitical tensions, high interest rates and delay in the disbursement of the 2024 Thai government budget, Tipco Asphalt Public Company Limited and its subsidiaries (the Group) continued to deliver strong performance in 2023. The Group also attained various accomplishments in key developments in the areas of the environment, social, and good corporate governance with the aim to become a sustainable organization.

Total asphalt products sales of the Group reached 1.124 million tons in 2023, representing a 4.9% decrease comparing with that of 2022. As for the construction business, higher revenue was mainly

driven by the activities from the construction of the 3rd Runway and ground improvement work for the 2nd Midfield Satellite (SAT-2) project at the Suvarnabhumi International Airport. The Group, in turn, registered total revenue of Baht 31,106 million which slightly dropped from that in 2022 by 6.9%. Nevertheless, net profit of Baht 2,306 million in 2023 decreased only 2.6% as compared with that in 2022. This was attributed to a combination of competitive production cost from alternative feedstocks purchased to feed our KBC refinery, ability to procure ample asphalt supply from Thai and other regional refineries and effective selective market sales strategy employed under the tightening asphalt supply situation in 2023.

“Despite the challenges in 2023, the Group attained various accomplishments in key developments in the areas of the environment, social, and good corporate governance”

In term of sustainable development management, the Group has engaged a reputable ESG consultant to assist in crafting our climate strategy, assessing climate risks and reviewing multiple Climate Strategic Projects with the aim to reduce GHG emissions and creating International Financial Reporting Standards IFRS S2 report: Climate-related Disclosures. In term of good corporate governance and sustainable development management, we have received honorable awards including the Sustainability Disclosure Award in 2023 from Thaipat Institute for five consecutive years and 2nd recertification of Private Sector Collective Action against Corruption (CAC) during June 2023 – June 2026.

In summary, the Group’s 2023 performance was praiseworthy for the strong return to shareholders. It is my pleasure to inform you that the Board has proposed to the 2024 Annual General Meeting for approval of a total dividend payment of Baht 1.25 per share, equating to a full year payout ratio of 86% of

net consolidated profit of the Group. This proposed total dividend includes a Baht 0.25 per share interim dividend payment which was approved by the Board of Directors last August and the remaining Baht 1.00 per share is subject to the approval from the Annual General Meeting. Such high dividend payout ratio once again confirmed our ability and commitment to distribute the highest possible total return to our shareholders. This proves why we were selected as a member on the SETHD (High Dividend) index for many years in a row.

Finally, on behalf of the Board of Directors, I would like to extend my gratitude to all shareholders and stakeholders of the Company for their continuous support. I would also like to thank our management and staff for their dedication, initiatives, and hard work. Their “Team spirit, Integrity, Prudence, Commitment, and Open-minded” (the Group’s Core Values) attitude in performing their duties are all very much appreciated.



MR. CHAINOI PUANKOSOOM

Chairman

FINANCIAL HIGHLIGHTS

Unit : Million Baht	2019	2020	2021	2022	2023
Financial Highlights					
Total Revenue ^{1/}	37,026	26,291	27,210	33,638	31,294
Gross Profit	4,174	5,555	3,882	4,361	4,138
EBITDA ^{2/}	3,940	5,591	4,009	4,525	4,377
Net Profit	3,123	3,592	2,220	2,367	2,306
Assets	25,262	21,334	24,801	26,257	23,664
Liabilities	11,683	6,314	8,864	9,465	6,762
Shareholders' Equity	13,579	15,021	15,937	16,792	16,902
Financial Ratio					
Total number of shares issued (shares)	1,576,763,070	1,578,361,570	1,578,361,570	1,578,361,570	1,578,361,570
Book value per share (Baht)	8.50	9.40	9.74	10.28	10.35
Earnings per share (Baht)	1.98	2.28	1.41	1.50	1.46
Dividends per share (Baht)	1.50	1.60	1.05	1.25	1.25 ^{3/}
Net profit margin (%) ^{4/}	8.50%	13.68%	8.28%	7.08%	7.43%
Return on equity (%)	24.22%	25.43%	14.70%	14.98%	14.16%
Return on assets (%)	15.59%	19.25%	13.54%	12.67%	12.23%
Debt to Equity Ratio	0.86	0.42	0.56	0.56	0.40

^{1/} Include finance income and exclude gain on exchange

^{2/} Equal to profit from operating activities before change in operating assets and liabilities of financial statements

^{3/} Final dividend of 1.00 Baht per share is subjected to approval at 2024 Annual General Meeting

^{4/} Net profit include equity holders of the Company and Non-controlling interests of the subsidiaries

^{5/} Exchange rate in 2019, 2020, 2021, 2022 and 2023 were 31.05, 31.29, 31.98, 35.07 and 34.81 Baht per USD, respectively

FINANCIAL HIGHLIGHTS (MILLION BAHT)

Gross Profit



EBITDA^{1/}



Net Profit



^{1/} Equals to profit from operating activities before change in operating assets and liabilities of financial statements

FINANCIAL RATIOS

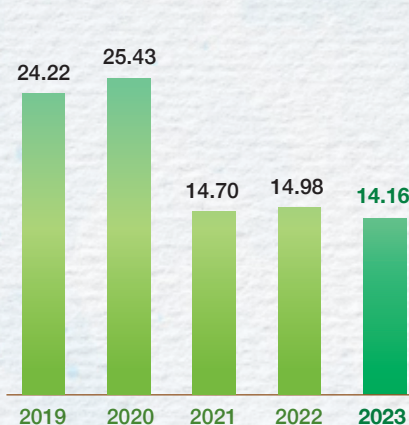
Dividend per Share (Baht)



Debt to Equity Ratio



Return on Equity (%)



Return on Assets (%)



01

BUSINESS OPERATION AND PERFORMANCE

- Organizational structure and operation of the Group
- Risk management
- Business sustainability development
- Management discussion and analysis (MD&A)
- General information and other material facts







BUSINESS OPERATION AND PERFORMANCE

1. Group Structure and Operation

1.1 Policy and Business Overview

1.1.1 Overview of the Mission, Vision, Goals / Objectives and business strategies

The Group has set out a long-term corporate strategy as the guidelines for its business direction since 2010. The corporate strategic plan focuses on formulation of our Mission/Vision statements, and on the development of our strategic goals/objectives supported by a set of strategic initiatives to make sure our long-term Mission/Vision can be met while ensuring our businesses remain resilient to cope with any challenges/ risks encountered. The Group re-aligns our strategies every year and carries out a complete full review every 5 years.

The current corporate strategic plan, Vision 2025, was formulated by taking into consideration all relevant factors in the context of the Group's business outlook, key issues of interests/expectations by stakeholders, and constantly changing business environments including potential risks and opportunities that may arise to ensure sustainable value creation for the organization, related stakeholders, the environment, and society at large. This business direction is implemented through coordinated plans and resource allocation in different business functions and processes across the Group governed by the top management and the Board of Directors.

The Group conducts strategic reviews every year, to ensure our high resiliency in the face of any potential risks or new market challenges. Our Senior management, together with key business unit heads and Corporate Strategy teams, consider market development, business outlook, and macro trends including key risks. Market scenarios are then simulated, and the Group revises its strategic initiatives accordingly.

MISSION

TO BE A GLOBALLY PREFERRED INTEGRATED ASPHALT SOLUTIONS PARTNER

VISION 2025

TO PROVIDE ASPHALT SOLUTIONS IN A SUSTAINABLE MANNER LED BY AN INNOVATIVE CULTURE

STRATEGIC GOALS/ OBJECTIVES

For the successful implementation of our Vision 2025 and corporate strategic plan, the Group has formulated 6 strategic goals, to serve as the directional guidelines for all business units across the Group. The detail of each strategic goals are as follows:

Strategic Goals	Description
S1 A Truly Global Entity	Recognized as the industry leader exemplifying global standards.
S2 Diversified Portfolio of Solutions	Divesified portfolio of solutions to serve needs of all customers.
S3 Innovation Beyond Product	Instill innovative culture within organization to improve efficiency of our processes and services.
S4 Client Centric	Exceed customers' expectations through anticipation of their future needs.
S5 Datum Driven Organization	Optimize business intelligence for efficient decision making.
S6 Sustainable Organization	Encourage innovative, eco-efficient and safety mindset in a sustainable organization.

Each strategic goal is accompanied by a set of strategic initiatives or projects to be executed and monitored across the Group to ensure successful implementation of our Vision 2025. The Corporate Strategy Department is responsible for following up on the progress and target performances of these strategic goals and initiatives, including reporting the progress to the senior management and the Board of Directors on a regular basis.

In addition, each strategic initiative will be monitored and reassessed whether they are still valid and relevant to support our strategic goals. In case such initiative no longer serves Vision 2025, related business units shall revise their own strategy while new initiatives will be proposed to replace the old ones with new action plans and target details for further executions.

INNOVATIVE CULTURE

Under Vision 2025, the Group aims to instill an innovative culture within the organization. Innovation is one of the ways we pursue our goal of sustainable development. It is cultivated by combining several types of knowledge and technology to build

solutions with high value that will positively impact customers and our business ecosystem. Innovation Policy can be found in Attachment 5.

BOARD OF DIRECTORS AND CORPORATE STRATEGY

The Board of Directors plays a crucial role not only in the formulation of the Group's Mission and Vision, but also in monitoring its progress. As part of the formulation, the Company worked with an external consultant to advise us on factors we should consider while developing our Mission, Vision 2025, and Strategic Goals. Details are as follows:

In December 2019, members of the Board of Directors participated in the Vision 2025 Corporate Strategy Workshop, set up to lay out a long-term corporate strategy plan for 2020-2025. A new set of Mission/Vision statements was formulated for the Group, with new strategic goals/initiatives proposed to accommodate the new strategic direction.

In 2020, there was a post 200-days workshop strategy review meeting where the revised Vision/ Mission statements and corporate strategy plans

were proposed by top management to the Board of Directors for their review and approval. Since then, all key strategic initiatives and action plans have been implemented and closely monitored by the Corporate Strategy team, with progress reports presented to the Board of Directors for their acknowledgement and suggestions.

Every year, strategic initiatives under Vision 2025 plan are reviewed to ensure they are executed properly and accommodate strategic goals. In 2022, top management conducted its annual Vision 2025 strategic review meeting in which each strategic goals and initiative progress were fully discussed to ensure their continued success. It was agreed that some of the strategic initiatives that were no longer relevant would be replaced. Key global trends and macroeconomic developments were also considered while some new strategic initiatives were proposed during the meeting. The strategic review results were then reported to the Executive Committee, and ultimately submitted to the Board of Directors for their acknowledgement and approval.

The results from these corporate strategy review sessions are also communicated across the Group to ensure all staff members fully understand the Group's strategic direction. At the same time, they will revise their corresponding operation/business plans and targets (both financial and non-financial) accordingly.

In 2023, a Vision 2025 strategic review meeting was conducted by the top management including members from the Board of Directors. Key highlights in 2023 focused on formulation and execution of Climate Strategies which addresses management of greenhouse gas emission reduction. In addition, there was the introduction of new strategic initiatives for sustainable procurement, maritime and construction businesses.



1.1.2 Major Changes or Developments in 2021 - 2023

2021

The year 2021 was very challenging for the Company and its subsidiaries. The impact of the Covid-19 pandemic and related restrictions delayed road maintenance and construction activities in many countries. The effect of the continued rise in crude demand and price, driven by world economic recovery, on the cost of asphalt production was further aggravated by the restriction of crude import from Venezuela since the end of 2020.

The Group managed to secure alternative feedstocks from other sources and refineries but this was still insufficient for our requirement. This resulted in a tight asphalt supply situation and the Group subsequently devised a “selective market strategy” to focus on selling to markets with higher margins rather than sales volumes.

Realizing the necessity to expand our retail customer base in the domestic market, the Company decided to acquire an additional 37.5 % shareholding in Thai Slurry Seal Company Limited (TSS), our subsidiary

in the road construction business, in February 2021. We became the major shareholder of the TSS with a total shareholding of 62.5%. Following this acquisition, the Company was able to integrate TSS as part of our marketing arm to introduce and market new value-added asphalt products and new paving techniques under the banner of the Tipco Asphalt Group. By strengthening our sales force and combining this with our extensive knowledge of the product, technology and most importantly customer concerns and requirements, the Company is convinced that this will result in higher asphalt sales volumes going forward. The Company will also be able to provide stronger support to the construction of the 3rd runway of the Suvarnabhumi International Airport project undertaken by our construction group together with its joint venture partner since 2020. As a market leader, the Group is committed to providing high quality asphalt products and technical support to our customers through continuous investment and innovation in our R&D center and in our logistic delivery capability.

2022

In the wake of the geopolitical conflict between Russia and Ukraine, 2022 saw a surge in crude prices, which remained very high compared to the previous year. Asphalt selling prices in both domestic and international markets have started to increase in line with crude oil prices in Q2/2022 and remained high until the end of the year. In terms of asphalt supply, the Company has managed to secure alternative feedstocks and has been able to purchase large volumes of asphalt from other refineries in the region. The Company has also been able to procure asphalt from Europe by capitalizing on arbitrage between asphalt selling prices in Europe and Asia in Q4/2022. Strong asphalt selling prices and effective selective market strategy were

key factors for the Company’s strong performance. The Company notified the Stock Exchange of Thailand that Tasco International (Hong Kong) Ltd (TIH), a wholly owned subsidiary of the Company, disposed of its investment in Zhenjiang Tipco Asphalt Co., Ltd. (ZJ). The Group has continued to focus on retail markets in China.

The construction business has started to “Take off to the future”. Major projects such as the construction of the 3rd runway of the Suvarnabhumi International Airport have entered the phase of asphalt paving. This contributed to growing and consistent revenue from the Group’s construction business.



2023

In 2023, the Group's performance remained respectable through the purchase of other feedstocks in replacement of the sanctioned Venezuela crude, and our ability to procure historical quantities of asphalt from our Thai and other regional refineries. The implemented "selective market sales strategy" worked well under the tightening asphalt supply situation in the region.

Following Strategy S6: Sustainable Organization" The Group has established Indrachit Holding Company Limited, a new subsidiary, which is a holding company for investment in innovation projects as part of the "Innovative Leader" pillar

under the sustainable development strategy. Indrachit Holding Company Limited has a 50% shareholding in Nila Solutions Company Limited which provides a road construction management platform, through drone technology, with the aim to uplift road construction standards.

In line with "Commitment to Climate change", the Company is committed to the continuous improvement of its performance, and the depth and scope of its climate-related disclosure in the coming years. In response to this, the Company has engaged a professional consultant to assist in conducting Climate strategies and IFRS S2 report.

1.2 Business Description

The Tipco Asphalt Public Company Limited was first listed in the Stock Exchange of Thailand in 1992. The Group's Vision 2025 is "to provide asphalt solutions in a sustainable manner led by an innovative culture", while its Mission is "to be a globally preferred integrated asphalt solutions partner". We commit to "deliver innovative solutions for the sustainable living of all societies".

The Company, its subsidiaries, joint ventures, and associated companies (the Group), are leading manufacturers and distributors of asphalt products for the repair, maintenance and construction of road pavements, highways and airport runways in Thailand and the Asia-Pacific region. Its asphalt products are sold to importers and road contractors in Africa, Australia, and North America.

The Company also sells non-asphalt products, such as naphtha, gas oil and fuel oil, from its asphalt crude refining process to oil traders and refineries in Thailand, Singapore, and Malaysia.

Thanks to the cooperation of one of its major shareholders, Colas S.A. of France (Colas), a world leader in the construction and maintenance of transport infrastructures, the Group is able to deliver the highest quality asphalt products and innovative road pavements to its customers.

As the market leader in Thailand, the Company's objective is to increase the sales proportion of high-margin products in the Thai markets. With this aim in mind, the Company invested in TSS to help the construction group become more competitive and secure more construction projects. Above all, this acquisition allowed the Company to complete its value chain for the asphalt business.



1.2.1 Revenue Structure

In 2023, domestic and international sales volumes contributed to approximately 42% and 58% of total sales volumes, respectively. 86.24% of total revenue came from sales of asphalt and petroleum related

products. Based on the Company's consolidated financial statements for the years 2021, 2022 and 2023, revenues categorized by companies were as follows:

	Shareholding (%)	2021		2022		2023	
		Million Baht	%	Million Baht	%	Million Baht	%
1. Asphalt and Petroleum Related Business							
Tipco Asphalt PLC.	-	15,243.77	55.89	18,304.38	54.28	15,485.57	49.39
Thai Bitumen Co., Ltd.	99.99	1,722.74	6.32	1,761.37	5.22	1,457.93	4.65
Raycol Asphalt Co., Ltd.	99.99	504.38	1.85	642.10	1.90	578.70	1.85
Ravana 1020 Co., Ltd.	99.99	1.77	0.01	75.47	0.22	137.86	0.44
Tipco Asphalt (Cambodia) Co., Ltd.	100.00	617.89	2.27	816.68	2.42	915.77	2.92
KOC and KBC and subsidiaries	100.00	1,311.86	4.81	893.39	2.65	902.90	2.88
TIH and subsidiaries	100.00	1,558.15	5.71	1,061.12	3.15	898.00	2.86
Highway Resources Pte Ltd. and subsidiaries	100.00	2,162.65	7.93	4,029.24	11.95	4,196.24	13.38
PT Asphalt Bangun Sarana Group	99.99	1,045.80	3.83	1,788.31	5.30	2,088.57	6.66
Tipco Asphalt Lao Co., Ltd.	75.00	101.16	0.37	235.13	0.70	378.99	1.21
Total		24,270.17	88.98	29,607.19	87.79	27,040.53	86.24
2. Marine Group							
Tipco Maritime Co., Ltd.	99.99	2.55	0.01	2.59	0.01	1.58	0.01
Alpha Maritime Co., Ltd.	99.99	226.24	0.83	263.36	0.78	289.49	0.92
Bitumen Marine Co., Ltd.	99.99	276.65	1.01	350.84	1.04	337.07	1.08
Tasco Shipping Co., Ltd.	99.99	349.47	1.28	396.72	1.18	375.46	1.20
AD Shipping Pte. Ltd.	100.00	102.41	0.38	150.94	0.45	141.68	0.45
Reta link Pte. Ltd.	100.00	341.26	1.25	-	-	-	-
Pacific Bitumen Shipping Pte. Ltd.	100.00	268.38	0.98	325.84	0.97	328.20	1.05
Elimination		(1,557.88)	(5.71)	(1,420.71)	(4.21)	(1,422.80)	(4.54)
Total		9.08	0.03	69.58	0.22	50.68	0.17
3. Construction Group							
Thai Slurry Seal Co., Ltd. (TSS)	62.50	403.98	1.48	505.51	1.50	521.89	1.67
Thanomwong Service Co., Ltd. (99.99 by TSS)		2,369.55	8.69	3,218.25	9.54	3,492.90	11.14
Total		2,773.53	10.17	3,723.76	11.04	4,014.79	12.81
Total sales and services		27,052.78	99.18	33,400.53	99.05	31,106.00	99.22
Other revenue		223.88	0.82	321.86	0.95	246.04	0.78
Total Revenue		27,276.66	100.00	33,722.39	100.00	31,352.04	100.00

Note: Excluded profit (loss) from investment in joint ventures and associated companies.

1.2.2 Product Information

1.2.2.1 Characteristics of Products and Services and Development of Business Innovation

Products produced by the Group include:

- **Asphalt Cement (AC):** There are various grades of asphalt cement which are AC 30-40, AC 40-50, AC 60-70, and AC 80-100. Our refinery in Malaysia refines heavy crude oil to produce AC, which approximately provides a 75% yield. The quality of hard penetration AC, especially AC 30-40 and AC 40-50 from our refinery, is superior to AC from other refineries, thereby significantly enhancing road performance.
- **Cutback Asphalt (CB)** is a mixture of AC and petroleum solvents, primarily used for prime coating on the base course and certain road maintenance works. However, CB has become less popular due to its high costs, fire hazard, and the considerable environmental impact caused by solvent evaporation into the atmosphere.
- **Asphalt Emulsion (AE)** is a homogeneous mixture of AC, water, and chemicals. AE is applied at normal temperatures and is environmentally friendly, as the water in AE evaporates into the atmosphere, and AC continuously forms a thin film covering the aggregate or road surface. The company offers various grades of AE for different applications. Emulsified Asphalt Prime (EAP) was developed to replace Cutback Asphalt as it penetrates the base course more deeply and rapidly. Consequently, the road surface can be reopened to users in a much shorter period.
- **Polymer Modified Asphalt (PMA)** is a premium-grade asphalt mixture of AC and polymer compounds. PMA's quality is superior to conventional AC's, featuring a higher softening point, elastic recovery, cohesion, toughness, and tenacity. These characteristics provide greater resistance to rutting and extend the useful life of roads, highways, and airport runways.
- **Natural Rubber Modified Asphalt Cement (Para AC)** is a mixture of AC and concentrated natural latex. Para AC is particularly well-suited for road construction and maintenance in areas with high traffic density. The company achieved a milestone as the first successful manufacturer of Para AC, utilizing concentrated natural latex with ultra-low ammonia. This innovative approach not only reduces odor but also eliminates pollution during both production and application stages.
- **Modified Asphalt Emulsion (Modified AE)** is an upgraded version of AE with its concentrated latex, which provides a superior quality than normal AE. One of its various applications is for Tack Coating, which enhances bonding between asphalt pavement layers better than normal AE. Another usage is Para Slurry Seal (or micro-surfacing), characterized by higher skidding resistance which improves road safety. This technique can seal small cracks on road surfaces, preventing water from penetrating the base course which increases the durability of road surfaces and ultimately extends the service life of roads. Modified AE is also employed in a new road surfacing maintenance technique called FIBROSEAL, developed from Para Slurry Seal by incorporating fiberglass. FIBROSEAL reduces aggregate loosening, significantly improving skidding resistance and extending the useful life of the road. The company offers various grades of Modified AE, such as CRS-1P, CRS-2P, and CMS-2hP, each boasting superior quality compared to normal AE.

Product	Key characteristic & Application/Usage
Hard penetration asphalt cement: - AC 30-40, and AC 40-50	For strong, durable, and high rutting resistant hot-mixed asphalt (HMA). Suitable for construction and maintenance projects with high traffic volumes such as highways, airport runways and taxiways.
Performance Asphalt Emulsion - EAP	Easy to use, quick surface drying time, and deep penetration for prime coat application to enhance the cohesion on base courses.
Polymer Modified Asphalt - PMA - PG76	<p>Used in highly durable and rutting-resistant Hot Mix Asphalt (HMA), this material is particularly suitable for highways, especially in thin-layer pavement applications such as Ultra-Thin Friction Course (UTFC) and Porous Asphalt wearing courses. These pavements are specifically designed to enhance safety, improve the drainage ability of road surfaces, and increase the friction index for high-traffic roads.</p> <p>Used in high-performance HMA known for its strength, durability, and ability to withstand high temperatures, while also resisting deformation and rutting. This makes it ideal for airport runway and taxiway construction.</p>
Modified Asphalt Emulsion - CSS-1hP or CSS-1h (EMA)	Used for Para Slurry Seal and FIBROSEAL to enhance skid resistance and prolong the service life of road surfaces. Suitable for scheduled maintenance road surface applications such as highways, rural roads, intercity highways, expressways, or elevated roads.

- **Tipco Premix** is an instant, ready-to-use product available in 20 kg retail packages. It is made from selected aggregates with proper gradation. AE Tipco Premix is ideal for road surface repairs, pothole repairs, speed bumps, and other small road projects.
- **Tipco Joint Sealer** offers extra bonding and durability under extreme weather conditions. Tipco Joint Sealer exhibits high flexibility while strongly adhering to concrete-joint surfaces. Used with Tipco Joint Primer, Tipco

Joint Sealer performs exceptionally well in sealing joints between concrete slabs. “Top Joint” is another of the Company’s Joint Sealers, also designed for general usage.

- **Petroleum products:** Naphtha, Atmospheric Gas Oil (AGO) and Vacuum Gas Oil (VGO) are by-products from our refinery (KBC) in Malaysia. These products are distributed directly to customers in the Asia Pacific region for further blending and refining processes.

1.2.2.2 Marketing and Competition

ASPHALT REFINERY AND OPERATIONS IN MALAYSIA

As recorded in last year's report, the Company's Malaysian subsidiary, Kemaman Bitumen Company Sdn. Bhd. worked assiduously to complete the implementation of the recommendations derived from its Fire Safety Design Philosophy (FSDP) review. All major recommendations have now been implemented and the KBC refinery has further enhanced its safety standards as a result. In addition, the refinery continues to carry out routine inspections and maintenance activities in line with its scheduled preventive maintenance plans. As a direct result of the efforts put in by the KBC team, the Refinery achieved a significant milestone of completing 4 million man-hours without any Lost Time Due to Injury (LTI). This accomplishment further cements our unwavering commitment to creating a safe and healthy work environment for all employees, contractors, and visitors to the Refinery, as well as the neighboring community.

Business activity at KBC remained subdued in 2023 due to continued restrictions on the availability of suitable feedstock. As a result, the refinery was only able to process 1,991,622 barrels of crude oil in the year while producing 222,421 tons of high-quality Asphalt and 90,958 tons of non-Asphalt products. We are proud to report that the hard grade Asphalt produced by the KBC Refinery supported the construction of the prestigious 3rd Runway project at the Suvarnabhoomi Airport in Bangkok. Notwithstanding the current challenges it is faced with, the refinery team strives to ensure there are minimal adverse impacts on the plant & equipment in the face of frequent shutdowns, and has developed a revised set of SOPs to adapt to changing scenarios. The KBC Refinery therefore continues to be central to the long-term strategic growth of the Group.

Sustainability is key to the long-term growth of our business. The KBC team clearly recognizes this fact and has been taking various initiatives over the

years to reduce the carbon footprint of the refinery and work in tandem with Tipco Asphalt, which has set clear goals towards GHG reduction and Carbon Neutrality. In one major step, KBC entered into an agreement with Tenaga Nasional in 2023-the national electricity company of Malaysia-to set up a rooftop solar power generation facility, covering the major buildings and parking lots of the refinery. Once completed, this facility will generate up to 904.8 kWp of Solar Electricity every year, replacing the fossil fuel reliant electricity consumed by the refinery. Not only will this project be financially beneficial to the refinery, it will also help significantly reduce Carbon emissions by around 800 Metric tons per year. Additionally, the Refinery continues to finetune its home-grown solutions that help optimize the heating of Asphalt in the product tanks and pipelines leading up to the jetty for loading. These innovations have significantly contributed to the reduction of emissions and lowered costs associated with heating asphalt products in the KBC refinery.

Another major project launched by KBC in 2023 was the procurement and installation of an asphalt blowing unit. While the KBC Refinery has traditionally produced high quality straight-run asphalt grades without resorting to any secondary treatment, the current restrictions on availability of suitable grades of feedstock-coupled with the growing demand of harder-grade asphalt in the region-prompted the refinery team to study the feasibility of installing a blowing unit that would help produce harder grades of asphalt, starting from conventional penetration grades like 80/100 as the feedstock. All the major plant equipment for the blowing unit has already been ordered and received at the refinery. Necessary approvals have also been obtained and construction/installation activity is likely to begin soon. The project is expected to be completed by the middle of 2024 and will give the KBC Refinery much greater flexibility in terms of its product range.

THAILAND MARKET 2023: A Year of Resilience and Innovation

Thailand asphalt market was a complex landscape marked by unexpected challenges and evolving demands. 2023 was the particular year tested our adaptability and commitment to excellence.

Despite a slight decrease in overall Thailand demand for asphalt products of approximately 1.35 million tons, the Group's Domestic Marketing Business unit (DMK) performed well. The delay in the 2024 fiscal budget disbursement and a pivot towards concrete road construction posed significant challenges. Yet, our team's adaptability turned these obstacles into opportunities for new strategic initiative and innovation.

Our commitment to quality and customer satisfaction remained unwavering in the face of these challenges. The 2023 customer survey results were a testament to this commitment, with product quality satisfaction at 92% and service satisfaction at 90%. Each satisfied customer is a testament to our dedication.

With its ethos of embracing the future, DMK introduced the next generation of customers to Tipco Asphalt's value chain by inviting them to visit one of our highlight projects - the construction of the Baht 10 billion 3rd runway at Suvarnabhumi Airport. This aimed to show them our cutting-edge construction technology, new asphalt products, and highlight our capability to successfully deliver major infrastructure construction projects. This year also marked our foray into digital solutions, enhancing customer experience with real-time service tracking and seamless online interactions, including e-statements, aging reports, live order statuses, and e-tax invoices.

Our commitment to sustainability took a significant leap forward with the sales of 5 hot mix recycling plants in partnership with Nikko Japan. We are not just selling a product; we are introducing a revolution in sustainable road construction, aiming for a future where the majority of Thailand roads are built with recycled materials.

Keeping our gaze oriented towards the future, Nila Solutions Company Limited was established. This strategic collaboration with Skyller Solutions Company Limited (a subsidiary of PTTEP), stands as a beacon of our innovative spirit and growth trajectory. This joint venture transcends the traditional boundaries of business expansion, representing a commitment to revolutionizing the Thai road construction industry.

Moreover, this project aims to set a new standard in the industry, encouraging innovation and the use of technology among road and infrastructure construction contractors in Thailand. We envision a future where technology and human expertise work together to create better infrastructure. The Group would like to lead in building a more efficient, sustainable, and technologically advanced road network. This collaboration is just the start of a journey towards a smarter and more sustainable infrastructure in Thailand. We're committed to ongoing development for a better future in road construction and are thrilled to be at the forefront of this new era.

Construction Business

In 2023, the Construction Business experienced strong activities across all projects despite infrastructure budget constraints. This resulted in its highest recorded revenue, following continuous growth from the previous year, thanks to a strong order book at the start of 2023.



In addition to regular asphalt pavement works, we have pursued micro-surfacing works for expressway maintenance as part of our maintenance activities. Our leadership in Fibroseal, the advanced micro-surfacing technique using fiberglass, is a great pride for Tipco Asphalt Group, particularly as the sole company in Thailand with this expertise. Additionally, we have executed several maintenance contracts involving the recycling of existing pavements thanks to our specialized machinery and pavement experts.

Our primary focus in 2023 remained the airport projects business. We were actively engaged in multiple airport projects with the Airport of Thailand (AOT) in Bangkok and in the Chiang Rai province, as well as with the Department of Airport (DOA) for the airport in the Trang province. This year's main activity centered on the 3rd runway project at Suvarnabhumi Airport, for which we successfully produced and paved 440,000 tons of hot mix asphalt. We are currently in the process of installing airfield ground lighting, while concurrently

developing the lighting control system. With a current completion progress of 81%, we anticipate the runway and associated taxiways to be finished and delivered in the 3rd quarter of 2024.

To support the continuous and sustainable growth of the business, the Construction Business has taken several actions to reduce its environmental impact in line with the Group's commitment to climate change issues. Over the past two years, we have invested significantly in key machinery and plants and developed specific dashboards to monitor our production. This has given us better control over energy consumption and greenhouse gas emissions. Our maintenance workshop will soon rely on solar panels as the main energy source. In our road construction and maintenance projects, we prioritize using eco-friendly products and techniques. This includes recycling in situ, opting for a "cold-mixed" technique for maintenance work, and utilizing high-performance products to extend service life.



Furthermore, the Construction Business is dedicated to creating environmental awareness within the plants, as well as social and environmental responsibility. This is evident at the Bangpakong plant, which was awarded the Level 2 Green Industry Certification (Green Operation) in 2023 or GI 2 among other 969 companies, making it the first asphaltic concrete plant in Thailand to achieve GI 2. The Company firmly believes in our commitment to creating positive impact and showing proactive concern for the environment.

To maintain one step ahead of its competitors, the Construction Business continuously strives for operational excellence. This includes adopting new technologies and digital tools to enhance project execution and performance. For instance, we have introduced a new paver equipped with an automatic leveling control and a digital application to monitor production progress.

Safety continues to stand as the foremost priority within our Construction Business. Our aim, though ambitious, is crucial: ensuring ZERO accidents across all our construction sites. Working alongside TNJV on the 3rd runway project, we have achieved an outstanding safety record, accumulating 8 million manhours without any lost time incidents (LTI) as of December 2023. This achievement was possible thanks to a concerted commitment to safety across top management and employees at every level.

With solid technical expertise and know-how, a good reputation among customers, a widening network of partners for high-value projects, ongoing investments in machinery and human capital, and the backing of Tipco Asphalt Group, the Construction Business is primed to emerge as a key player in the road construction market in Thailand.



INTERNATIONAL MARKETS

South-East Asia's asphalt demand grew around 4.5% in 2023, mainly driven by higher road construction activity in Vietnam and Indonesia. As demand in the regional market peaked during the 1st half of the year, this created a shortage of vessels which impacted freight costs and cargo delivery schedules. That said, thanks to its strong shipping fleet, the Group was able to efficiently supply its retail network across the region.

Sourcing crude/feedstock remained a significant challenge in 2023 due to various factors impacting our ability to secure a stable crude supply. Despite a six-month easing of sanctions on Venezuela's oil, which started in October 2023, there were lingering concerns about the associated risks of importing Venezuelan crude into the region.

With an on-going limited supply from the KBC refinery, the Group maintained its "Selective Market Strategy" with a continuing focus on Thailand and international markets with high margins while being actively engaged in securing alternative feedstocks in 2024.

Indonesia

After the easing of Covid-19 restriction in December 2022, infrastructure development in Indonesia picked up. Indonesia's asphalt imports showed an increase of nearly 14% compared to the previous year, with the Java and Sumatra areas representing the largest regional market demand thanks to their multi-year projects.

Along with increased government spending on these infrastructure projects, PT Asphalt Bangun Sarana ("ABS") has grown its sales volume by 22% compared to 2022 (its second-best historical sales volume performance), enabling the Group to maintain its position among the top 4 retailers in Indonesia. The Company continued to stay focused on premium pricing strategy through better inventory management to ensure supply continuity, optimized operational costs and financial risk management. ABS bounced back with an improved profitability

236% higher than 2022, thanks to new toll road projects secured in Sumatra (Pekanbaru and Palembang), helping the Company regain market leadership in PMB.

Vietnam

The Vietnam asphalt import market increased by 19% in 2023 in Vietnam due to the mass construction of the backbone North – South Expressway Project. The Asphalt Distribution Company Limited ("ADCo"), continued to achieve a good financial performance despite fiercer competition from Middle East cargos entering the country. Thanks to a 13% sales volume growth, the company maintained a strong market position among the top 3 players in the country while gaining market leadership in added value segments like PMB.

The North – South Expressway Project will remain the key driver of the market demand in 2024 with additional contribution from maintenance of the existing road network. In 2024 the Company will continue to reinforce its technical leadership position by providing High Performance & Lower Carbon Footprint binders with initiatives to further reduce GHG emission. Digital transformation will also be an area of focus in 2024 to enhance managerial efficiency and operational excellence.



Cold In Place Recycling projects supplied by ADCo - Vinh Phuc (2023) Highway 13, Vietnam

China

Although the Chinese government lifted COVID-19 travel restrictions on 8 January 2023, the Chinese economy did not recover as expected in 2023, with road infrastructure projects facing funding issues from the government.

In contrast, local refineries enlarged their bitumen production volume, resulting in an over-supplied Chinese bitumen market throughout 2023. This oversupply market situation has somewhat inevitably exerted pressure on domestic prices, causing the Company's trading activity to drop by 3% YOY 2022 despite a strong brand image in China. Retail business activity suffered severe margin erosion from aggressive local pricing and long credit term offered by competitors, resulting in low sales activities and a negative financial performance in 2023.

Cambodia

Thanks to an overall market demand growth of 6% due to the implementation of key national road projects in 2023, Tipco Asphalt (Cambodia) Co., Ltd. ("TAC") managed to increase its sales volume by 8% and maintain a very strong market leadership in 2023.



Russey Keo Bridge Project in Cambodia



Round Island Road Project in China

Philippines

The local construction industry grew by 14% compared to 2022 but was anchored primarily on vertical infrastructures. The Philippines' asphalt import volumes declined by 20% mainly driven by soft demand at the start of Q3 2023 due to limited government funding for road development and overlaying projects. Despite this, Joint Venture Company in Philippines - Phoenix Asphalt Philippines Inc. (PAPI) was the only major player growing by 36% by aggressively targeting competitor accounts located in high volume regions. Hence, PAPI still grew in a declining market. The business continues to pursue market entry in additional regions aiming for an 8% growth compared to 2023.

Despite limited volume demand and competitive pricing in key areas during the second half of the year, PAPI yielded positive financial results for its fourth year of operations, closing 2023 on a positive note. PAPI will now be gearing up to have differentiated product offerings in 2024 focusing on emulsion and possibly high-performance grades. This aligns with the business' vision to be a continued partner in nation building covering infrastructure developments.

In conclusion, despite complex and difficult market environment in 2023, the Group successfully navigated the above challenges thanks to the effectiveness of its strategies, resulting in positive outcomes and enhanced efficiency.

THE MARINE GROUP

The Marine Group owns, manages, and operates a fleet of efficient and reliable asphalt carriers with a total tonnage of 42,956 MT DWT and an average age of 16.5 years.

Our full in-house ship-management subsidiary, Tipco Maritime Co., Ltd., is a strategic division for our tanker asset profitability, allowing the Group to have full control over our marine logistics activities, maintenance, and cost efficiency.

The Marine Group operates with the mission of zero accidents, zero injuries and zero oil spills. In addition, our assets are insured by first class insurance companies.

In a rapidly changing landscape, the industry's biggest challenge will be scrutiny from stringent IMO GHG reductions environmental regulations as world fleets are increasingly assessed by Governing Bodies on their environmental footprint, energy efficiency and carbon intensity index.

The Marine Group managed to effectively implement the required operational and technical improvements to mitigate existing and upcoming IMO GHG emissions regulations. The Fleet Energy Efficiency Existing Index (EEXI) and Carbon Intensity Index (CII) measured and calculated by Regulatory Bodies placed the Group's fleet in a good performance zone.

Taking on Environmental Compliance is a new motto for the Marine Group, setting clear expectations for providing modern, reliable, and efficient marine transportation services for our own business and for new customers within the One Colas Group of Companies.

The Marine Group manages the design, construction, and service entrance for state of the art, dual fuel, (LNG, VLSFO) latest energy efficiency technology bitumen carriers; two for Continental Bitumen in Europe and one for McAsphalt in Canada. The Atlantic Naval and Baltic Naval were delivered

for Continental Bitumen in 2023 and are fully operational, trading globally, technically, and commercially managed by the Tipco Maritime Co. Ltd.

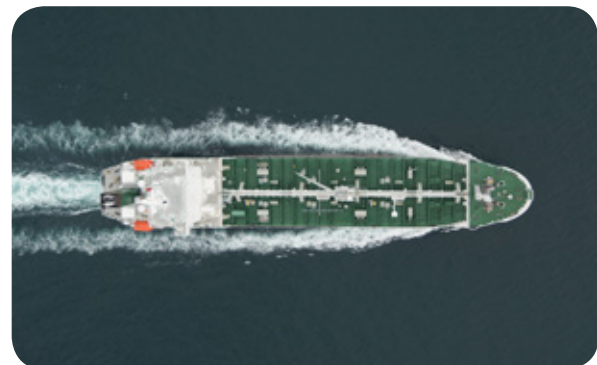
In addition, Tipco Asphalt's new building project started in 2023. In three years' time, this project will see the most cutting-edge, low environmental footprint bitumen carrier(s) entering the Group, thus enhancing our expansion capabilities.

The human component remains the key factor to Tipco Marine's successes. There remains a shortage of well-trained seagoing personnel. The Marine Group continues to make efforts in training and developing seafarers to properly mitigate this challenge.

Tipco Maritime Co Ltd introduced various training platforms managed under one modern portal called "TRACE" that enables monitoring, tracking and career development of our seafarers, thus enabling them to be ready for the next decade of maritime shipping challenges.

Finally, the Marine Group greatly contributed to maintaining the Group's asphalt logistics by proposing and implementing innovative logistical solutions in this challenging year.

Marine transportation will remain the most efficient transportation solution for the Group in years to come.



1.2.2.3 Procurement of Products or Services TYPES AND SOURCES OF RAW MATERIALS

One of the Group's key products is Asphalt Cement (AC) which is a refined product originated from crude oil or feedstocks. Currently, the Group has been purchasing feedstocks from various sources, traders and original producers of feedstock.

Other key products of the Group are premium asphalt products which include asphalt emulsion, cutback asphalt, polymer-modified asphalt, natural rubber modified asphalt cement, etc. These products use AC as the main raw material for manufacturing. The Group currently sources its AC from its own asphalt refinery in Malaysia, and other local and regional refineries. This has mitigated the risks associated with reliance on a single source of supply and has additionally enabled us to control the cost of the main raw material.

OTHER RAW MATERIALS

The Group imports chemicals used in the manufacturing of asphalt emulsion and polymer modified asphalt, representing around 4% of total raw materials used. The remaining 96% is sourced through local suppliers.

CHEMICALS CAN BE CLASSIFIED INTO TWO CATEGORIES AS FOLLOWS:

- Solvents: All solvents can be sourced locally, meaning there is little risk of raw material shortage. The market price of solvents fluctuates in line with the price of oil products..
- Emulsifiers: The Group uses several kinds of emulsifiers, which can be imported from international suppliers through their authorized agents, or sourced locally. Market prices of emulsifiers are relatively stable.

PRODUCTS FOR WHICH THE GROUP SERVES AS DISTRIBUTOR:

- Asphalt Cement purchased from local and regional refineries
- Diesel and fuel oil purchased from oil refineries and traders

- Lubricant products such as engine oil, transmission fluid, hydraulic oil are purchased from refineries in South Korea, Thailand and traders.

The Group continuously strives for good corporate governance practices to maintain its sustainable development. To create value for our goods and services across our manufacturers, service providers and distributors all the way to the users, the Group has established its sustainable procurement policy to promote social responsibility in the Group's business value-chain. Appropriate policies and procedures have been put in place to ensure such practices. The procurement criteria were established with a focus on environment, safety, human rights, transparency, and fairness, alongside the pre-existing procurement standards.

A team made up of representatives from various departments within the Group is sent to assess suppliers' operational practices annually relating to ESG issues, and to make sure they comply with the Group's standards of sustainable awareness.

The Group is committed to sourcing green products, i.e., energy saving, environmentally friendly and locally purchased products. For instance, the Group has established environmentally friendly procurement practices for products and services. The value of green procurement is monitored with the objective to improve the operational process continuously.

In addition to green procurement, the Group promotes the awareness of sustainable procurement concepts in developing our relationships with suppliers to further improve the value-chain of the Group's business. In 2023, the Prapadaeng and Rayong plant in Thailand received Green Industry certificates level 5, Green Network: An organization shall incorporate entities of their supply chains into the green industry umbrella.

1.3 Shareholding Structure

1.3.1 Shareholding Structure



^{1/} KBC Trading Sdn. Bhd. (KBT) was held 20% by Kemaman Oil Corporation Sdn. Bhd. (KOC) and 10% by Tipco Asphalt Public Company Limited

^{2/} PT Asphalt Bangun Sarana (ABS) holds 99.90% of ordinary shares in PT Saranaraya Reka Cipta (SRC) and 49% in PT Sarana Distribusi Aspal Nusantara (SDAN)

Production Facilities

Oil and Asphalt Terminals



Depot

Emulsion plant

Representative office

Asphalt refinery

PMA plant

^{1/} Temporary floating storage at Batu Licin

India representative office

Guangzhou representative office

Philippines representative office

- Vientiane
- Phitsanulok
- Nakhonratchasima
- Phrapradaeng
- Poipet
- Rayong
- Go Dau
- Keo Phos
- Kemaman Bitumen Company Sdn. Bhd.
- Highway Resources Pte Ltd.
- Asia Bitumen Trading Pte Ltd.

COMPANY INFORMATION

Country	Company Name	Principal Business/ Products	Address	Tel.	Ordinary Shares	Registered Capital	Percentage Holding
SUBSIDIARIES COMPANIES							
Thailand	THAI BITUMEN CO., LTD.	Producer and distributor of asphalt product	123 Moo 3, Suratthani - Kanchanadit Road, Bangkung, Muang District, Suratthani 84000,	+66 7795 3030	3.75 million	THB 375 million	99.99% held by Tipco Asphalt
Thailand	RAYCOL ASPHALT CO., LTD.	Producer and distributor of asphalt product	93 Moo 5 Makumkoo, Nikompattana District, Rayong 21180	+66 3889 3641-5	11.1 million	THB 111 million	99.99% held by Tipco Asphalt
Thailand	BITUMEN MARINE CO., LTD.	Marine transportation	118/1 Rama 6 Road, Phayathai, Phayathai District, Bangkok 10400,	+66 2273 6000	1.5 million	THB 150 million	99.99% held by Tipco Asphalt
Thailand	ALPHA MARITIME CO., LTD.	Marine transportation	118/1 Rama 6 Road, Phayathai, Phayathai District, Bangkok 10400,	+66 2273 6000	1.43 million	THB 143 million	99.99% held by Tipco Asphalt
Thailand	TIPCO MARITIME CO., LTD.	Ship management and agency	118/1 Rama 6 Road, Phayathai, Phayathai District, Bangkok 10400,	+66 2273 6000	0.02 million	THB 2 million	99.99% held by Tipco Asphalt
Thailand	TASCO SHIPPING CO., LTD.	Marine transportation	118/1 Rama 6 Road, Phayathai, Phayathai District, Bangkok 10400,	+66 2273 6000	2.9 million	THB 290 million	99.99% held by Tipco Asphalt
Thailand	RAVANA 1020 CO., LTD.	Construction related materials, machine and service	118/1 Rama 6 Road, Phayathai, Phayathai District, Bangkok 10400,	+66 2273 6000	0.8 million	THB 80 million	99.99% held by Tipco Asphalt
Thailand	THAI SLURRY SEAL CO., LTD.	Road construction and maintenance service	118/1 Rama 6 Road, Phayathai, Phayathai District, Bangkok 10400,	+66 2273 6000	4.97 million	THB 497 million	62.5% held by Tipco Asphalt
Thailand	THANOMWONGSE SERVICE CO., LTD.	Road construction and maintenance service	118/1 Rama 6 Road, Phayathai, Phayathai District, Bangkok 10400,	+66 2273 6000	2.5 million	THB 2,500 million	99.99% held by Thai Slurry Seal Co., Ltd.
Thailand	Indrachit Holding Co., Ltd	Holding company	118/1 Rama 6 Road, Phayathai, Phayathai District, Bangkok 10400,	+66 2273 6000	10,000	THB 1 million	99.98% held by Ravana 1020

Country	Company Name	Principal Business/ Products	Address	Tel.	Ordinary Shares	Registered Capital	Percentage Holding
FOREIGN SUBSIDIARIES							
Malaysia	KEMAMAN BITUMEN COMPANY SDN. BHD.	Producer, refiner, supplier and distributor of asphalt and oil products in Malaysia	Suite 12-1, Level 12 Tower 6, UOA Business Park, No.1, Jalan Pengaturcara U1/51A, Seksyen U1, 40150 Shah Alam Selangor Darul Ehsan, Malaysia	+603 5561 8500	316 million	MYR 500 million	100% held by Tipco Asphalt
Malaysia	KEMAMAN OIL CORPORATION SDN. BHD.	Manufacturer, storer, tank rental, distributor of petroleum and oil products and as investment holding company in Malaysia.	Suite 12-1, Level 12 Tower 6, UOA Business Park, No.1, Jalan Pengaturcara U1/51A, Seksyen U1, 40150 Shah Alam Selangor Darul Ehsan, Malaysia	+603 5561 8500	152 million	MYR 255.7 million	100% held by Tipco Asphalt
Malaysia	KBC TRADING SDN. BHD.	Supplier and distributor of asphalt product	Suite 12-1, Level 12 Tower 6, UOA Business Park, No.1, Jalan Pengaturcara U1/51A, Seksyen U1, 40150 Shah Alam Selangor Darul Ehsan, Malaysia	+603 5561 8500	300 thousand	MYR 0.3 million	· 20% held by Kemaman Oil Corporation Sdn. Bhd. · 10% held by Tipco Asphalt Public Company Limited
Singapore	HIGHWAY RESOURCE PTE. LTD.	Holding Company for investments in Singapore and Vietnam	9 Straits View # 12-07/12 Marina One West Tower, Singapore 018937	+65 62495941	4.78 million	SGD 4.78 million	100% held by Tipco Asphalt
Singapore	HIGHWAY RESOURCES TRADING PTE LTD.	Trading of Crude Oil, Petroleum and related products	9 Straits View # 12-07/12 Marina One West Tower, Singapore 018937	+65 62495941	48.8 thousand	USD 48.8 thousand	100% held by Highway Resources Pte. Ltd.
Hong Kong	TASCO INTERNATIONAL (HONG KONG) LTD.	Holding company for investments in China	Room 1103-12, 11 th Floor, Nan Fung Tower, 88 Connaught Road Central, Hong Kong	+852 2532-3108	97.966 million	HKD 97.966 million	100% held by Tipco Asphalt
China	LANGFANG TONGTAI ROAD MATERIAL CO., LTD.	Producer and distributor of asphalt product	No.56, Quanxing Road, Langfang Economic Technology evelopment Zone, Hebei Province, P.R.China 065001	+86 316-6086751	-	USD 2.1 million	51% held by TASCO International (Hong Kong) Ltd.

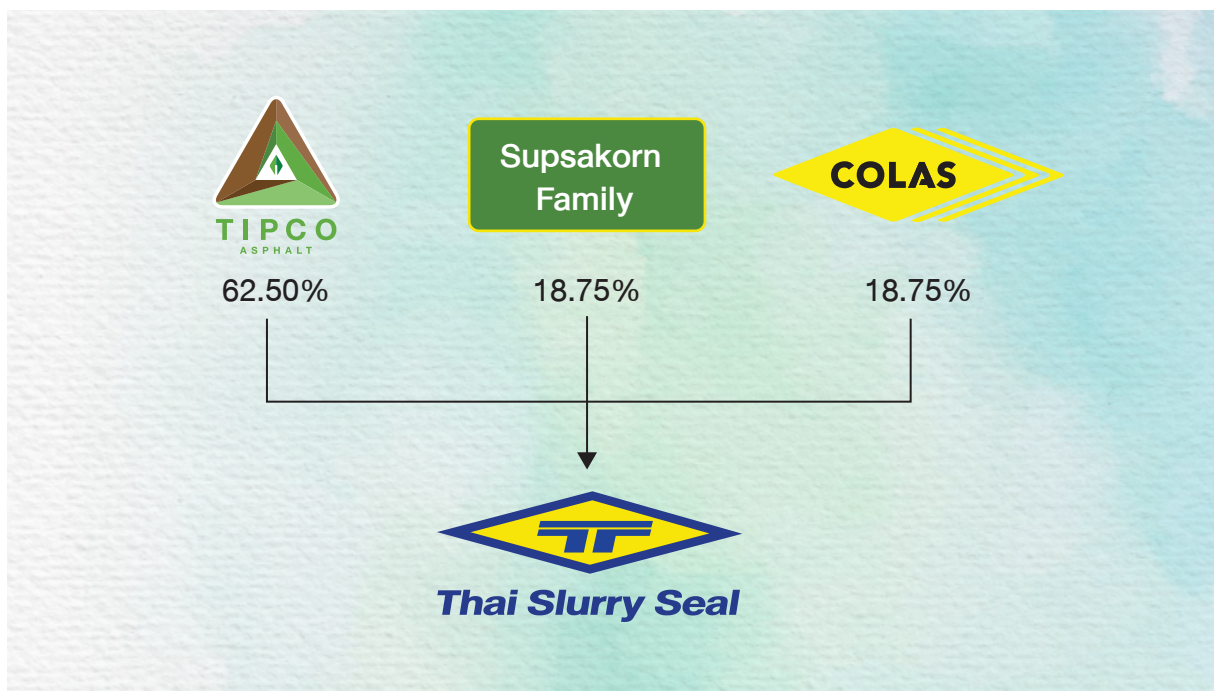
Country	Company Name	Principal Business/ Products	Address	Tel.	Ordinary Shares	Registered Capital	Percentage Holding
FOREIGN SUBSIDIARIES							
China	TIPCO ASPHALT (XINHUI) CO., LTD.	Producer and distributor of asphalt product	23-11, Central Zone, Jingzhou Economic Development Experimental Zone, Xinhui, Guangdong, P.R.China 529100	+86750-6393636	-	RMB 30 million	100% held by TESCO International (Hong Kong) Ltd.
China	GUANGZHOU TIPCO ASPHALT TRADING CO., LTD.	Principally engaged in the trading asphalt products and asphalt future trading in Shanghai Futures Exchange	Room 1003, 1004, No. 334 Huanshi East Road, Yuexiu District, Guangzhou 510006 China	+8620-83634095	-	RMB 6 million	100% held by TESCO International (Hong Kong) Ltd.
Cambodia	TIPCO ASPHALT (CAMBODIA) CO., LTD.	Manufacturer, distributor of asphalt-related product	OHK tower, 6 th floor (L06-02), Street 110 and Corner Street 93, Phum 3, SangkatSrah Chak, Khan Daun Penh, Phnom Penh	+855 511-83371939	1 thousand	RIEL 20 million	100% held by Tipco Asphalt
Laos	TIPCO ASPHALT LAO CO., LTD.	Producer and distributor of asphalt product	Xoknoy Village, Saysettha District, VIENTIANE, LAO PDR	+856 21 262872-3	2.5 million	LAK 26,675 million	75% held by Tipco Asphalt
Indonesia	PT ASPHALT BANGUN SARANA	Importer, storer, manufacturer, distributor of asphalt and asphalt-related product	Head Office Gedung Graha Pratama, 19 th Floor, Jl. MT. Haryono Kav. 15, Jakarta 12810, Indonesia	+62 2 1837 09516	-	IDR 58,450 million	99.99% held by Tipco Asphalt
Indonesia	PT SARANARAYA REKA CIPTA	Importer, manufacturer, distributor of asphalt and asphalt-related product	Head Office Gedung Graha Pratama, 19 th Floor, Jl. MT. Haryono Kav. 15, Jakarta 12810, Indonesia	+62 2 1837 09516	-	IDR 10,476.6 million	99.90% held by PT Asphalt Bangun Sarana
Vietnam	ASPHALT DISTRIBUTION CO., LTD.	Importer, manufacturer, distributor of asphalt and asphalt-related product	14 th Floor, Office block, Lancaster Luminaire, 1152 Duong Lang street, Lang Thuong ward, Dong Da district, Hanoi city	+84 243 934 1048	-	VND 135,362 million	100% held by Highway Resource Pte. Ltd
Singapore	AD SHIPPING PTE. LTD.	Ship owner and chartering services	9 Straits View # 12-07/12 Marina One West Tower, Singapore 018937	+65 62495941	7.125 million	SGD 7.125 million	100% held by Tipco Asphalt

Country	Company Name	Principal Business/ Products	Address	Tel.	Ordinary Shares	Registered Capital	Percentage Holding
FOREIGN SUBSIDIARIES							
Singapore	RETA LINK PTE. LTD.	Ship Owner, shipping agent, forwarding service	9 Straits View # 12-07/12 Marina One West Tower, Singapore 018937	+65 62495941	50 thousand	SGD 50 thousand	100% held by Tipco Asphalt
Singapore	PACIFIC BITUMEN SHIPPING PTE. LTD.	To own & operate ship and conduct related shipping activities	9 Straits View # 12-07/12 Marina One West Tower, Singapore 018937	+65 62495941	39.5 thousand	USD 39.5 thousand	100% held by Tipco Asphalt
JOINT VENTURE COMPANIES							
Singapore	Asia Bitumen Trading Pte Ltd.	trading and shipping of bitumen and petroleum products	9 Straits View, # 12-07/12, Marina One West Tower, Singapore 018937	+65 6249 5930	10 thousand	SGD 10 thousand	50% held by Tasco Intl' (Hong Kong) Ltd.,
Malaysia	BORNEO ASPHALT SDN. BHD.	Receiving, Storing, Trading and Distributing of asphalt and asphalt-related products	No. 20 & 21, Wisma KAFAZ, Jalan Tun Datuk Patinggi Haji Abdul Rahman Ya'kub, 93050 Kuching, Sarawak.	+60 82 496917	6 million	MYR 6 million	50 % by Kemaman Bitumen Company Sdn. Bhd.
The Philippines	PHOENIX ASPHALT PHILIPPINES, INC.	Importer and manufacturer, sell and distribute of asphalt and related products	17 th Floor, UDENNA Towers, Corner Rizal Drive and 4 th Avenue, Bonifacio South District, Fort Bonifacio Global City, Taguig, Metro Manila Philippines	+632 403 4013	275 million	PHP 275 million	40% held by Tipco Asphalt
Thailand	Nila Solutions Co., Ltd	Digital Solutions Provider	118/1 Rama 6 Road, Phayathai, Phayathai District, Bangkok 10400,	+66 2273 6000	200,000	THB 20 million	50% held by Indrachit Holding
ASSOCIATED COMPANIES							
France	COLASIE CO., LTD.	Holding company for investment in Asphalt Emulsion and Polymer Modified Asphalt plants in India	4 Rue Jean Mermoz 78114 Magny -Les-Hameaux	-	1 million	EUR 1 million	40% held by Tipco Asphalt
Indonesia	PT SARANA DISTRIBUSI ASPAL NUSANTARA	Barge Rental Services	Head Office Gedung Graha Pratama, 19 th Floor, Jl. Mt. Haryono Kav. 15, Jakarta 12810, Indonesia	+62 2 1837 09516	-	IDR 1,000 million	49% held by PT Asphalt Bangun Sarana

1.3.2 Conflict of Interest

The Board of Directors' Meeting No. 1/2021 of Tipco Asphalt Public Company Limited ("the Company"), resolved and approved for the Company to increase its shareholding in Thai Slurry Seal Company Limited ("TSS") from shareholding of 1,243,334 shares (par value of THB 100/share), equivalent to 25 percent of total issued and paid-up shares of TSS, to 3,108,334 shares (par value of THB 100/share), equivalent to 62.5 percent of total issued and paid-up shares of TSS, through the acquisition of 1,865,000 ordinary

shares (par value of THB 100/share), equivalent to 37.5 percent of the total issued and paid-up shares of TSS. In determining this increase in the shareholding proportion in TSS, the Company considered TSS's business plan as well as the liquidity and working capital position of the Company. This transaction could raise a potential conflict-of-interest in the future as the Supsakorn Family and Colas still hold 37.5% of TSS between them.



Nevertheless, the Company will benefit from the increase in revenue contribution from the construction business (through the consolidation of activities), and from the expected rise in asphalt sales due to forecasted higher demand from TSS and TWS. This will also bring enhanced investment diversification to the Company. In addition, the transaction could increase future business potential and support the mission and vision of the Company.

As a result of the increase of shareholding proportion in TSS, the Company anticipates its greater involvement in the business operations of TSS in various areas, for example:

- (1) Reducing costs and risks in raw material sourcing,
- (2) Increasing TSS's creditability in project biddings,
- (3) Reducing financial costs such as bank's fees, as TSS will become the subsidiary of a listed company that has a strong financial position, and
- (4) Enhancing the internal control system to improve operational efficiency.

Finally, the Company has set the check and balance measurements in every corporate structure level from senior management to directors and shareholders.

1.3.3 Relationship Between the Major Shareholders' Business Groups

The first group of major shareholders are Tipco Foods Plc. and the Supsakorn family, the founding shareholders. The other group is Colas S.A. of France, world leader in construction and maintenance of transport infrastructure. Colas became a 22.7% strategic shareholder of the Company in 2000. Shareholding currently stands at 31.1%. Through

a Technical Assistance Agreement, the Company receives assistance on asphalt technology from Colas, including access to the latter's central asphalt research and development center in France, and to specialty asphalt products formulations and application techniques.

1.3.4 Shareholders

1.3.4.1 Major Shareholders

The Company's top 10 major shareholders as of 31st December 2023 are as follows:

No.	No. Shareholder	No. of shares	%
1	BNP Paribas Securities (AsiaA) Pte Ltd - for COLAS	490,731,040	31.091%
2	Tipco Foods Plc	369,881,660	23.435%
3	Thai NVDR	130,295,450	8.255%
4	Supsakorn Family	109,158,000	6.916%
5	South East Asia UK (Type C) Nominees Limited	25,155,128	1.594%
6	BNY Mellon Nominees Limited	10,006,260	0.634%
7	The Bank of New York Mellon	9,908,653	0.628%
8	Krungsri Dividend Stock Fund	15,284,200	0.589%
9	State Street Europe Limited	6,708,008	0.425%
10	State Street Trust Company Canada	5,481,100	0.347%
11	Others	405,752,071	25.707%
Total		1,578,361,570	100%

Remarks:

- Shareholders of Thai NVDR Co., Ltd., who hold non-voting depository receipts (NVDR) in No. 3, are ineligible for voting at shareholders' meetings except when exercising their voting rights on delisting the shares from SET
- Number 5 and 6 are a nominee account. Reference to Thailand Securities Depository Co., Ltd. (TSD), ultimate shareholder's names is unknown.

DIRECTORS WITH AUTHORITY TO SIGN ON BEHALF OF THE COMPANY

The Authorized Directors who can bind the Company consists of two groups of Directors. Binding the Company requires one Director from Group A and another from Group B to jointly sign and affix the Company's Seal. The Directors in Group A are Mr. Jacques Pastor, Mr. Frederic Roussel, and Mr. Pierre Vanstoflegatte. The Directors in Group B are Mr. Somchit Serththin, and Mr. Chaiwat Srivalwat.

1.4 Registered Capital and Paid-up Capital

The Company's registered capital amounted to Baht 1,578,361,570 of which Baht 1,578,361,570 was paid up. An equal number of common shares were issued at a par value of Baht one each.

1.5 Issuance of Other Securities:

N/A

1.6 Dividend Policy

The Company follows a policy of paying dividends of at least 60% of the consolidated financial statements' net profit for each fiscal year. However, the actual dividend payment depends on cash flow, the investment plan of the Company, the terms and conditions of agreements entered by the Company, together with all other conditions of necessity and suitability in the future.

Details of the dividends paid (baht/share) for the past 5 years were as follows:

Unit : Baht	2019	2020	2021	2022	2023
Earning per Share	1.98	2.28	1.41	1.50	1.46
Dividend per share	1.50	1.60	1.05	1.25	1.25 ^{1/}
Payout ratio	76%	70%	75%	83%	86%

^{1/} Include the proposed final dividend of Baht 1.00 per shares, which is subjected to approval at 2024 AGM.

Dividend Policy for Subsidiaries of the Group

Tipco Asphalt Public Company Limited and its subsidiaries (the Group) are committed to practicing good corporate governance principles in conducting its business based on a philosophy of sustainable development. To ensure that the Group's shareholders are receiving the highest standard of considerations and maximum benefits from the investments made in the Group's subsidiaries, the following dividend payment policy is to be followed by all subsidiaries of the group.

1. All subsidiaries, who maintain a positive net cash position at the end of each financial year must pay an annual dividend of at least 60% of the financial year's net profit after tax deductions and reserves to their respective shareholders.
2. Such dividend payments will be made after taking into consideration the investment plan of each subsidiary for the following financial year.
3. The Group CFO will have the final discretion.

2. Risk Factors on Business Operation

2.1 Operational risk associated with the Company or the group of companies, both current risks and emerging risks in the next 3-5 years

The Group's business models and operations are designed to be resilient against risk factors, business disruptions and market volatility. As a result, identifying and managing key potential risks are at the core of our business practices. The Group has adopted its Enterprise Risk Management (ERM) practice since 2012. The ERM practice mainly focuses on identifying and assessing uncertainties associated with strategic, operational and business objectives. It follows the guidance of the Committee of Sponsoring Organizations of the Treadway Commission ("COSO")-ERM and the ISO31000: 2018 Risk Management guideline, which emphasizes effective ERM execution through risk governance, linkages with strategy and operational performance, risk reviews, and regular communication and reporting. So far, the Group has already implemented risk management practices across all existing units/entities in Thailand, maritime business, local plants, truck logistics units, its refinery facility in Malaysia, and a joint venture company in Singapore. In 2020 and 2021, the scope was broadened to include subsidiaries in Vietnam and Indonesia. In 2022 and 2023, ERM exercises were extended to include our construction business and our subsidiary in Cambodia. In addition, the first ERM training session was conducted for our joint venture company in the Philippines.

The Group aims to deploy the ERM practice across all other offshore subsidiaries and related businesses in which the Group has significant investment (at least 20% of shares with voting rights).

As the core of the Group's ERM practices, a Risk Management Policy was formulated in accordance with the Group's business goals, strategies and corporate risk appetite. The Policy applies to all entities across the Group, and helps our businesses remain resilient to cope with all kinds of challenges by identifying early warning signals of key risks through impact/likelihood assessments and key risk indicators, and by implementing effective risk mitigation plans which are monitored and reviewed on a regular basis. The latest revision of the Group's Risk Management Policy has been approved by the Board of Directors in May 2023 and the Information can be found in Attachment 5.

Enterprise Risk Management Culture

The Group endeavors to cultivate a culture of risk management within the organization and to enhance results through the implementation of enterprise-wide risk management practices. As such, the Group's ERM structure was conscientiously designed in compliance with good corporate governance principles and the Risk Management Policy. The Risk Management Committee ("RMC") was first established under the auspices of the Board of Directors and the Executive Committee ("EC"), to ensure that principal and substantial risks

to the Group can be identified through a thorough assessment of internal and external disruptive factors. It was also designed to encourage all related stakeholders to follow prudent risk management practices, and to help them be fully prepared for all possible scenarios. Established by the RMC in 2015, the Risk Management

Office (“RMO”) facilitates and exercises adequate oversight of the risk management practices employed by each of the respective business units. The RMO works proactively with the respective business unit (“BU”) leaders Risk Champions, and Risk Officers to ensure the effective implementation

of risk management processes and internal controls, including risk management training and communication across the Group as illustrated in the following ERM Organizational Structure diagram.



Risk Monitoring Tool

As part of the ERM practice, each risk is identified, updated and assessed in risk registers pertaining to each BU. Risk information includes objective, risk description, internal/ external context, risk category (according to COSO ERM classification; i.e., operational, strategic, reporting and compliance), internal risk control measures (and their effectiveness), risk assessment (impact/ likelihood), Key Risk Indicators (“KRI”) together with sensitivity analysis conducted upon some key risks. RMO asks each BU to provide key risks and KRI updates on a quarterly basis. Results are then analyzed and shared in the Quarterly Risk Report which is submitted to the RMC, the EC and ultimately to the Board of Directors for acknowledgement.

2.2 Risk Factors on Business Operation

2.2.1 Operational risk associated with the Company or the group of companies, both current risks and emerging risks for the next 3–5 years

As an important part of the ERM practice, the RMC collectively identified a set of likely key corporate risks that could impact the Group at the corporate level. These top corporate risks were first identified in late 2017 and have been re-assessed every year in RMC meetings, with a corresponding set of effective internal risk controls designed for careful implementation as part of risk mitigation to ensure business resilience. The risks were then presented to the Board of Directors for acknowledgement and approval.

To maintain our dynamic risk management practice, the Group conducts comprehensive risk reviews every two years to fully reflect potential risks in the ever-evolving business environments and market conditions. Results are updated and communicated in the Quarterly Risk Report, submitted to the RMC, the EC and ultimately to the Board of Directors. The first round of comprehensive reviews was conducted in 2020, the second in 2022, and the third is expected in 2024.

In 2022, Tipco Asphalt Public Company Limited was audited by an independent certifying body (MASCI) on the application of the ISO31000: 2018 Risk Management guideline for integration of enterprise risk management practices in the organization. The Company was subsequently granted a Risk Management maturity score of 81%. The Company continues to implement several key improvement programs within risk management practice, with the aim of improving our maturity score by 2025.

From 2022 onwards, ERM exercise work implementation has been extended to the Group's subsidiary in Cambodia and construction business, which were completed in late-2023. In addition, the RMO conducted a series of risk management follow-ups and trainings to ensure our operations remain fully resilient with an ERM practice that adequately reflect the current market situation, rapid change in economic landscape, and climate change risk management in accordance with International Financial Reporting Standards IFRS S2 Climate-related Disclosures.

Current Corporate Risk

One of the key corporate risk concerns is uncertainty associated with crude supply availability. Our asphalt production requires specific types of

crude with relatively high sulfur content (sour crude or heavy crude) which can only be procured from a select few crude sources.

In the past, the Group relied on a single source of heavy crude oil supply from Venezuela, which contributed to crude supply uncertainty. This potentially jeopardized both our refinery operations and international trading businesses. As a result, since 2020, the Group has formulated and implemented a number of mitigation initiatives to cope with such risk. These include efforts to source commercially-viable alternative crude/ feedstocks from oil producers and oil trading companies to ensure the non-interrupted operations of our refinery facility.

The Group also procures asphalt directly from regional refineries to support our international trading activities. Volatility in local demand and prices pertaining to international retail business in Indonesia represents another key corporate risk. This risk mainly results from local government budget reductions/delays coupled with intense competition from local key players. Measures and control initiatives have been designed and implemented, with a focus on distribution channel enhancement, special projects (both public and private), and creating demand for higher-value products while exploring potential M&A opportunities. The details of each risk factor and its mitigation actions are as follows:

Financial Risks

The Group's business activities are exposed to various financial risks, including those related to credit, liquidity, foreign currency, interest rates and oil price fluctuations. The Group employs various financial instruments to manage identified financial risks, but does not use financial instruments for trading or speculative purposes.

The Group's Finance Department operates as a service center, providing treasury advice, funding, and risk management assistance. It also liaises with financial institutions and manages financial risks related to the Group's overall operations to ensure that Tipco Asphalt's strategic objectives are met. The use of financial instruments is strictly controlled by policies approved by the Board of Directors. The policies provide specific instructions relating to financial risk management, which include commodity hedging, foreign currency, interest rates, credit and liquidity risks.

Credit Risk

Mitigation Actions

- The Group's credit policy is regularly reviewed and updated, and our exposure to credit risk is closely monitored on an ongoing basis.
- Credit reviews and evaluations are performed on all customers, while credit approvals are based on delegated limits of authority by credit committees.
- Sales collections have decreased from 2022 due to weakened demand and delayed government disbursement of fiscal budget for infrastructure development projects. The Group works ever closely with its customers to maintain its collection target and to solicit more securities from customers than in preceding years.

Liquidity Risk

Mitigation Actions

The Group operates under unsecured short-term trade and working capital facility arrangements with reputable local and international banks that have a combined limit of over Baht 38 billion or USD 1.10 billion. This amount is more than enough to support higher financing requirements for crude purchases in the event of high crude prices and minimizes the Group's liquidity risk as a result.

Currency Risk

Mitigation Actions

The Group is exposed to foreign currency risk borne from the purchase of raw materials and from export revenue. The risk is adequately mitigated through forward contracts booked for identified foreign currency exposures which all have a maturity of less than six months.

Interest Rate Risk

Mitigation Actions

The Group considers its interest rate risk to be significant only for long-term loans it plans to enter into. It has the option to hedge the risk with interest rate swaps when it chooses to minimize the exposure,

Oil Price Fluctuation

The market prices for petroleum and petroleum-related products can fluctuate greatly depending on geopolitical relations, global economics, and demand and supply fundamentals. In 2023, the combined effects of the ongoing Russo-Ukrainian conflict, global recession concerns, and the onset of Israel-Hamas war saw the price of Brent crude oil, which served as a major benchmark of global petroleum products prices, range between USD 70-98 per barrel during the year.

Mitigation Actions

- The Group's hedging policy has continued to contribute to supporting operating results effectively in managing these market risks.
- In order to continuously address and mitigate price fluctuation risks for both crude oil and finished products, the Group carefully formulates its hedging strategy for each crude cargo from purchase to collection.

Refinery Operating Risks

Safety Risk

Safety is at the heart of the KBC Refinery's operations. As previously reported, the latest crude tank TK-501C was completely installed in the firefighting facility in September 2022 in accordance with the study's recommendations from the Fire Safety Design Philosophy (FSDP). The FSDP's recommendations counsel that all crude tanks and other highly flammable storage tanks be well protected with standard firefighting facilities, and be equipped with robust mitigation for escalation in case of tank fire incidents. The biggest safety risk at present, is that the majority of the KBC's equipment is nearly 15 years old. Most standard plants have a design lifespan of 15 years, so the KBC plans to cover this risk with a Risk Based Inspection (RBI) study. The study will identify key areas of concern requiring action, and the result of the study will be combined with Statutory inspection results from Plant Turnaround in December 2023 to ensure that the plant safety risk is "As Low As Reasonably Practicable (ALARP)".

Mitigation Actions

- The Insurance broker's survey conducted by Aeon earlier this year confirmed and approved the safety of our operation philosophy, and suggested points of further improvement as part of its renewal of the Refinery's insurance.
- The proactive program of plant integrity identification and assessment processes have enabled KBC to identify the maintenance and upgrade projects that enable and favor the continuous availability and operability of production assets. These actions have significantly contributed to enhancing plant reliability.
- KBC achieved a plant reliability level of 99.83% in December 2023, the level of

Reliability is on par with last year. The refinery team continues to focus on asset integrity to ensure no units fail prematurely.

- With regards to personnel safety, the KBC continues to adopt a strong safety culture bolstered by its 'Goal Zero' initiative. The KBC team takes pride in having a zero-fatality track record since its inception, and boasts 3,998,605 man-hours without Lost Time Injury ("LTI") as of December 2023.
- KBC regularly monitors its safety initiatives covering all employees and contractors, with a special focus on situational awareness and risk identification campaigns as carried out previously. In addition, daily safety audits are carried out by the Operations Safety teams to ensure that all contractors and their workers inside the refinery always follow the safety regulations.
- Hot-work and gas test results are shared within the working groups to sustain focus and awareness on the risks associated with each activity.
- In keeping with best practices, the refinery continues to prioritize emergency preparedness and response as key tools to prevent serious incidents and ensure emergencies can be dealt with as efficiently and effectively as possible.
- Joint exercises and drills performed in collaboration with the Fire and Rescue Department and other industrial entities in the neighborhood have helped KBC update and strengthen its Oil Spill Response Plan and Emergency Response Plan.

Environmental Risk

At the same time, KBC is committed to protecting the environment and minimizing the environmental impacts of its operations, products, and services.

Mitigation Actions

- The refinery operates in total compliance with local environmental legislations and other related international conventions and protocols and upholds stringent environmental standards.
- All emissions and effluent discharges are managed in accordance with the Company's Health, Safety, Security, Environment ("HSSE") Commitment and Policy, and KBC strives for the continuous improvement of its operations with regards to the environment.
- The Company continues to operate by adhering to best practices as reflected in its certifications, namely the ISO 9001:2015, ISO 14001:2015 and ISO 45001:2018 Occupational Health and Safety Management System, which have all been renewed following a thorough externally conducted audit.

Asphalt Cement (AC) Supply Risk

Fluctuations in AC supply and demand balances potentially resulting in supply shortages remain a key risk to the Group.

Mitigation Actions

- The Group continues to mitigate supply risks by maintaining good, long-term relationships with all refineries in Asia, sustained through regular supply contracts and enquiries.
- Supply risk is also partially mitigated by the ability to produce AC at the Group's own refinery in Malaysia.
- Expanding collaborative networks with various market players has also helped secure alternative AC sources at competitive prices.

Risks Related to Maritime Business

The Group owns and operates eight bitumen carriers that are managed by an in-house professional and innovative management team. We focus on maintaining high-quality tonnage through a clear shipping strategy, and prudent sales and purchases. The current quality tonnage maintained by the Group suitably supports its increased sales activities in the Asia Pacific and Australia regions, thus reducing the risk exposure associated with capacity constraints. The Marine Group operates with the mission of zero accidents, zero injuries and zero oil spills. In addition, our assets are insured by first class insurance companies.

The biggest challenge faced by the industry in 2023 were upcoming stringent IMO GHG reductions environmental regulations, which saw world fleets were assessed by Governing Bodies for their environmental footprint, energy efficiency, and carbon intensity index.

The Marine Group managed to implement the required operational and technical improvements to mitigate existing and upcoming IMO GHG emissions regulations effectively. The Fleet Energy Efficiency Existing Index (EEXI) and Carbon Intensity Index (CII) measured and calculated by Regulatory Bodies, placed the Tipco Asphalt fleet in a good performance zone.

There is still a risk of shortage of well-trained seagoing personnel. The Marine Group continues to make efforts in training and developing its seafarers to properly mitigate this challenge.

Mitigation Actions

- Enhanced training for Tipco Maritime Seafarers (both Thai and International)
- Enhanced benefits for Seafarers onboard with state-of-the-art Starlink satellite

communication systems and improving healthy life standards with better victual and mental support activities.

- Installation of the most modern anti-fouling hull coatings (60 months scheme) for better hull energy efficiency
- Installation of Propeller Boss Cap and Main Engine Power Limitation devices for better fuel consumption
- Optimization of Laden-Ballast ratio voyages to further reduce CII (carbon intensity index)
- Installation of modern machinery lubrication systems, as well as LED lighting on board all vessels for less energy consumption.

Risks Related to Domestic Business

Most of the asphalt demand remains closely linked to Thai government policies and annual budget allocations for infrastructure development projects. Asphalt demands generally are impacted by government stability as well as the 20-year National Economic and Social Development Plan.

Throughout the fiscal year 2023, the Thai government's main focus continued to be on infrastructure developments, including road construction, repair, and maintenance. Nevertheless, the delayed general election and slow formation of the government caused some delays in government budget expenditure from late Q3/2023 until Q1/2024.

Mitigation Actions

- Using road technical knowledge in road design to increase road efficiency and durability.
- More adaptation of Reclaimed Asphalt Pavement (RAP) technology for road construction and maintenance.
- Constantly promoting and enhancing new product developments that favor a low-carbon economy.

Risks Related to International Business

The overall demand for asphalt in 2023 showed a slight improvement, particularly in the first half of the year, driven by increased demand in China, Vietnam, and Indonesia. Although the market experienced peak demand in the 1st and 2nd quarters, there was a sudden shortage of vessels due to various factors such as vessels moving out of the region and geopolitical problems, impacting both freight costs and the ability to deliver committed cargo. Fortunately, The Group is in a competitive position to supply asphalt thanks to support from the group's shipping company; Tipco Maritime Co., Ltd (TMC). This has proven advantageous in ensuring a reliable supply of asphalt, especially to our retail network across the region. Unfortunately, the 4th quarter was notably more quiet, as many countries contended with sluggish budget allocations and an overall economic slowdown. This negative impact is expected to last until at least the 1st quarter of 2024.

Sourcing feedstock remained a significant challenge in 2023 due to various factors impacting our ability to secure a stable feedstock supply. While the Group prioritizes fulfilling the demand for our International Retail Business, maintaining a balanced volume at marginal levels for International Trading is crucial. In 2023, another set of challenges emerged due to fluctuations in overall demand. However, the Group successfully navigated these challenges through the effectiveness of its strategies resulting in positive outcomes and enhanced efficiency of the company.

The year 2024 is expected to bring about market challenges influenced by regional macroeconomic factors. The resulting impact on demand volatility, coupled with a steady supply, is likely to affect regional asphalt prices. These fluctuations are

expected to have mixed consequences on the Group's overall business conditions. Notably, the shortage of vessels has eased since the third quarter of last year, contributing significantly to the facilitation of asphalt transportation in 2024.

Mitigation Actions

- Actively engaged in securing alternative feedstocks to ensure a consistent and reliable supply to our refinery in Malaysia.
- Our procurement team is working diligently to secure asphalt within the region, thereby fortifying our strategic position.

The competitive advantage derived from our dedicated vessel fleet not only enhances the overall efficiency of our operations but also serves as a strategic safeguard against the challenges posed by vessel shortages in the industry. By maintaining its own fleet, the Group proactively mitigates the risk of supply chain disruptions and positions our Group to seamlessly navigate potential shortages.

Risks Related to International Retail Business

South-East Asian asphalt demand grew around 4.5% in 2023, driven mainly by Vietnam and Indonesia's higher road construction activities. As the regional market experienced a peak demand in the 1st half of the year, there was a shortage of vessels which impacted both regional freight costs and cargo delivery schedules. Thanks to a strong shipping fleet, Tipco Asphalt group was able to supply its retail network across the region efficiently.

The top risks related to international business were the disruption of our KBC asphalt supply chain and the uncertainty of government spending on infrastructure projects in the post-pandemic landscape, particularly in China.

On the asphalt supply chain, the group was forced to overcome the shortage by securing more third-party sources, while implementing a prioritization system to ensure our key retail customers' requirements were met. Sourcing feedstock remained a significant challenge in 2023 due to various factors impacting our ability to secure a stable crude supply. With an on-going limited supply from KBC refinery, the Group's maintained its "Selective Market Strategy" with a continuing focus on Thailand and international markets with high margins while being actively engaged in securing alternative feedstocks in 2024.

The year 2024 is expected to bring about market challenges influenced by regional macroeconomic factors. The resulting impact on demand volatility, coupled with a steady supply, is likely to affect regional asphalt prices. These fluctuations are anticipated to have mixed consequences, both positive and negative, on the Group's overall business conditions. Notably, the shortage of vessels has eased since the third quarter of last year, contributing significantly to the facilitation of asphalt transportation in 2024.

Mitigation Actions

- Actively engaged in securing alternative feedstocks to ensure a consistent and reliable supply to our refinery in Malaysia.
- Our procurement team is working diligently to secure asphalt within the region, thereby fortifying our strategic position.
- The competitive advantage derived from our dedicated vessel fleet not only enhances the overall efficiency of our operations but also serves as a strategic safeguard against the challenges posed by vessel shortages in the industry. By maintaining its own fleet, the Group proactively mitigates the risk of supply

chain disruptions and positions our Group to navigate potential shortages seamlessly.

Risks Related to Information Technology and Cybersecurity

In the era of digital transformation, the Group has leveraged enhanced technology to improve business efficiency and capability, and customer experience, by digitizing many business operations and implementing accompanying processes to strengthen Cyber Risk Management to identify, assess, and respond to cybersecurity risks. Also, the new laws and regulations on data privacy were addressed and applied to the Group's policy to ensure the security and safety of all digital information. The group completed the ISO/IEC 27001 assessment program at the end of 2023 and expects to receive the standard certificate by early 2024. This accomplishment underscores our unwavering dedication to risk management and to the safeguarding of sensitive information assets.

Information Security Risk

Mitigation Actions

- The Group has established its IT system and policy to ensure information security and works to properly manage and protect the digital information of the Group. The policy is regularly reviewed by both internal and external audit teams for improvement to make the process more efficient and effective.
- The Group reviews all activities related to information security to ensure all information technology users within the domain of the Group and its networks comply with information technology security policy and guidelines.
- Our information security awareness program is one of the strategies we have developed and shared with all of our

information technology users to prevent and mitigate risk, and to help them understand the role they play in helping combat information security breaches.

- In alignment with ISO/IEC 27001 standards, the IT department has conducted a comprehensive Risk Assessment Process. This process not only identifies and analyzes all information security risks but also defines the implications of these risks. Our Risk Treatment Plan (RTP) has been meticulously designed to control and mitigate these identified risks effectively.

Access Control Risk

Mitigation Actions

- The Group's IT systems must be able to handle all internal and external threats. To prevent unauthorized access and to avoid compromise to our accounts, the IT department has developed enhanced protective technologies and identity management systems to mitigate all vulnerabilities and risks, while improving our processes.
- One of the IT department's key priorities is to restrict, monitor and protect the confidentiality, integrity and availability of the Group's resources and systems.
- All ERP accesses have been revised by our IT department and Business Process Owner ("BPO") to ensure that each role and responsibility is correct in accordance with business functional requirements.
- Access control is managed by our IT department under the Group's own robust policy and authority.
- Consistent with the requirements of ISO/IEC 27001, the IT department have established a secure area procedure to control physical access. This procedure

ensures that only authorized personnel with the appropriate security privileges and job functions are granted access to restricted areas. This measure is crucial in safeguarding our physical infrastructure against unauthorized access and potential security breaches.

Operations Security Risk

Mitigation Actions

- The Group's operations have expanded to include more information processing facilities that work in line with existing IT work instruction ("WI") processes. Nonetheless, the possibility of operation failure persists, as the Group has grown and become more complex and varied.
- Our IT department keeps improving the IT service management standard and enhancing the quality of Application Management Service projects ("AMS"). The AMS project will fully support Tipco Asphalt's new ERP system in its daily operations, and the IT department is focusing on new enhancements, automation processes, and data integration systems as part of our IT road map and strategic plan.
- Our IT department has diligently upgraded our Backup System and Business Continuity Procedures (BCP) to ensure a higher level of operational security and resilience. This proactive approach is designed to safeguard our daily operations from the risks associated with system failures.

Risks Related to Environment, Social and Governance ("ESG")

Since 2020, RMO has incorporated ESG risk considerations to Tipco Asphalt and its subsidiaries and plants in Thailand. We identified ESG risks

together with assessments on the impact and likelihood of ESG-related risks including key risk indicators, and mitigation plans, accordingly. The summary of ESG risks are as follows:

Environmental Risk

Our environmental risks focused on manufacturing operations and transportation activities. Key risks identified were pollution, greenhouse gas emissions, climate crisis, wastewater management, and product spillage.

Mitigation Actions

- Our Integrated Management System Policy: we implemented our environmental management system according to the ISO 14001 Standard, and greenhouse gas emissions management according to the GHG Protocol and GRI Standard.
- Several control points have been implemented to reduce the environmental impact of our business activities. These include reducing energy loss in our systems, the use of alternative fuel, and improvements in machine use and other processes to reduce energy consumption, greenhouse gas emissions, pollutions, potential accidents, and product spillage.
- We adopted a waste management system following the 3Rs concept (Reduce, Reuse and Recycle) to reduce waste and reuse recycled water.

Social Risks

Key social risks were identified regarding safety pertaining to public road transportation and employee health.

Mitigation Actions

- For public road safety, we are certified with the ISO39001 standard on Road Traffic Safety (RTS) management across all

our 5 plants in Thailand and Centralized Logistics office.

- Prior to all delivery trips, each shipment must adhere to a “Check before drive” and “Travel plan” control, while our outsourced logistic service providers are required to fully comply with our safety procedures.
- Employee occupational health and safety is our top priority. Safety risk assessments are conducted across all activities, with mitigation plans and preventative actions in place. For instance, safety training or UA/UC surveys by Frontline employees are conducted under the current Integrated Management System Policy.

Human Rights Violations

Human rights violations are another key social risk we prioritize. In 2021, we identified certain risks associated with relevant stakeholders, and potential areas of concern caused by our business operations across the value chain through risk reviews and human rights due diligence. Examples of potential human rights violation risks identified include the fair treatment of employees and protection of the livelihood of local communities.

Mitigation Actions

- We assessed potential risk exposure and relevant stakeholders across several units while turning our attention to developing risk controls.
- Measures to ensure fair treatment of employees include welfare provision to ensure employee safety, good health, and career development through human capital initiatives and internal communication channels.
- We also collaborated with local communities and business partners to improve their livelihood and safety through CSR activities promoting awareness of public road safety, and public health, while

making sure to preserve the environment of the local communities near our plants.

- In line with Thailand’s Personal Data Protection Act (“PDPA”), effective from June 2022, the Group has implemented several controls to mitigate the risks of data privacy breaches. These measures include improvements to our IT data securities system and access, the development of key documents, and the implementation of a data privacy policy including the appointment of a Data Protection Officer (DPO) for the Group.

Governance Risks

Governance is one of our SD foundations. RMO has identified some governance risks; for instance, corruption risk. Since 2017, the Company has signed a declaration of intent in Thailand’s Private Sector Collective Action Coalition Against Corruption (“CAC”) and recertified its membership in June 2023.

Mitigation Actions

- The Company closely monitors business activities with potential exposure to corruption risks while conducting risk assessments on relevant business units.
- Effective internal control measures and work procedures are then implemented in accordance with our Anti-Corruption Policy and Anti-Corruption Guideline Manual, with regular risk monitoring and reporting to the Risk Management Committee.
- In 2021, we revised our policy, guideline manual, Code of Ethics, and corruption risk register.
- To further improve and monitor our anti-corruption practices as per Self-Evaluation Tool and in preparation for the next round of membership recertification by 2026.

Information on the Group's Anti-Corruption Policy and Anti-Corruption Guideline Manual can be accessed in Attachment 5.

Emerging Risks

The Group is also cognizant of potential emerging risks that might impact our businesses in the coming 3-5 years. One such corporate risk concerns upon cyberattacks and cyber insecurity. Due to rapid advancements in technology and the expanding role of IT applications across the Group's business practices, there have recently been an increasing number of IT threats and cyberattack incidents such as phishing emails, ransomware and more. Our IT Group has implemented several key risk control measures to mitigate these emerging risks. For instance, it has reviewed our overall IT infrastructure effectiveness, conducted IT security assessments, shifted towards a more secured, cloud-based platform, and implemented a full-scale disaster recovery plan ("DRP").

Among the emerging risks related to the IT security of the Group are personal data privacy and personal data breaches/misuse. Since 2021, the IT and RMO departments have collaborated to work on data security to ensure personal data protection. A Corporate Policy on Data Protection was formulated, along with the appointment of the Group's Data Protection Officer ("DPO"). This was accompanied by IT operation improvements to ensure maximum data security and the preparation of privacy notices and other key documents, all of which were communicated to related stakeholders to ensure full compliance with the Personal Data Protection Act (PDPA), with regular monitoring starting in 2022. Information regarding the Corporate Policy on Data Protection is available in Attachment 5.

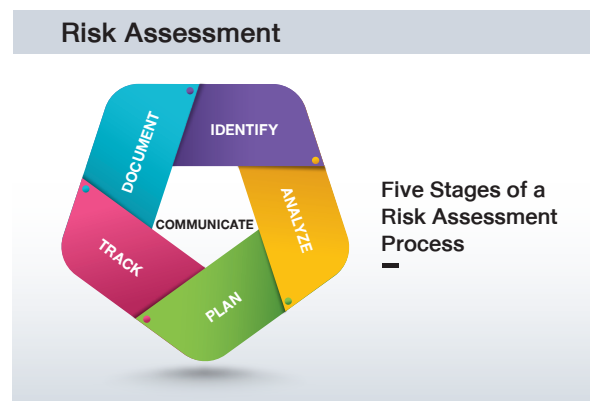
As of early 2024, Tipco Asphalt Group will achieve a significant milestone in its journey towards unprecedented information security. Building on our 2022 IT Security Policy, which focused on the crucial C-I-A triad (Confidentiality, Integrity, and Availability), we have now successfully completed our ISO/IEC 27001 Certification. This accomplishment underscores our unwavering dedication to risk management and the protection of sensitive information assets.

ISO/IEC 27001 Certification

This international standard serves as a testament to our rigorous Information Security Management Systems (ISMS), which the Group continually refine and improve. Our certification, granted by the prestigious British Standards Institution (BSI), follows a thorough audit of our adherence to the ISO framework's stringent requirements. BSI's contribution to the formation of the ISO/IEC 27001 framework and their global standing as a leader in ISO certifications lend additional credibility to our achievement.

Enhanced Risk Assessment

A cornerstone of our ISO-certified journey has been the revamping of our Risk Assessment and Treatment Process.



The steps involved include:

- **Risk Management Methodology:** A systematic approach to identifying, evaluating, and prioritizing IT risks.
- **Risk Assessment & Treatment:** Comprehensive strategies to mitigate identified risks.
- **ISMS Risk Treatment Report:** Detailed documentation of risk management activities.
- **Statement of Applicability & Risk Treatment Plan:** Tailored solutions for each identified risk, ensuring ongoing improvement.

Employee Training and Awareness

The Group has rolled out new ISMS training modules, IT security awareness campaigns, and practical drills, all meticulously aligned with ISO standards. This initiative ensures that every team member is equipped with the knowledge and skills to uphold our security protocols.

Access Control Enhancements

In line with ISO/IEC 27001, the Group has rigorously assessed and fortified our access control systems. This enhancement ensures robust protection in compliance with international standards.

Operations Security and ISO Standards

Our operational security practices have evolved significantly, thanks to the adoption of ISO/IEC 27001 guidelines.

Key improvements include:

- Refined operational procedures and manuals.
- Advanced incident management strategies
- Robust business continuity planning.

For future outlook, the ISO/IEC 27001 certification is not just an accolade but a stepping stone towards continual enhancement in our information security management. The group remains committed to not only maintaining but elevating these standards.

2.2.2 Investment Risk Imposed on the Securities Holders

Risks Related to Major Shareholders Who Hold More Than 25% of Existing Shares

The Company has two major shareholders. Each holds more than 25% of existing shares; namely, Colas. S.A., and Tipco Foods & Supsakorn Family, each of which holds 31% of total paid-up capital (as-end 2023). Such shareholders may disapprove any agenda in the annual general meeting requiring affirmative votes of no less than three quarters of the total votes of shareholders attending the meeting and entitled to vote.

Nevertheless, pursuant to the Company's Articles of Association, resolutions in normal cases are passed by majority vote of shareholders attending the meeting and entitled to vote.



3. Sustainability-Driven Organization

3.1 Policy and Sustainability Management Goals

The Group operates with an aim to achieving strategic goal (S6): to become a sustainable organization. Our sustainable development policies and strategies are formulated in line with the Group’s corporate strategy, which serves as a blueprint for our business operations across economic & corporate governance, as well as our social and environmental pillars. We aspire to be a leading corporation that prioritizes innovation, sound safety standards, the well-being of our employees, responses to expectations of related stakeholders and communities, the preservation of natural resources, and environmental sustainability, all of which we balance harmoniously across the various channels of our business operations.

Since 2018, the Group has established a sustainability roadmap which encompasses group-wide sustainability policies, strategies, goals and action plans. The roadmap was approved by the Board of Directors,

and has served as the key driver to achieving our sustainable development vision by actioning concepts into practices while embedding ‘In-Process’ Sustainability Development across our operations. Details are as follows:

1.) Sustainability Framework (SDG 1-17)

1.1) Sustainable development strategies and foundations:

The Group’s sustainable development framework comprises basic business protocol in conjunction with good business conduct, both of which meet international standards. This framework ensures the Group’s vision of sustainable development is being realized, and that its capabilities and long-term business operations strengthened and aligned with the Group’s vision of sustainable development. As such, we have formulated the following sustainable development strategies:



- 1) Innovation Leader
- 2) Eco-efficiency Operations
- 3) Safety Awareness

In addition, to complement the sustainable development strategies, the Group upholds two additional sustainability pillars which are:

- 4) Transparency and Good corporate governance
- 5) Value for the Future – People Development

- 1.2) Since 2020, the Group has conducted enterprise risk reviews and explicitly identified risks associated with social, environmental and governance aspects including risk assessments and the implementation of corresponding control measures. This included risk-identification with regards to specific sustainability issues such as combating corruption and human rights violations. In 2022, these sustainability risk registers were re-assessed along with the effectiveness and adequacy of internal risk control measures to ensure such risks remained properly managed.

In 2023, the Risk Management Office (RMO) conducted the risk review again. One of 2023's highlights was the identification and assessment of climate risks (both physical and transitional) as part of our new climate strategy to address and manage greenhouse gas emissions reduction.

- 1.3) Review Materiality Analysis and Assessment to accommodate business plan, decision-making and process development:
The review is done through regular Sustainability Materiality surveys conducted by the Sustainable Development Department on our related stakeholder groups, both internally and externally. The survey results are used for our materiality analysis and sustainable development work directions. Our latest Sustainability Materiality survey was conducted in 2021, the results of which were submitted to the Sustainable Development & Corporate Governance Committee for acknowledgement and approval.

Each year, top management together with the Sustainable Development Department, review the materiality results and approve by the Sustainable and Development committee, before sharing them with the Board of Directors for acknowledgement.

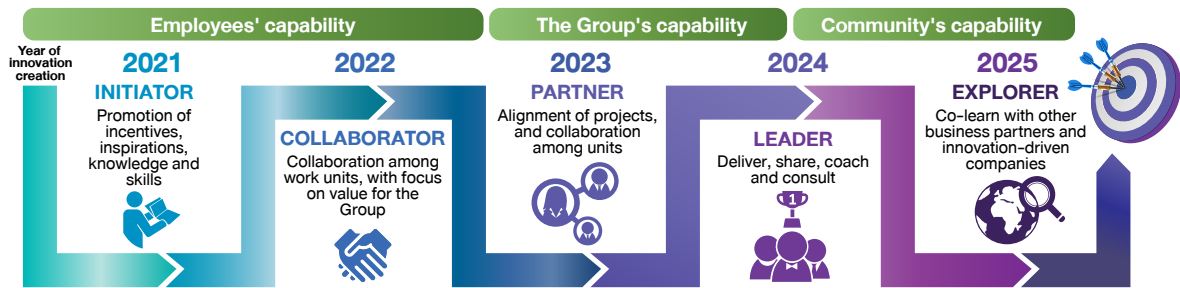
The materiality results serve as the basis for the annual Sustainability Report.

- 1.4) Promote corporate sustainable development in accordance with the United Nations' Sustainability Development Goals (SDGs), the United Nations' Global Compact (UNGC), and the Global Reporting Initiative (GRI)'s sustainability report framework which encompass all operations across economic, social, and environmental aspects including good corporate governance.
- 1.5) Respect and respond to related stakeholders' needs and expectations, by setting goals to ensure their satisfaction, with minimal stakeholder complaints

2.) Innovation Leader (Innovation SDG 4, SDG 8 and SDG 9)

Since 2018 the Tipco Asphalt Group has integrated an 'innovation philosophy' into its corporate strategy, with a focus on establishing a full understanding and structure of the possibilities of innovation through initiatives including its Innovative Solutions Award and Innovation Bootcamp.

The Group formulated its Innovation Roadmap 2025 to serve as a guideline for systematic innovative thinking. The roadmap has been implemented since 2021, with a focus on employee skill coaching, inspiration, and incentives for employees to initiate and create innovation. In 2022, the roadmap aimed at innovation initiatives from mutual collaboration across units, giving employees the chance to witness and reap the benefits of cross-functional, inter-disciplinary cooperation. By 2023, the roadmap will branch out to focus on organizing the Group's innovation across its multiple areas of operation, pairing these with support from external partners to further co-develop new innovations. The ultimate target for 2025 is co-learning with other business partners and innovation-driven companies for the mutual benefit and empowerment of all.



One of the shifts resulting from 2022's highlights was the Group's focus on cultivating innovative culture by creating work environments that encourage employees to show their creative potential. In addition, efforts to promote a sound understanding of conceptual design and innovation processes were made through various activities and projects including Innovation Bootcamp, Innovative Solutions Award, Innovation Accelerator Program, Small Wins initiatives, and Total Productive Maintenance Awards.

- The Internal Innovation project: In 2023, we continued this campaign with a total of 141 participants, 80 of whom were from Thailand, and 61 from our international subsidiaries. There were 49 innovative projects from all participants, with 30 completed projects, 7 on-going projects, and 12 new idea projects. The benefits from those projects are quantified as follows:
 - o Cost Saving in Baht: 450 thousand
 - o Worktime Saving : 642,000 hours.
 - o Revenue-generation in Baht: 9 million
- The Innovation Accelerator Program: The program is designed to provide the key support needed to scale up and quickly launch selected innovation projects to the market. There were 3 qualified projects in this program, all of them being product innovations. All projects have been transferred to the Business Development department, securing funding for the development of prototypes intended for

presentation to customers. These prototypes are scheduled for market launch in 2024. Furthermore, the second batch comprises a total of 8 high-potential innovative projects that are set to undergo feasibility studies in 2024.

- In addition, we arranged BU & individual initiatives (Small Wins), which are collaborations across units internal and external to the organization. A sample of Small Wins project in 2023 is an implementation of e-Signature for internal and external documentation which is collaboration among five departments: Information technology; Legal; Warehouse; Security, safety, health and environment; Finance and Accounting. The e-Signature project was then extends to users in almost all internal departments as well as external parties such as customers and vendors, achieving significant time-saving for document processing and approval, thereby reducing paper usage.
- The Total Productive Management program (TPM) has been implemented at our Thai Business Operations plants since 2019. TPM training for target staff in the five plants have been achieved at an 100% completion rate. Employees at the plants have been generating ideas-sharing and work improvement projects contributing to time-saving, cost-saving, and safety-improvement.

2.1) Promote and communicate innovation with a focus on social and environmental responsibility (SDG 4, SDG 9)

The Group supports the integration of both intra- and inter-organizational innovative operations including the generation of new ideas, procedures, frameworks, pioneering projects, and cognitive or production and management refinements that can create added value for the business. Innovation serves as a positive catalyst for change that can lead to increasing production and maximum benefits for the general public. In this regard, the Group operates in accordance with the following guidelines:

- Observe current operations to ascertain whether there is any operation that poses any risk or negative impact to the general public and the environment, while developing countermeasures to mitigate said risks/ impacts. In addition, the Group will conduct in-depth analyses of operations across all aspects to find new opportunities for business innovation development.
- Share our discovery of innovations that can benefit society and the environment as a means to encouraging other businesses and entrepreneurs to follow suit.
- Constantly develop alternative solutions and innovations that lead to new product development opportunities accommodating corporate growth and customer satisfaction.

2.2) Corporate business development via data-driven innovation (SDG 4, SDG 8, SDG 9)

The Group strives to develop business processes via the implementation of data-driven innovation such as service quality and efficiency improvement, decision making and data assessment

processes, inter-organizational data sharing, market trend forecasts and estimates, and utilizing data innovation to understand stakeholders' needs and improve overall quality of life. The aim is to become a data-driven innovator that maximizes the use of large databases to improve the business, economic, social, and environmental aspects of the Group while allowing data-driven innovation to effectively fulfil all stakeholders' needs. This also promotes and supports the establishment of effective data network platforms with affiliated businesses, partners, and stakeholders across the business value chain, which can optimize information analysis to yield the best solutions and results.

3) Eco-Efficiency Operations (SDG 8, SDG 12, SDG 13)

3.1) Environmental and Climate Change Management (SDG 12 / SDG 13 / SDG 14 / SDG 15)

The Group proactively engages in environmental management to fully comply with the requirements of applicable laws and regulations. It also carefully manages its investment to improve and develop environmental management systems that prioritize innovations and new technologies to tackle issues like effluent and emissions control and greenhouse gas emissions. The Group also aims to protect communities and groups, and to prevent and minimize any sort of environmental impact to nature and society. The Group has a further commitment to environmental biodiversity protection and conservation.

In addition, our Enterprise Risk Management encompasses climate change risk assessments that may affect the organization's business processes such as production, distributions, sales

and services. Appropriate measures have been formulated to proactively respond to climate change while ensuring sustainable business growth.

In 2023, the Environmental Policy was revised as the Environmental and Climate policy, a change approved by the Board of Directors. Key changes include the setup of long-term targets on greenhouse gas emissions reduction, protecting and preserving ecosystems and biodiversity, and promoting environmental projects including the valuation of said projects' returns.

3.2) Circular Economy (SDG 9, SDG 12, SDG 14)

In view of improving waste management and reducing natural resource and energy consumption, the Group has adopted the circular economy principle. This is achieved by creating knowledge and understanding for employees, searching for technology and innovative solutions that optimize natural resource use, promoting re-usage, reducing waste at the source of origin, and managing and developing a waste separation system for both solid waste and wastewater. Also included are wastewater treatment, remaking, and waste-recycling in manufacturing and other activities. The chief aims are to minimize the use of natural resources in operations, and to reduce the amount of waste disposed.

The circular economy concept hinges on the design and development of new products and packaging requiring fewer natural resources, which can either be reused, remade, or recycled through reprocessing. Nevertheless, such designs and developments should not cause any future negative environmental impacts and

must create shared value to stakeholders related to eco-efficiency of a product's life cycle (across suppliers, customers, users and recipients partaking in waste disposal or recycling).

4.) Safety Awareness (SDG 3 / SDG 11)

4.1) Instill awareness and safety in the organization's culture and stakeholders (SDG 3, SDG 17)

The Group operates Safety Awareness strategies by raising awareness and fostering a safety culture in the organization. We develop safety-related knowledge and understanding for employees to enable and empower them to act safely, while cultivating safety leadership at all levels and developing safety systems on working procedures and standards. Along with raising the safety management level above the minimum required by law, we supervise and control the operations of stakeholders to ensure their safety simultaneously. This is not only for the safety of employees, but also to oversee the safety of external stakeholders who come to liaise, collaborate on or supervise our operations across our various workplaces. The goal is to ensure good management of safety risks with proactive control measures.

4.2) Improvement of quality of life in society and community (SDG 3 / SDG 11 / SDG 17)

This shall be implemented across three elements: economic, environmental, and social, with safety as the primary focus. We plan to support and motivate employees of all levels and stakeholders across all sectors to participate in CSR projects which embed safety awareness and sustainable development consciousness across all work operations, with a focus on road safety and Covid-19 control measures to create shared value between the Group and society. This can be

achieved by responding to feedback, providing platforms for transparent and creative dialogue, ensuring equal and fair treatment, respecting diversity, and different opinions, and promoting the development/improvement of the communities' quality of life.

We intend to promote and conduct social and environmental responsibility projects in accordance with CSR, and to stay vigilant of any business conduct that may negatively impact society and/or the environment.

We commit to cooperate with government agencies, industrial associations, business affiliations, civil society parties, and other stakeholders in developing and/or integrating sustainability standards and protocols for the industry and /or other sectors.

5.) Good Corporate Governance and Responsibility to Customer (SDG 3, SDG 16)

5.1) Good Corporate Governance (SDG 16)

The Group upholds justice and transparency in its business conduct and operation, and adheres to all laws, regulations, protocols, and standards set by relevant agencies and international bodies including respecting international norms of behavior. The Group also instills and integrates awareness of ethical behaviors to employees at all levels to uphold honesty, transparency, justice, morality, risk management, and social and environmental responsibility in its corporate culture. We monitor and ensure the good health and well-being of our employees and create and encourage sound working environments that result in both employees' work satisfaction and effective skill development to achieve corporate goals. The key goal is to instill awareness in management and across employees

through clear, multilateral communication and annual training on corporate ethics.

5.2) Anti-Corruption (SDG 16)

In 2019, The Group formulated its Anti-Corruption Policy in response to the ongoing challenge of corruption in Thai society both at government and private sector levels. Management has launched collaborative efforts to promote anti-corruption practices within the organization. With the approval of the Board of Directors, TIPCO Asphalt Public Company participated and declared its intent in Thailand's Private Sector Collective Action Coalition Against Corruption (CAC) on 4th March 2016. In addition, the Company has developed a supplemental Anti-corruption Guideline Manual, which was communicated to employees across all subsidiaries and to all related stakeholders, as well as being publicly available on the company's website as an official guideline.

Details on the Company's Anti-corruption Policy and Anti-Corruption Guideline Manual can be accessed in Attachment 5.

The Company was first certified with CAC membership on 10th November 2017, then re-certified in 2020. In 2022, the Company re-assessed its corruption risk register and revised its Anti-corruption Guideline Manual in preparation for the next recertification round of CAC membership. In 2023, the Company was recertified with CAC membership, which is valid from June 2023 to June 2026.

5.3) Intellectual Property Practice and Protection of Customer Privacy (SDG 16)

The Group has a clear policy to avoid any potential violation of intellectual property of any form, whether it is copyright, patent, trademark, trade secret, and all other forms

of intellectual property indicated by the law. With registered computer software for instance, the Group observes a strict policy of having all computer programs used across its operations tested and installed by its IT department to prevent pirated software.

In addition, the Group issues policies and guidelines on customer personal information protection along with standards and protocols concerning their data collection, processing, storage, and protection. This is well in compliance with the regulations stipulated by the Personal Data Protection Act (“PDPA”), which took effect in mid-2022.

In 2021, with the help of an external legal consultant, the Group reviewed key aspects related to personal data; i.e., Business requirement, Data flow collection / analysis, PDPA policy drafting, Standard of Operations. The project was completed with the announcement of its corporate policy on personal data protection and the appointment of a data protection officer (DPO), followed by Privacy Notices etc issued to related stakeholders.

Details on the Group’s Corporate policy on personal data protection can be accessed in Attachment 5.

5.4) Responsibility to Customers (SDG 8)

Given the Group’s customer-centric ethos, all employees have been trained to hone their understanding of customers’ demands and expectations. They must direct their knowledge and expertise towards the improvement of products and services so they can fully accommodate and anticipate future needs, thereby enhancing customer experience while securing brand loyalty.

5.5) Respect for Human Rights (SDG 8)

We ensure there is no discrimination and respecting for human rights for all related stakeholders across the business value chain. We treat all employees and workers with respect, from providing fair job opportunities, assigning tasks based on each employee’s individual capability with appropriate compensation, and prohibiting any underaged and illegal employment. This practice applies to everyone, including our employees and those of affiliated partners’ workers and/or stakeholders. The Group ensures the safety of employees, workers, company assets without encroaching on the rights and safety of other parties. In addition, we protect personal rights and information while treating our employees, workers and affiliations equally.

Our primary goal is to achieve a common understanding across our stakeholders about our position on human rights. We maintain fully open communication for feedback across a network of whistleblowing channels from internal and external stakeholders.

6.) Value for the future through human resources and community development (SDG 4 and SDG 8)

We invest in the development of employee capability through knowledge training and other necessary resources, alongside creating safe work environments that encourage creativity and allow employees to work at their full capacity and capability. KPIs and criteria are designated for capability development measurement according to business operations to ensure that development goals are met and that employees receive maximum benefits which can be shared with the community.

7.) Policy Compliance

The Board of Directors, management, all employees, and related stakeholders are obligated to follow, promote, and work in accordance with sustainable development policies, with the utmost consideration paid to balancing benefits across economic, social, and environmental factors and good corporate governance.

8.) Disclosure and Communication

The disclosure of sustainable development policies, sustainability initiatives and progress outcomes must be done in accordance with the requirements set forth by relevant government agencies, and must adequately meet international standards in a transparent and timely manner. This is to reinforce the Group's robust commitment to its sustainable development goals.

3.2 Stakeholder Impact Management across Value Chain

3.2.1 The Group's Value Chain

The Group's value chain is designed to encompass all business processes in line with its Vision 2025 strategic plan. The value chain begins with customers' preferences and expectations as the core of the business driving force. This customer-centric approach encompasses business operations across the value chain, from upstream to downstream. The market outcome will benefit from using customer demand to analyze and drive innovation and technology across all processes to seek optimal solutions in terms of products, services and work efficiency. For example, implementing digital platform technologies to accommodate customers' needs while streamlining work procedures.

The Group's core strength relies on its ability to adjust work procedures in response to different circumstances to ensure continued, non-interrupted work operations while strengthening business

conduct. For instance, a database management system is used in high-risk processes like procurement, including the development of a procurement system for users to ensure a convenient, fast, reliable, and highly flexible process with full controls. In addition, the system allows the procurement of high-quality raw material feeds for production, resulting in quality products and services that satisfy customer expectations. The Group's logistics management utilizes modern technology to foster customer confidence through our punctual product delivery with real-time monitoring. Our technical services team possesses great expertise on asphalt, and is on standby to support customers with technical services and advice at all stages; i.e., providing pre-work, real-time and post-sale services. Any lessons learnt or effective solutions obtained are recorded as part of a comprehensive database for future use.



Value Chain	Source	Internal Stakeholders	External Stakeholders	Value to Our Stakeholders
Provide	Customers' needs and expectations on best products and services. The Group can sell products in markets across 5 continents.	<ul style="list-style-type: none"> - Sales team, both domestic and international - Customer service team - Finance team - Accounting team 	<ul style="list-style-type: none"> - Customer - Road Contractor - Authority - Competitor 	<ul style="list-style-type: none"> - Good relationship network, and revenues for partners/suppliers
Procure	Crude Oil	<ul style="list-style-type: none"> - Procurement team - Maritime team - Finance team 	<ul style="list-style-type: none"> - Crude Supplier - Crude Freight Provider 	<ul style="list-style-type: none"> - Secured Supply Source
	Raw materials for local production	<ul style="list-style-type: none"> - Management team 	<ul style="list-style-type: none"> - Authority - NGO - Competitor 	<ul style="list-style-type: none"> - Local Procurement - Green Procurement

Value Chain	Source	Internal Stakeholders	External Stakeholders	Value to Our Stakeholders
Refine	Crude refinery at Southeast Asia's largest asphalt refinery, (<u>Crude refinery capacity Up to 30,000 barrels per day</u>) resulting in 1.2 million tons of asphalt produced annually	<ul style="list-style-type: none"> - Refinery facilities in Malaysia and other countries - QC team - Sales team - Maritime team - Security, Safety, Occupational Health and Environment team 	<ul style="list-style-type: none"> - Authority - Communities nearby the refinery - NGO - Competitor 	Alternative Sources - Incomes
Produce	Convert raw materials into premium grade asphalt products, while adhering to the most stringent quality control measures to meet customers', local authorities' and environmental requirements	<ul style="list-style-type: none"> - Operations team (domestic and international) - R&D team - Procurement team - Warehouse team - Security, Safety, Occupational Health and Environment team 	<ul style="list-style-type: none"> - Raw material supplier - Authority - Consultant - Investor, Shareholder - Communities nearby plants and offices 	<ul style="list-style-type: none"> - Best quality products for road user safety. - Reliability and trust with stakeholders
Distribute	<p><u>Storage</u>, prepare, and distribute products to customer via the following distribution channels:</p> <p><u>Trucks</u> Largest asphalt truck fleet in Thailand with knowledge and expertise on safe handling and care of asphalt product</p> <p><u>Vessels</u> Specialized ocean-going asphalt vessel fleet that is qualified to conduct asphalt loading and discharging operations across all ports/terminals</p>	<ul style="list-style-type: none"> - Centralized logistic - Maritime team - Sales team both domestic and international - Warehouse team 	<ul style="list-style-type: none"> - Logistic supplier - Authority - Customer - Communities nearby plants and along delivery routes - Competitor 	Various merchandise delivery channels, prompt, timely and reliable services

Value Chain	Source	Internal Stakeholders	External Stakeholders	Value to Our Stakeholders
Service	Domestic and internal markets along with providing technical service teams, equipped with product and application know-how to our customers for on-site assistances	<ul style="list-style-type: none"> - Technician team, both domestic and international - Sales team, both domestic and international - Operation team, both domestic and international 	<ul style="list-style-type: none"> - Road contractor - Consultant - Authority - Competitor 	Great customer satisfaction from both pre- and post - sales services.
Apply	Road surface paving techniques and expertise, entrusted and certified by government agencies, to build road networks vital to infrastructure development and growth	<ul style="list-style-type: none"> - Construction team - R&D Team - Technical team - Consultant team 	<ul style="list-style-type: none"> - Road contractor - Customer - Road user/ community - Academic institute - NGO, Mass media 	More safety for road users

3.2.2 Stakeholder Engagement and Sustainable Co-Value Creation

Stakeholder Engagement and Sustainable Co-Value Creation		
Stakeholders	Stakeholders' Expectations	Responses
Internal Stakeholders		
Company Directors	<ol style="list-style-type: none"> 1. Conduct business in accordance with regulations and ethics 2. Conduct business with transparency. 3. Conduct business to achieve sustainable success 	<ol style="list-style-type: none"> 1. Diligently enforcing good corporate governance in line with relevant policies 2. Embed sustainability in corporate & business plan
Employees and Families	<ol style="list-style-type: none"> 1. Good quality of life and well-being 2. Work in a healthy and safe environment 3. Access to job stability and career advancement 4. Fair compensation and respecting human rights 5. Access to training sessions for skill development 	<ol style="list-style-type: none"> 1. Happy and Safe Workplace with work-life balance 2. Continuously develop skills and potential 3. Promotion, Salary, and Career Advancement 4. Open communication across corporate activities 5. Foster an Innovation Culture that promotes productivity and creativity

Stakeholder Engagement and Sustainable Co-Value Creation

Stakeholders	Stakeholders' Expectations	Responses
External Stakeholders		
Customers	<ol style="list-style-type: none"> 1. High quality products and services at competitive prices 2. Ensure privacy and security of personal data, fair treatment, and respect customer rights 3. Timely delivery of products and services 	<ol style="list-style-type: none"> 1. Reliable and timely delivery of high-quality products 2. Accommodate customer needs across all product aspects 3. Provide effective communication channels for feedback and complaints 4. Customer relations activities, seminars and roadshows 5. Good corporate governance and transparency that can be audited 6. Implement Anti-Corruption Policy and implement action plans 7. Managing product and service following Quality Management System (ISO9001) 8. Byproduct certification via testing and calibration laboratories standard (ISO17025) 9. Adhere to ethical conduct regarding clients' personal data protection
Government Agencies and Public Organizations	<ol style="list-style-type: none"> 1. Able to conduct all business operations in accordance with relevant regulations and requirements 2. Develop organizational capability in production process improvement to be eco-friendly with minimum environmental impact 3. Support, and coordinate with the government sector on projects that benefit the general public, society or local communities 4. Organize anti-corruption and human rights violation campaigns 	<ol style="list-style-type: none"> 1. Fully comply with relevant regulations and requirements 2. Support collaborative projects to achieve the United Nations' Sustainable Development Goals (UNSDG) 3. Share technology and innovation 4. Pay local maintenance tax for community development, and focus on local employment 5. Be transparent in information disclosure 6. Prepare and disclose 56-1 One Report

Stakeholder Engagement and Sustainable Co-Value Creation		
Stakeholders	Stakeholders' Expectations	Responses
External Stakeholders		
Supplier/Partner	<ol style="list-style-type: none"> 1. Receive accurate data in timely manner 2. Ensure fair business practice, delivery of payments, respect human rights 	<ol style="list-style-type: none"> 1. Create confidence over safe workplace environment for business partners 2. Cultivate good relationships by sharing information and good business practices 3. Participate in collaborative efforts for business expansion and growth, as well as leading anti-corruption campaign 4. Share knowledge to ensure business operations with maximum efficiency
Community/Society/ Academic Institutions	<ol style="list-style-type: none"> 1. Ensure a pollution-free environment 2. Support knowledge and education 	<ol style="list-style-type: none"> 1. Cooperate and support knowledge and expertise sharing 2. Improve quality of life and safety by utilizing organizational expertise 3. Listen to community needs and complaints with an open mind
Road user	Ensure road safety	<ol style="list-style-type: none"> 1. Ensure road safety at all times 2. Conduct high quality road paving to ensure long road lifetime
Shareholder/Investor/ analyst	Ensure financial and cash flow stability, potential growth of capital, returns, and business sustainability	<ol style="list-style-type: none"> 1. High financial returns 2. Carefully-managed business growth 3. Conduct business with transparency and sound ethics to ensure good corporate image as accepted by the general public
Mass Media	Disclose accurate, clear, and timely information to the general public	<ol style="list-style-type: none"> 1. Disclose accurate and timely information 2. Encourage creative media use
Competitor	Conduct fair business practice, oppose monopoly, and promote business transparency	Adhere to fair business ethics and transparent management

3.3 Sustainability Management on Environmental Dimension

3.3.1 Environmental Policy and Guidelines

Tipco Asphalt has implemented its Environmental Management System according to the ISO 14001 standard. Our Head Office and all 5 plants in Thailand have been certified with this standard since 2003. The Group constantly strives to improve our environmental management. In line with our Environmental and Climate Policy, the Group aims to protect the environment by preventing / controlling pollutants from our business activities that may impact the environment, which complements our sustainable development strategy focusing on eco-efficiency operations management, climate change mitigation, and our adherence to the circular economy principle.

In late 2023, we reviewed our new Environmental and Climate Policy to ensure it aligned with the Group's sustainable development strategy on eco-efficiency operations. Key changes include the setup of long-term targets on greenhouse gas emissions reduction, protecting and preserving ecosystems and biodiversity with a commitment to zero deforestation, and promoting environmental projects including the valuation of said projects' returns.

Details on our Environmental and Climate Policy can be accessed in Attachment 5.

[<https://www.tipcoasphalt.com/wp-content/uploads/2023/11/Environmental-policy-Eng.pdf>]

The Group has developed short-term action plans, which are as follows:

- Reduce GHG emissions through innovations and focus on TPM improvement to optimize the efficiency of operations linked to production, storage and distribution.
- Reduce industrial waste disposal by minimizing waste generated at the origin.

- Plan to collect and compile greenhouse gas emissions data in Scope 3 related to business. Analyze preliminary data with stakeholders to seek solutions for greenhouse gas emissions reduction.
- Promote multiple-use of materials and avoid single-use materials. Seek and create added-value from waste through a recycling process.
- Reduce groundwater resource usage by providing surface-water internal reservoirs at plants and increasing recycled water usage.

In addition, we have devised long-term action plans as follows:

- Minimize GHG emissions (as measured carbon dioxide per ton produced) through innovations and technology to improve production efficiency across storage and distribution process by reducing emissions and through the removal or sequestration of greenhouse gases from the atmosphere.
- Switch energy sources from fossil fuels to appropriate alternative energy sources such as alternative-fuel energy, wind or solar energy etc.

In addition, the Company has formulated a Climate strategy to respond to the revised Policy. The new strategy has set a medium-term target for greenhouse gas emissions reduction by 2030, beginning with asphalt business operations in Thailand and including only direct and indirect emissions (Scope 1 and 2). Several key initiatives have been proposed and implemented to accomplish this strategy such as fuel switch to bio-diesel, switching to electric vehicles, electric boilers, the use of renewable energy (solar), and logistics service provider outsourcing.

3.3.2 Environmental Operations according to the Eco-Efficiency Operations Strategy

1) Environmental Management and Climate Change Mitigation

The Group has implemented its Greenhouse Gas (“GHG”) Management strategy according to the international GHG Protocol. The organizational boundary includes the 5 Thai plants, and the operation boundary encompasses direct GHG emissions (Scope 1) from fuel combustion in business processes (including production, storage and distribution) and indirect GHG emissions from electricity use (Scope 2) incurred at both offices and operation plants.

In 2023, several following projects were implemented order to reduce greenhouse gas emissions

- improving heat pipes in manufacturing and heating products to improve heat transfer efficiency
- reducing fuel use in production and warming
- Initiative to install Solar Lighting around the building, product storage tanks and parking lots



In addition, in 2023 the Company received awards from the Thailand Greenhouse Gas Management Organization (TGO) for 13 of its projects across 5 plants in Thailand that supported activities to reduce and store greenhouse gases under the Low Emission Support Scheme (LESS). Such projects are projected to reduce and store the equivalent of 437 tons of carbon dioxide and 871 tons worth of greenhouse gases, respectively.



In 2023, GHG emissions at all 5 plants including the head office of Tipco Asphalt were as follows: Net direct GHG emissions (Scope 1) stood at the equivalent of 10,255 tons of carbon dioxide net indirect GHG emissions (Scope 2) stood at the equivalent of 1,602 tons of carbon dioxide; total net direct and indirect GHG emissions (Scope 1 & 2) stood at the

equivalent of 11,856 tons of carbon dioxide. Direct and indirect (Scope 1 & 2) GHG emissions intensity represented 0.021 tons of carbon dioxide equivalent per ton produced, which decreased by 32.17%, compared to the base year 2020. By 2025, the Group aims to reduce GHG emissions intensity per ton by at least 6%, compared to the base year 2020

Unit : Ton of carbon dioxide equivalent	2020 base year	2023	Absolute reduction
Direct (Scope 1)	15,159	10,255	(4,904)
Indirect (Scope 2)	2,115	1,602	(513)
Total	17,274	11,856	(5,418)

Furthermore, the Group underwent verification and certification of GHG emissions in 2023 by an independent certifying body (Management System Certification Institute Thailand – MASCI) which is widely accepted according to international standards, encompassing verified data from January to December 2023.

Energy Saving: In 2023, we constantly improved our energy management through innovative ideas related to fuel and energy savings, and GHG

emissions reduction. We are focusing on energy loss reduction 'in process' such as insulation improvements of production together with continuous TPM implementation. Total energy consumption in 2023 was 147,694 gigajoule and the consumption of energy intensity per unit of product was 0.27 gigajoule per ton produced, representing a reduction of 32.70%, from 2020, well exceeding our target of energy consumption reduction compared to the base year 2020.

Unit : Gigajoules	2020	2023	Absolute reduction
Fuel	199,904	136,161	(63,743)
Electricity	15,234	11,533	(3,701)
Total energy consumption	215,138	147,694	(67,444)

2) Promote the Circular Economy

Water Use and Wastewater Discharge: Our 5 plants in Thailand are located in areas with abundant water sources, and our production process requires a relatively low amount of water. It is therefore very unlikely that our operations will encounter water shortages or water stress concerns. Nevertheless, the Tipco Asphalt Group aims to constantly improve our water use efficiency under the “3Rs” concept, i.e., Reduce, Reuse and Recycle.

4 of our 5 plants use rainwater collected in surface water reservoirs located inside each plant to reduce water consumption from natural external sources. In addition, production wastewater is also treated and recycled during the asphalt emulsion production process. In 2023, we were able to treat wastewater from production, and recycled it for asphalt emulsion production amounting to 2,848 cubic meters, representing a 6.1% decrease in water withdrawal compared to 2022.

Unit : cubic meters	2022	2023	Difference
Water withdrawal	37,354	35,081	(2,273)
Wastewater from production	2,782	2,848	66
Total water consumption	40,136	37,929	(2,207)

Waste and Pollution Management: The Group realizes the importance of waste and pollution management. We commit to manage our waste under the 3Rs principle, i.e., Reduce, Reuse and Recycle. We make several changes to reduce waste at the source of origin, and to improve the sorting system

for each type of waste through our campaigns to reduce and sort waste for employees in our plants.

In 2023, all 5 plants generated a total of 172.54 tons of industrial waste and zero waste to landfill.

Unit : Ton	2022	2023	Difference
Hazardous Waste	174.01	101.71	(72.30)
Non Hazardous Waste	94.04	70.83	(23.21)
Total Waste	268.05	172.54	(95.51)

Pollution Control: The Group conducts environmental quality checks at least once a year at each work location. In 2023, air quality, wastewater discharge, odor and noise measurement results were well in line with statutory requirements, with no significant product spillage during product distribution outside the plants. There were no complaints on the environmental impacts of the Group's activities from 2017 – 2022.

In order to comply with the revised requirement from the Environmental Impact Assessment (EIA), Phra Pradaeng and Suratthani plants (2 out of 5 plants which are subject to EIA regulation) have improved product leakage control systems into water sources to become more efficient. As a result, both plants receiving the EIA Monitoring Awards in 2023.



3.4 The Social Dimension of Sustainability Management

3.4.1 Corporate Social Responsibility Policy

The TIPCO Asphalt Group is committed to upholding its high standards for business conduct in accordance with good corporate governance principles, respect for human rights, and equitable treatment for all as stipulated by the Group's corporate ethics. These also encompass awareness regarding the Group's responsibility towards society, community, and the environment, all in the aim of mutually beneficial co-existence and collaboration, particularly with regards to sustainable development.

The Group has formulated a social responsibility policy which focuses on the impacts of our products and services and/or work operations on the economy, society and environment. The Policy also emphasizes targeted community development achieved through the Group's expertise coupled with sustainability-oriented endeavors. More importantly, the Group

integrates social responsibility into all business decision-making across the Group's value chain.

Details on Corporate Social Responsibility can be assessed through https://www.tipcoasphalt.com/wp-content/uploads/2021/12/Announcement-PolicyCorporateSocialResponsibilityPolicyEN_1620871372.67188.pdf

3.4.2 Social Performance

3.4.2.1 Human Rights

Under the United Nations Guiding Principles on Business and Human Rights (UNGPs), the Tipco Asphalt Group announced its own human rights policy in 2014, updated on 12th May 2021 with a focus on good corporate governance principles whereby staff at all levels must fully comply with labor laws and human rights regulations.

In 2021, the policy was revised to include all business alliances, such as business partners and customers, to operate in line with our policy. This policy decrees that labor rights, women’s rights and children’s rights must be respected, with fair and equitable treatment for all those concerned, in accordance with prevailing Thai and international standards. Details on the matter can be accessed in Attachment 5.

https://www.tipcoasphalt.com/wp-content/uploads/2021/12/Announcement-PolicyHumanRightsPolicyEN_1620871416.625-1.pdf

On 26 May, 2023 Tipco Asphalt Public Company Limited was accepted as a participant of the United Nations Global Compact Thailand, the local network of the United Nations Global Compact (UNGC) and the world’s largest corporate sustainability initiative towards sustainability. This membership is the latest update of our commitment to uplift our current actions, which are based on comparable legislation measures to the Labor Protection Act such as the Thai Labor Standard (TLS) - a local practice conducted under the auspices of the International Labor Organization. The Group has adopted the TLS, which is voluntary for private organizations in Thailand, reflecting the Group’s commitment to improving the quality of life of its employees, and to strengthening the sustainable growth of the business.

Although Thailand has not implemented specific regulations under the UNGPs, it has comparable

legislation measures to the Labor Protection Act such as the Thai Labor Standard (TLS), which is a local practice conducted under the auspices of the International Labor Organization. The Group has adopted the TLS, which is voluntary for private organizations in Thailand, reflecting the Group’s commitment to improving the quality of life of its employees, and to strengthening the sustainable growth of the business.

Out of principle, The Group respects and is fully aware of human rights across all its stakeholder groups, while understanding major human rights issues on a larger global scale. All these concerns are fully reflected across the Group’s key activities. From a risk management perspective, the Group’s human rights violation risk assessments remain on a medium to low level. Since the risk assessment in 2019, the risk review in 2020, and the record in 2021, there have been zero cases of human rights related issues from any corporate whistleblowing channels.

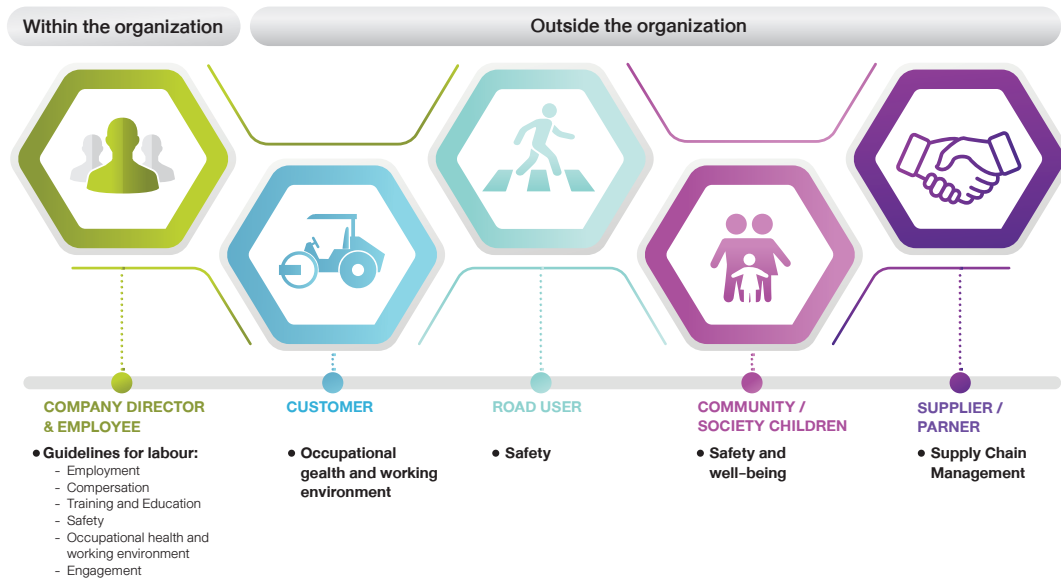
From the sustainability materiality survey in 2021, we have found that our employees perceive human rights and labor rights to be low risks with marginal negative impacts. The top three impacts to human rights are to do with the safety and occupational health of customers on product usage, and those of contractors product handling, as well as the safety of road users and communities. In 2022, we received zero complaints on human rights violation issues.



Our channels to monitor our human rights protection practice include whistleblowing from employees as well as outsiders, and internal control inspection. The report of monitoring is presented to the Sustainability and Corporate Governance Committee every year. In 2023, we received zero complaints on human rights violation issues

As a leading corporate organization dealing in manufacturing and distributing raw materials for road construction and infrastructures to accommodate national infrastructure developments, the Group constantly creates added value to society. As a result, the Group observes and honors the following key human rights issues, among internal and external stakeholders:

Significant Human Rights Issues



The Personal Data Protection Act (PDPA): 2019, has been effective from 1st June 2022. In response to personal data protection under our human rights policy, our action for the PDPA is to appoint qualified data controllers responsible for personal data collection, processing, and termination. Training sessions for data controllers are completed, and they have confirmed and submitted the Record of Data Processing Activities (RoPA) in their scopes to the Data Protection Officer. Employee training sessions are also provided to ensure their understanding of data subjects' rights. All data subjects are notified with a privacy notice. In cases where subjects; consent was required, particularly from employees, consent was sought and granted.

As of 2023, we have begun integrating the practice of PDPA as part of our operation system to be reviewed and monitor periodically, based on common instructions and forms in Thailand.

LABOUR RIGHTS

To manage employee expectations, the Group uses various communication channels and organizes meetings with employees at each location. Together with the findings from the Materiality Assessment according to table 3.2.2 the section of Employees and Families -- fair and humane compensation being distributed equally, we provide information regarding gender equality in remuneration.

Employee salary and compensation, categorized by gender, begins with the same starting rate for new graduate hirees for both men and women. That said, our 2023 report showed that the average basic salary of our female employees was slightly higher

than their male counterparts. This was explained by there being fewer female employees in the Group and more women holding higher-ranking positions. Other variables include individual performance grades and work experience.

Ratio of Remuneration of Female to Male	2021	2022	2023
Female to male	1.12 : 1.00	1.22 : 1.00	1.23 : 1.00

In communicating with employees, the Human Capital Management Department conducts meetings with employees in local offices to provide information on our compensation structure with comparisons of market data from relevant industries. This also includes a session on career advancement opportunities based on our Job Competency Profile guidelines, and assessments of individual performance appraisals.

HUMAN RIGHTS OF CUSTOMER

Our customers are regarded and treated as key stakeholders of the TIPCO Asphalt Group. We are fully aware that customer human rights are as important as all other stakeholders’ human rights. Any customer-related issues that may arise during business transactions are the Group’s responsibility. The Group has expressed its responsibilities to customer rights as follows:

- Customer information and privacy: The Group does not disclose any of its customers’ information, nor does it share any data of joint businesses associated with customers’ affiliates to external entities be they in the same industry or in other non-related sectors.
- Customer data security: The Group safeguards all customer information kept at the Group, whatever form that information may take, be it physical documents or electronic media, to ensure no information is leaked by intentional or non-intentional means.

- The Group fully informs customers of how customer data is used. This is to ensure that customers get a full and transparent understanding of our business operations, while enjoying adequate and sufficient data protection. A customer complaint channel is available in case any customers are treated unfairly.

To ensure customer human rights are respected and treated fairly in accordance with international human rights guidelines, the Group implements an enterprise risk management (ERM) to identify and assess potential customer risks including those related to human rights.

In 2023, the Group found no issues in social laws or regulations breaches related to human rights violations. Our channels to monitor our human rights protection practice include whistleblowing from employees as well as outsiders, and internal control inspection. The report of monitoring is presented to the Sustainability and Corporate Governance Committee yearly.

HUMAN RIGHTS OF SUPPLIER

The development of solution mechanisms to prevent human rights violation issues and conflicts is one of Tipco Asphalt Group’s top priorities. The Group is fully committed to taking responsibility in the face of any emerging conflict issues, and to staying proactive in the promotion of our business partners’

human rights, when it comes to the delivery of our products and services.

Any new businesses expressing an interest in working with the Group will be required to conduct a self-assessment covering the topics of forced labor employment, work compensation, work hours, fair treatment, discipline and punishment, child and female labor use, employee negotiating power, occupational health and safety, work environment and welfare. The results of these self-assessments serve as the main partner selection criteria, together with onsite visits of prospective partners' premises (factories and/or sales offices) by selected representatives from the Group.

Partners that pass all selection criteria will be chosen to conduct business with us. Prior to conducting the first business transaction, said qualified partner must submit a letter of intent signed by its authorized directors that fully complies with labor laws and the Group's policy. Once the partner has been in business with the Group for more than a year, said partner must participate in the Group's supplier capability assessment conducted by the Procurement Department. This protocol ensures our partners maintain the business capability and qualifications standards set forth by the Group.

HUMAN RIGHTS OF ROAD USERS AND THE COMMUNITY

The community is one of the key stakeholders the Tipco Asphalt Group focuses on across our business value chain. As a member of the community, the Group acknowledges the "human rights of the community", recognizing that each community member has the right to access natural resources, while it is our responsibility to ensure that natural resource use, the environment, and bio-diversity are monitored responsibly and equitably. This needs to be achieved in tandem with other concerns including increasing income, and ensuring good health care and sound public safety.

The Group provides support for various projects and initiatives from local organizations, community leaders, or other business units. We also extend those projects initiated by the Group to the community across public safety, health, education, and culture. Nevertheless, the Group's primary focus has been on useful initiatives where we can utilize our internal knowledge and expertise for the benefit of the community.

Having access to public road networks and public road safety is crucial to all communities. This helps reduce accidents caused by poor, worn-out road surfaces, which are among the major causes of personal injuries and road accidents. Our "patching potholes with TIPCO Premix" project is one such initiative.

CHILDREN'S RIGHTS

Children are important members of the community. According to the definition of the Convention on the Rights of the Child and other conventions, 'children' refers to any individual lower than 18-years of age. These infants, young children, and teenagers are highly vulnerable but play a crucial role in the success of business operations and of long-term sustainability.

The Group therefore respects children's rights across 4 major areas in accordance with UNICEF's Children's Rights and Business Principles (CRBP), i.e., Survival, Participation, Protection, and Development. The Group assesses children's well-being in 3 key areas across our value chain. These include key processes and activities pertaining to the business (workplace), sales and distribution channels (marketplace), and communities near our plant facilities (community and environment). This is to promote the innovation of infrastructure development while improving standard of livings, and ultimately achieving sustainable development.

The Group also promotes projects that community members can participate and engage in together. These initiatives allow children and adult members of the community to realize the potential of harmonious co-habitation and the importance of the co-preservation of natural resources. Some of these ideas were proposed by our own staff from local plants. For instance, the National Children's Day activity that all children and their parents participated in on basic road safety knowledge training, or the "Safe journey to school" proposed by local staff members, a project that received tremendous participation from students, teachers and community members, as did other similar pothole patching projects on worn-out roads. As a leading company in road construction and maintenance throughout Thailand, the Group firmly believes that sustainable business cannot be achieved through constant development alone, but also through strong foundations from sustainable community-engagement.

3.4.2.2 Human Capital Management and Development

As our business model shifts towards becoming more customer-centric, human capital management has geared all employees to accommodating such an approach. This is based on the notion that there is a relationship between employee attitude and customer satisfaction, which is related to sales and profitability. Therefore, employees can strongly contribute to an organization's financial success by adapting to the customer-centric model in their work and work-related activities.

The Tipco Asphalt Group has established a human capital management system, with a focus on talent development. The objective is to train talented staff to become future leaders with a highly mobile, international mindset to work across different cultures and locations.

We focus on an employee-centric model to ensure employees enjoy working with the company and are proud of what they do. In addition, we expect they will be proud and inform others about the Group and its

empowering employee-centric culture. Our goal is to ensure employees enjoy a greater work-life balance while creating a work environment that encourages the development of creativity and new ideas. In addition, our employee-centric culture will appeal to talented job-seekers and can yield higher employee retention.

The Tipco Group prioritizes retaining talented employees. To accommodate our business expansion across different countries, it is vital to promote international mindsets to ensure our staff can comfortably work in cross-cultural environments while still achieving business success. Talented employees include management trainees and high potential employees. They are engaged in individual development programs (IDP) and specially designed assignment topics in addition to their current positions' work requirements.

We implement a simple 70/20/10 concept to develop talented employees; i.e., 70% self-learning through job assignments, 20% through coaching and 10% through classroom training. We project that the talented employees will benefit most from the 70% self-learning.

The goals and performance are established as follows:



Goals	Performance		
	2021	2022	2023
Employee turnover rate no more than 10%	8.6%	10.44%	8.49%
Employee return to work, after parental leave, at 100%	100%	100%	100%
High potential staff promotion to management level	22.2%	40%	40%
Retention rate of high potential staff - target at 100 %	94.4%	97%	100%
Minimum yearly training hours per employee - Target at least 24 hours (for functional and managerial training only)	18.0	32.02	22.43
Succession planning target at 100 %	90.0%	95.45	95.45%
Employee Effectiveness survey (Innovation Survey) result			
Employee Capability	56.0%	83%	-
Organizational Capability	58.0%	69%	-
Employee Engagement survey result			
Employee Engagement	-	-	75.28%
Employee Enablement	-	-	74.67%

Tipco Asphalt conducts an Employee Effectiveness (Innovation Culture) survey and an Employee Engagement Survey on a biennial basis, with each survey being conducted every other year. By alternating the surveys, we ensure that we regularly assess employee engagement and innovation, while allowing sufficient time to act on the feedback we receive.

3.4.2.3 Occupational Health Operation, Safety and Work Environment

The Tipco Asphalt Group has implemented occupational health and safety practices in accordance with ISO 45001 and ISO 39001, which is the road traffic safety management system, along with adhering to other relevant laws and regulations. These measures are aimed at preventing accidents,

injuries, and illnesses related to work operations for employees, contractors, and outsourced service providers working within the Group's premises. We promote safety awareness throughout the process of product distribution, from within plant areas to delivery routes, ensuring safe and punctual product

delivery while meeting customers' expectations with full product quantity and without adversely impacting road users. Additionally, we focus on improving our employees' quality of life by conducting occupational health and safety risk assessments throughout the planning, system development, and continuous control measures stages.

The Group constantly ensures a safe work environment, with robust measures in place to prevent accidents, personal injury and illness associated with work operations of employees and related stakeholders. We promote risk-based thinking for all employees to minimize and mitigate potential risks that might impact occupational health and safety, in accordance with our sustainable development strategy focusing on the public safety of all stakeholders.

The Group has developed the following short-term action plans, implemented in 2022-2023:

Employee Safety

- Adopt and adapt Covid-19 prevention and control measures based on the risk assessment of onsite activity, staff transportation and WFH on a case by case basis.
- Route survey and Road safety assessments were conducted to prepare a guideline Risk and Rest path as well as a Required parking point with a Readiness check e.g. Road conditions, Recommended speed and Gear and Truck quick checks.
- Annual Defensive Driving Courses for drivers with detailed evaluation tools were used to identify skills and techniques needing improving.
- Improve machines to be modern and safe, such as improving raw material transfer pumps to have a cut-off system to prevent problems with raw materials overflowing in storage tanks or installing a notification system to let operators know the status of the machine.

- Promote Kaizen activity for safety such as inspection system for check connecting between truck and trailer.
- Encourage the Occupational Health and Environmental Safety Committee and supervisors to be a leader in conducting safety activities in various forms such as Safety Week, Safety Patrol, TPM SHE Pillar, etc.
- Establish channel for basic information communication of machine, Personal Protective Equipment (PPE), Lockout Tagout points via QR codes at the using sites.

Contractor and Subcontractor Safety

- Onsite Defensive Driving Course and safety awareness course for outsource drivers to promote safe driving across all activities.
- Work permit procedures with (Job Safety Analysis) JSA were implemented for all contractor activity.
- Regular Kiken Yoshi Training (KYT) with Contractors and Safety officers were implemented.
- Inspection of tools and electrical equipment of contractors.

Customer Safety

- Safety practice and Use of PPE were shared with Customers via online training.
- Customers' designated drivers were invited to train at a Defensive Driving Course to promote Safe driving practices.
- Safety consultant onsite to improve safety of customer operation area.
- Organization of training courses of "Cardiopulmonary Resuscitation (CPR)" and Automated External Defibrillator (AED).



CPR and AED Training at customer's site

Community Safety

- Ongoing Basic life support training (CPR and AED Training) for community near plant area such as Village Health Volunteers, Local Administrative Organization, community and other company employees.

Throughout 2023, the Group continuously developed and improved the effectiveness of its safety operation management systems to reduce risk and prevent illness, personal injury, or loss of life, while promoting quality of life to ensure employees' good health. The operating results are as follows:

Type of business	Working hours	Fatality (Person)	Lost Time Injury (LTI)	LTI duration (Day)	LTIFR	LTISR
Asphalt Business - domestic	1,298,823	0	1	5	0.77	3.85
Asphalt Business - international	1,728,108	1	6	160	3.47	92.59
Marine Business	614,708	0	0	0	0.00	0.00
Construction Business	1,588,113	1	3	53	1.89	33.37
Total	5,229,752	2	10	218	1.91	41.67

LTIFR : Loss-time Injury Frequency Rate

LTISR : Lost Time Injury Severity Rate

3.4.2.4 Corporate Social and Community Responsibility Operation

As the ongoing Covid-19 pandemic becomes less intense, the Group has had to adjust its plan on social activity initiatives to fully comply with the Group's and the government's occupational health and safety regulations. This year, most of the funding was expedited on social communities.

In 2023, the majority of the social support budget focused on helping communities through activities

harnessing the Group's expertise, and on the creation of social networks maximizing community-wide benefits and shared value.

The Company has continued to carry out long-term corporate social responsibility projects and activities to create connections and value throughout the Group's value chain. CSR projects and activities are formulated under our sustainability strategy

covering all three dimensions and capitalizing on the expertise of the Group. These include activities aimed at sharing knowledge with local government officials and communities about road maintenance and ready-mixed asphalt products (Tipco Premix).

In addition, the Group provides basic life-saving knowledge training (CPR & AED) to staff and relevant communities.

Economic: based on the strategy, “Innovation drives the future”

- The TIPCO Open House for asphalt industry education and participation in road building is one of the country’s essential infrastructures. The TIPCO Open House project has since hosted a total of 147 participating students.
- Premix Use Demonstration Training for external stakeholders - the project has already been repeated 8 times.
- The TPM process can promote innovation initiatives by employees at all levels which can generate 6.68 million baht in cost savings and reduce worktime 204,053 minute from 76 FI Theme of supervisor project and 1,140 Kaizen sheet from operator.

Environmental: based on the strategy focusing on reducing Social and Environmental Impact and Protect and preserve ecosystems and biodiversity.

- The “Our Forest of Biodiversity” project is a key strategic initiative that aims to return the forest to nature and the community, create abundance per the principles of a sufficiency economy for the community, and encourage people in the community to contribute to and care about conservation. To achieve the most efficient use of space, 4 projects have been carried out as follows:

1. The “All Our Tree Our Forest” project is jointly developed between Bueng Takreng Muang Mai Municipality and Irrigation Department which plant mahogany and others in order to increase green space for Bueng Takreng project. Since 2016, a total of 3,084 trees have been planted.
2. The Road and Forest Cohabitant Project involves the relocation of large trees (measuring 4 meters or more) which obstruct road construction or expansion to public areas where they can better be preserved. This project aims to encourage people in the community to realize the value of green space, improve air quality, and create a community forest ecosystem in the future. Since 2018, a total of 180 trees have been relocated.
3. The “From local tree to Bueng Takreng” project involves the relocation of large trees (measuring 4 meters or more) which obstruct road construction or expansion to public areas where they can better be preserved. This project aims to boost community involvement which ultimately develops Bueng Takreng in sustainable manner. Since 2020, a total of 173 trees have been relocated.



Bang Krasob Forestation Project

4. The Bang Krasob Forestation project is located at Baan Bang Krasob village, Song Khanong sub-district, Samut Prakarn. The project focuses on the 12,432 trees left in the deserted areas of the Ratchaphatsadu State Property and Land and Forest Community. Following the natural forestation guidelines set by the Royal Initiative Project 3 Forests, this initiative aims to achieve balance in the natural world and sustainability, while promoting tree planting activities, soil conservation, and expanding greener "Clear Lung" areas for the community.



Social: based on the strategy, "Community Safety is Priority"

- Projects to repair damaged roads with ready-mixed asphalt (Tipco Premix) is designed to use the Groups' expertise to empower communities with the knowledge and skills to repair road holes by themselves and realize the importance of road maintenance. This project not only ensures road safety but also potentially creates networks between governments, the private sector and communities for road maintenance, a true reflection of the ethos of CSR.

In 2023, Pothole repair using ready-made asphalts to ensure road safety, which was carried out across 5 projects, covering a road distance of 5 kilometer and accounting for 1,155 sq.m. of maintenance area.



In addition to CSR projects and activities capitalizing on our expertise, the Group has also carried out CSR-after processes by offering training on basic life saving knowledge (CPR & AED) for community health volunteers, local government officials, students, and communities, totalling 44 courses with 1,115 participants. The feedback was positive as reflected by the 95.85% satisfaction survey. Above all, there was a real case in life saving in Rayong Province.



Public Charity and Arts and Culture Support

- Buddhism support, including
 - Annual visit to Kathin at temples in Thailand and donations from the Group through contributions from employees and the general public.

Community-based Volunteering

In 2023, community volunteer activities increased after the Pandemic's effects and subsequent

restrictions were eased. Out of precaution, The Group adjusted its plans in accordance with corporate and government policies by limiting the number of participating volunteers for each area. Volunteer hours increased from 11.4 hour/person/year to 27.7 hour/person/year. The Group is confident that employees will stay motivated to participate in community-based volunteer activities in the future, and will remain adaptable to changing plans depending on circumstance.

Volunteer Activity	2021	2022	2023
Employees' volunteer hours	2,716	5,464	14,329
Participation rate (hours/person/year)	7.8	11.4	27.7
Total participants (person)	348	481	431
Employee volunteer proportion	63.2%	81.5%	83.4%

Volunteer Activity Support Budget

In the first half of 2022, the Group's CSR activities were affected by the pandemic, with the Group revising some of its activities to fit the evolving situation. After the pandemic was eased, the Group's

key CSR activities resumed, as did employee volunteer activities. This resulted in overall volunteer activity satisfaction increasing to 92.70%.

Type of support	unit	Amount		
		2021	2022	2023
Cash Distribution	Million Baht	0.67	1.12	3.34
Management Overheads	Million Baht	0.01	0.17	0.57
Others (In-Kind giving: Product or Service Donation, Project / Partnership Support)	Million Baht	15.0	4.23	4.06
Time (Time: Employee cost during paid working hours for volunteering work)	Million Baht	0.38	0.85	1.87
Satisfaction survey for volunteer activities	%	89.0	89.0	94.1

4. Management Discussion and Analysis

The Company's consolidated net profit after tax stood at Baht 2,306 million in 2023 as compared to the net profit after tax of Baht 2,367 million in 2022. Details of the Company's performance can be summarized as follows:

Sales and services stood at Baht 27,605 million, reflecting a decrease of 8.06% from last year due to the reduction of sales volume in both domestic and a select few international markets. The domestic volume reduction was the consequence of the delay in the 2024 government budget disbursement. Meanwhile, the sales decrease in the international markets resulted from the Company's ongoing strategy of "selective market sales". Furthermore, the selling price also experienced a decline due to the reduction in oil prices compared to the previous year.

Cost of sales and services in 2023 stood at Baht 23,728 million or 85.96% (83.70% in 2022) of sales and services before the reduction in the cost of inventories to net realizable value and hedging gain. The decrease in gross profit was primarily due to a reduction in the average selling price of asphalt products and the decrease in the regional asphalt market. Additionally, the company recorded a gain of Baht 146 million from price hedging contracts and incurred a loss of Baht 47 million from the reduction in the cost of inventories to net realizable value due to the decline in global prices for oil and petroleum products.

Revenue from construction contracts stood at Baht 3,501 million compared to Baht 3,376 million in 2022. This increase was a result of higher construction income, particularly from the ground improvement work for the 2nd Midfield Satellite (SAT-2) project at the Suvarnabhumi International Airport.

Cost of construction stood at Baht 3,339 million or 95.38% (95.66% in 2022) of revenue from

construction contracts. The slight increase in gross profit is attributable to the improvement in the overall profit margin of construction projects compared to last year.

Selling and administrative expenses stood at Baht 162 million and Baht 1,100 million, representing 0.52% and 3.54% of total sales and services, respectively. Comparatively, these expenses in 2022 stood at Baht 160 million and Baht 1,154 million representing 0.48% and 3.45% of total sales and services. The Company is committed to controlling overhead expenses while improving the operating gross profit margin.

The Company recorded consolidated allowance for expected credit losses of Baht 211 million in 2023 compared to Baht 120 million in 2022. This mainly resulted from an increase in the loss rate percentage.

The Company's net profit after tax was Baht 2,306 million for 2023 and represented an earning per share of Baht 1.46 compared to Baht 1.50 per share in the previous year.

FINANCIAL ANALYSIS

The Company's cashflow generated from operations stood at Baht 4,377 million compared to the Baht 4,525 million in 2022 due to a lower operating performance in 2023.

The Group incurred finance costs of Baht 143 million, compared to Baht 113 million in the previous year, primarily due to the increase in average interest rates for the year.

The Group's consolidated debt-to-equity ratio (D/E ratio) improved to 0.40, compared to 0.56 in the corresponding period a year ago, reflecting a reduction in working capital financing.

FINANCIAL POSITION

Changes in the consolidated financial position of the Company at the end of 2023 compared to 2022 can be summarized as follows:

- Increase in cash and cash equivalent was from the cash flow generated from operations.
- Decrease in trade and other receivables was a result of the reduction in revenue from sales and services compared to last year.
- Decrease in contract assets was attributed to unbilled receivables from construction work.
- Increase in short-term loans to related parties was from a loan to the TN Joint Venture for operational purposes.
- The Group has gain on mark to market of commodity forward contracts which resulted from the fluctuation of global oil price during the year.
- Decrease in net property, plant, and equipment primarily resulted from depreciation during the year.
- Decrease in intangibles assets was due to amortization during the year.
- Decrease in short-term loans from financial institutions resulted from the reduction in working capital financing.
- Decrease in trade and other payables was a consequence of reduced feedstock purchases towards the end of the year.
- Decrease in contract liabilities was from advances received from inventories and services.
- Decrease in income tax payable was due to lower sales volume in the second half of the year as compared to last year.

KEY FINANCIAL RATIO

Key financial ratios of the Company at the end of 2023 compared to 2022 can be summarized as follows: -

- Net profit margin increased to 7.43% from 7.08%
- Return on equity ratio slightly decreased to 14.16% from 14.98%
- Debt to equity ratio decreased to 0.40 from 0.56.

CASH FLOW

Cash flow of the Group for the year 2023 can be summarized as follows: -

- Net cash from operating activities was Baht 4,168 million.
- Net cash used in investing activities of Baht 430 million was mainly for purchase of equipment.
- Net cash used in financing activities of Baht 3,271 million was mainly for dividend payments and the repayment of short-term loans.

POTENTIAL FACTORS OR RISKS THAT MAY MATERIALLY AFFECT THE FINANCIAL CONDITION OR THE OPERATING RESULTS

The Group considers the following factors or risk that may affect the financial condition or the operating results in the future:

1. Change in government policy and/or authorities relating to the budget for highway construction and maintenance that may affect demand for asphalt products.
2. Consistency of feedstock supply that may affect asphalt production at the KBC refinery.
3. Crude oil price volatility, the major cost of asphalt production, that may affect the overall profitability of the Group.

Financial Ratio		2021	2022	2023
Liquidity Ratio				
Current ratio	(Times)	1.81	1.94	2.42
Quick ratio	(Times)	0.73	1.12	1.28
Account Receivable Turnover	(Times)	7.13	5.95	5.36
Average Collection Period	(Day)	51.20	61.33	68.13
Inventory Turnover	(Times)	3.77	5.00	5.47
Average Sale Period	(Day)	96.94	73.06	66.69
Account Payable Turnover	(Times)	7.21	8.29	8.23
Average Payment Period	(Day)	50.63	44.01	44.37
Cash Cycle	(Day)	97.51	90.38	90.45
Profitability Ratio				
Gross Profit Margin	(%)	18.21%	15.09%	12.98%
EBIT Margin	(%)	11.48%	9.61%	9.75%
Net Profit Margin	(%)	8.28%	7.08%	7.43%
Return on Equity	(%)	14.70%	14.98%	14.16%
Efficiency Ratio				
Return on Asset	(%)	13.54%	12.67%	12.23%
Total Asset Turnover	(Times)	1.18	1.32	1.25
Financial Policy Ratio				
D/E Ratio	(Times)	0.56	0.56	0.40
Interest Coverage	(Times)	26.44	28.56	21.35

5. General Information and Other Key Information

5.1 General Information

Tipco Asphalt Public Company Limited

HEAD OFFICE

Address	Tipco Tower 1, 118/1 Rama 6 Road, Phayathai, Phayathai District, Bangkok 10400, Thailand.
Tel.	+66 2273 6000
Fax.	+66 2271 3363
Email	info@tipcoasphalt.com
Website:	www.tipcoasphalt.com

OTHER IMPORTANT INFORMATION

Stock	
Stock Code	TASCO (Listed on the Stock Exchange of Thailand - SET)
Registration	No. 0107535000044
Registered Capital	1,578,361,570 Baht
Paid Up Capital	1,578,361,570 Baht
Ordinary Shares	1,578,361,570 Shares
Website	www.tipcoasphalt.com
Registrar of Shares	Thailand Securities Depository Co., Ltd. The Stock Exchange of Thailand Building 93 Ratchadaphisek Road, Dindaeng, Bangkok 10400,
Tel.	+66 2009 9388
Fax.	+66 2009 9476
Auditor	EY Office Limited, Thailand Ms. Krongkaew Limkittikul Certified Public Accountant Registration No. 5874 and/or Mr. Natthawut Santipet, Certified Public Accountant Registration No. 5730 and/ or Mr. Chatchai Kasemsriathanawat Certified Public Accountant Registration No. 5813 Address 33 rd Floor, Lake Rajada Office Complex 193/136-137 Rajadapisek Road, Klongtoey, Bangkok 10110
Tel.	+66 2264 0777, +66 2661 9190
Fax.	+66 2264 0789-90, +66 2661 9192

5.2 Other Material Facts

N/A

5.3 Legal Disputes

As of 31st December 2023, there was no material litigation against the Company or its subsidiaries which could have a negative effect on our assets

exceeding 5% of shareholders' equity. In addition, there was no lawsuit, which could have a significant impact on our business.

02

CORPORATE GOVERNANCE

- Corporate governance policy
- Corporate governance structure and material facts related to the board, sub-committees, executives, employees and others
- Report on key operating results related to corporate governance
- Internal control and related party transactions







CORPORATE GOVERNANCE

6. Corporate Governance Policy

6.1 Overview of Corporate Governance Policy and Practices

The Board of Directors recognizes the importance of corporate governance in the Company's sustainable development, in creating shareholder value, and in securing trust from all stakeholders, including shareholders, employees, customers, business partners, competitors, and creditors.

The Board of Directors and management therefore remain committed to promoting good corporate governance practices within the Company, its subsidiaries and its affiliates.

6.1.1 Policies and Guidelines on the Board of Directors Corporate Governance Policy

The Board of Directors of the Company continuously strive for good corporate governance practices to maintain the Group's sustainable development. The Group strives to protect and promote the interests of all stakeholders by observing ethical business practices based on transparency and traceability.

The Group has established the following corporate governance policy for the Board of Directors, management, and the employees to abide by:

1. The Board of Directors shall take the lead in matters of business ethics by setting the Code of Ethics to manage and monitor the Group's operations to ensure all business activities are conducted in accordance with the applicable laws and ethical standards;
2. The Board of Directors shall play an important role in the development of strategies, policies, and action plans, taking into account all

pertinent risk factors, for the best interests of the Group;

3. The Board of Directors shall strive to add value to the business in the long run as well as manage the business with prudent practices to maximize shareholders' returns. This will be achieved while maintaining the highest standards of social responsibility throughout;
4. The Board of Directors shall encourage shareholders to be aware of their rights as owners of the Group, including their right to appoint the Company's Directors to act as their representatives. Shareholders are also eligible to make decisions related to any significant changes in the Group;
5. The Board of Directors shall treat all shareholders, including minority shareholders, fairly and equally;
6. The Board of Directors shall create the optimal balance between the existing needs and future expectations of the Company and all stakeholders respectively, based on sustainable, mutual, and equitable benefits; and
7. The Board of Directors shall disclose information, both financial and non-financial, correctly, adequately, transparently and traceably through appropriate bilateral communication channels for the benefit of stakeholders' decision-making.

COMPOSITION AND APPOINTMENT

1. The Board shall consist of at least 10 directors, but not exceed 14 directors. At least half of the total number of directors must reside in the Kingdom of Thailand;
2. At least one-third of all directors must be independent directors, the minimum number of independent directors being three;
3. The Board of Directors shall elect one director to be the chairman of the Board (Chairman) and one director to be the vice chairman (Vice Chairman) of the Board. The Vice Chairman is entitled to perform any act under the Articles of Association on behalf of the Chairman;
4. The positions of Chairman of the Board and Chief Executive Officer are not to be held by the same individual for the sake of clear-cut segregation of roles and responsibilities; and
5. The appointment of Directors must be based on transparency and clarity and shall abide by laws, regulations and relevant rules.

BALANCE OF NON-EXECUTIVE DIRECTORS

The Board of Directors has 11 members, consisting of:

Independent Directors	6
Non-executive Directors	3
Executive Directors	2

SEPARATION OF POSITION

The positions of Chairman of the Board of Directors and Chief Executive Officer are not held by the same individual.

POLICY ON DIRECTOR QUALIFICATIONS AND NOMINATION

The Board of Directors should be composed of directors possessing all necessary qualifications as

prescribed by the Policy on Director Qualifications and Nomination. There should be diversity in the educational backgrounds and credentials of the various members of the Board, as this allows the Company to benefit from a range of different experiences and viewpoints. There is to be no discrimination based on gender, age, ethnicity or nationality in the Board's operations.

The N&R committee is responsible for prescribing a set of knowledge and expertise requirements for the Board of Directors, and for formulating a Board Skill Matrix to help inform the selection and nomination of qualified candidates. These might include:

- Strategic planning;
- Industry knowledge;
- Accounting and finance;
- International marketing;
- Organization and human capital management;
- Risk management.

At least one of the non-executive directors should be experienced and competent in the Company's main industry.

In 2023, the Board of Directors and N&R committee reviewed and confirmed that the members of the Board of Directors collectively covered between them all 6 of the required skills. As part of a new director nomination, the N&R committee may consider the director pool from the IOD for potential candidates, if any.

QUALIFICATIONS FOR DIRECTORS

In selecting candidates to be appointed as the Company's Directors, the Nomination and Remuneration Committee is empowered to screen and nominate qualified persons. The desirable characteristics for a director include:

1. Integrity and accountability;
2. Competency in financial, commercial or industrial matters and skills/capacity to provide strategic insight and direction;

3. Experience in corporate management;
4. Good interpersonal and communication skills;
5. No conflict of interest or prohibited characteristics as specified in the Public Limited Company Act B.E. 2535; and
6. Independent Directors shall possess the qualifications as specified in the Securities and Exchange Commission's guidelines and the Company's definition of an Independent Director.

Directors may hold directorships in no more than five listed companies, provided these holdings do not adversely affect their work as Directors of the Company.

TERM OF OFFICE

1. In every annual general meeting of shareholders, one-third of Directors shall vacate in proportion. If the number of Directors is not a multiple of three, the number of directors closest to one-third shall vacate;
A Director who vacates under this section is eligible to be re-elected;
2. In the case of a vacancy in the Board of Directors for reasons other than the termination of a term of office, the Board of Directors shall elect a person who has the necessary qualifications, and is not under any of the prohibitions under section 68 of Public Limited Company Act B.E. 2535 as the substitute director at the next meeting of the Board of Directors, unless the remaining term of office of said Director is less than two months;

The resolution of the Board of Directors under the above paragraph shall be a vote of at least three-fourths of the number of Directors remaining;

The substitute Director under paragraph one shall hold office only for the remaining term of office of the Director whom he or she replaces;

3. The term of office of the Chairman is two years;
4. In addition to vacating office upon termination of the term under the Public Limited Company Act B.E. 2535, Directors shall vacate office upon:
 - 4.1. Death;
 - 4.2. Resignation;
 - 4.3. Disqualification or any other prohibitions;
 - 4.4. Removal by a resolution of the meeting of shareholders; and
 - 4.5. Removal by court order.
5. Retirement age is 75;
6. A member will be allowed to retain his/her directorship after his/her 75th birthday and remain as Director until his/her three-year term expires; and
7. Any Director wishing to resign from office shall submit his or her resignation letter to the Company and the resignation shall be effective from the date on which the Company receives the resignation letter

COLLECTIVE AND INDIVIDUAL SELF-ASSESSMENT OF THE BOARD OF DIRECTORS

The Board Self-Assessment form designed by the Stock Exchange of Thailand (SET) is use for the assessment. The assessment consists of (i) A collective self-assessment and (ii) individual self-assessments. The main objective of the self-assessment form is to evaluate the performance of the Board as a team, of the Directors as a collective body, and of individual employees, in keeping with best practices and principles of good corporate governance. The procedures are as follows:

1. The non-executive directors perform self - assessment evaluations under guidelines provided by the SET;
2. The Company Secretary summarizes the self-assessment results of all members of the Board of Directors; and
3. The Company Secretary reports the self-assessment results to the Board of Directors and ensures the results are used to improve the performance of the Board.

REMUNERATION FOR DIRECTORS

The N&R committee is responsible for the competitive remuneration of the Board of Directors and sub-committees. In determining appropriate remuneration, the N&R committee takes into account the scope of responsibilities of each director and the Company's long-term strategies and targets, to ensure that remuneration is comparable with the average for similar companies in the relevant industries. The final remuneration is proposed to the Board of Directors and shareholders for approval.

NOMINATION OF THE CHIEF EXECUTIVE OFFICER

The Board of Director assigned the Nomination and Remuneration Committee the task in nominating on of the Chief Executive Officer committee as follows:

1. To identify internal and/or external candidates;
2. To review and confirm the CEO's profile, based on DDI and business profile according to the Company's Vision and Mission 2025. The assessment of the prospective Chief Executive Officer is based on criteria including
 - knowledge and experience in the asphalt, petroleum products and road-construction industries
 - good relationship with relevant networks in our industries
 - possessing the desired competencies of leadership as stipulated in the Company's Core Values

3. To propose the best candidate(s) to the Board of Directors for consideration.
4. Establish goal setting with successful candidate

NOMINATION OF THE TOP EXECUTIVE

The nomination of candidates for positions in the Chief Level (C-Level) is finalized by the Chief Executive Officer. The selected criteria, derived from a workshop with top management conducted by the Development Dimensions Internationals Inc. (DDI), include:

- (1) Relevant knowledge and experiences in job scopes;
- (2) Specific competencies desired in the Tipco Asphalt Group – financial acumen, customer focus, inspiring excellence, and energizing the organization;
- (3) Selection of leadership competencies relevant to four business drivers
 - a. Penetrate and grow global business
 - b. Create competitiveness through business alliance
 - c. Enhance organizational talent
 - d. Promote an efficient and innovative culture

POLICY ON THE CHIEF EXECUTIVE OFFICER AND TOP EXECUTIVES HOLDING POSITION IN ORGANIZATIONS OUTSIDE THE COMPANY

The Board of Directors has established a policy allowing the Chief Executive Officer and top executives to hold directorships in companies that are not subsidiaries or associate companies of the Company. The CEO and top executives may hold directorships in no more than three listed companies, provided such holdings do not adversely affect their work.

To ensure the CEO and top executives are able to perform their duties for the utmost benefit of the Company to the best of their abilities, the CEO and top executives must not serve as executives, executive directors, or CEOs in companies other than the Company's subsidiaries or associate companies.

REMUNERATION FOR THE CHIEF EXECUTIVE OFFICER AND EXECUTIVE DIRECTORS

The N&R committee assesses the performance of the Chief Executive Officer and Executive Directors, and proposes their remuneration packages for approval by the Board of Directors by taking into account the following:

1. Performance-based Pay - The pay shall be subject to the achievement of the Group's performance, based on Key Performance Indicators (KPIs) of Financial, Customer, Internal/Business process and Learning and Growth Perspectives. Achieving annual performance targets is a short-term incentive that is updated yearly.
2. Strategic Initiatives of the Group – the progress of corporate strategies per the Vision 2025 to add value to the business and its shareholders. In accordance with our long-term commitment to sustainable development for 2025, annual targets are set up for each sustainable development strategy including: Innovation leader, eco-efficiency operations, and safety awareness.
3. Competitive compensation policy – the compensation is benchmarked with other listed companies in the same industry, adopting an entrepreneurial approach with emphasis on the performance-based bonus in order to be competitive with other companies.

REMUNERATION STRUCTURE OF THE CHIEF EXECUTIVE OFFICER AND EXECUTIVE DIRECTORS

The package includes remuneration paid in cash i.e. salary, which is reviewed annually; the bonus is variable and dependent on yearly performance. Other forms of compensation include the provident fund scheme, and health and life insurance policy(ies).

POLICY ON THE APPOINTMENT OF DIRECTORS AND TOP EXECUTIVES TO SUBSIDIARY/ ASSOCIATED COMPANY

The Board of Directors has assigned the Executive Committee to appoint and transfer the Company's representative to the Board or executive position in a subsidiary/associated company in accordance with shareholding proportion. Such an appointment or transfer shall subsequently be reported to the Board of Directors.

ROLES AND RESPONSIBILITIES OF DIRECTOR OF SUBSIDIARY/ASSOCIATED COMPANY

1. Ensuring that the subsidiary/associated company complies with relevant laws, regulations, Articles of Association and policy;
2. Acting in the best interest of the subsidiary/ associated company and ensuring that the direction of the subsidiary/associated company's strategies, policies, and business plans are consistent with those of the Company;
3. Reporting the operating results and performance of the subsidiary/associate company to the Company on a regular basis;
4. Ensuring the subsidiary/associated company's compliance with the requirements of the Stock Exchange of Thailand where such requirements are applicable to the subsidiary/ associate company, e.g. entering into related party transactions, acquisition or disposal of significant assets;
5. Ensuring that the subsidiary/associated company has appropriate and adequate internal control systems;
6. Performing any other duties in accordance with the Board of directors of the subsidiary/ associate company and/or the shareholders' meeting of the subsidiary and associated company;



6.1.2 Policies and Practices related to the Shareholders and Stakeholders

RIGHTS OF SHAREHOLDERS

The Company shall ensure that (i) shareholders, both as investors and as owners of the Company, are entitled to all basic rights and adequate information in the Annual General Meeting (AGM) and the AGM minutes; (ii) the Chairman of the meeting and each sub-committee attend the AGM in order to communicate with the shareholders; and (iii) the Company's shareholder structure is in compliance with relevant rules and regulations and corporate governance practices. The basic rights of the Company's shareholders are as follows:

- Prior to the 2022 Annual General Meeting (AGM), shareholders of the Company were entitled to propose agendas and questions for the 2021 Annual General Meetings. Shareholders were allowed to exercise such rights from the period - 2 October 2023 to 29 December 2023 for consideration by the Board of Directors. Should any proposed agenda be included in the meeting, the Company will specify in the notice of the meeting that said agenda was proposed by

a shareholder. However, in the case where the proposed agenda was rejected, the Company will inform shareholders of the reasons for its rejection at the annual general meeting of shareholders. Moreover, any shareholder is entitled to nominate any qualified candidate for election as a Board member in advance. The Nomination and Remuneration Committee will consider the proposed nominee(s) together with other nominated persons according to the Company's criteria for the nomination of directors. The Nomination and Remuneration Committee shall then present the nominee(s) to the Board for consideration before proposing them to the shareholders' meeting for approval.

- Shareholders (individuals, juristic persons, and institutional investors) are encouraged and facilitated to attend and participate in the AGM. The Company provides a Proxy Form B to shareholders who are unable to attend the

AGM in person. In addition, institutional investors are invited to nominate their representatives to attend the meeting.

- An agenda concerning the Board's remuneration is included to inform the shareholders of the amount and type of remuneration received by each director, including fixed and variable remuneration, and extraordinary remuneration. Other remunerations, if any, are also stated.
- Notice of the AGM shall consist of precise and adequate data for decision-making by shareholders. In addition, the minutes of the last AGM are included, which outline the voting method, results, and any questions and comments made by shareholders.
- Shareholders are entitled to basic rights such as the right to receive dividends, propose agendas, nominate a person to be director, and approve certain matters.
- The Chairman of the Board of Directors and the Chairmen of all sub-committees attend the AGM to communicate and inform shareholders on matters relating to sub-committees
- On the date of the meeting, the Company uses a barcode system for registration for the convenience of shareholders, since each reference number is already included in the registration and proxy forms. For each agenda, the Company will collect the ballot papers of shareholders who vote "disapprove" or "abstain" to deduct the votes from the total entitled voting rights. The Company also applies a barcode system to perform the ballot calculation to ensure immediate voting results are available for announcement right after the end of each agenda. Shareholders are entitled to verify each voting result after the meeting.
- One-third of the directors must retire from office on a rotation basis in each AGM, and the

election of directors to replace the retired directors takes place during the meeting. However, if the number of candidates exceed the number of directors required, each candidate is then elected individually.

- At the meeting, shareholders can freely express their opinions, give suggestions, and raise questions on any agenda item before casting votes, thus ensuring that shareholders have sufficient information on the matter. Should shareholders have questions or inquiries, specialists in each field are available to answer queries on behalf of the Board of Directors.
- Shareholders who arrive after the meeting has commenced are able to vote on agenda items being considered, provided that a resolution has not yet been made. They will constitute part of the quorum starting from the agenda item.
- The Company's ownership structure in 2022 followed good corporate governance practices. For instance, shareholding by Directors in the aggregate did not exceed 25% of total paid-up capital. In addition, free float accounted for 40.89% of total paid-up capital.

EQUITABLE TREATMENT OF SHAREHOLDERS

The Company treats all its shareholders equitably, be they major or minor, individuals, institutions, locals or foreigners. To this effect, the Company strives to find means to ensure equality, especially for minor shareholders. These include:

- The right for shareholders to vote at meetings according to the number of shares they own, whereby one share accounts for one vote, and no particular share takes precedence over the rights of other shareholders.
- The right for shareholders to nominate candidates for directorship via the channels provided by the Company as disclosed on the Stock Exchange of Thailand.

- The Company's policy governing the use of internal information which includes employee regulations with penalties for executives or employees who disclose internal information to outsiders for personal benefit.
- The Company's Code of Ethics includes guidelines that prohibit employees from using the Company's assets, and from spending working hours conducting research, contact, or business with brokers for personal gain or for the benefit of any related parties.
- Under the Company's Code of Ethics, top executives and employees working in related departments are prohibited from trading Company shares for 21 days prior to the release of the Company's quarterly and annual financial statements (blackout period). In addition, the Board of Directors will monitor all required actions in accordance with the related standards. Any changes in the shareholding of directors are reported in the Board of Directors' meetings. These are included in the agenda of the Board of Directors meetings on a quarterly basis.
- Ordinary business transactions and ordinary business support transactions are approved by the Board of Directors according to section 89/12 of the Security and Exchange Commission Act. The standard related party transaction relies on a fair and arm's length basis. Such transactions are reported to the Board of Directors on a quarterly basis. All other related party transactions are determined by Notification of the Capital Market Supervisory Board No. Tor. Jor. 21/2551.
- Any acquisition and disposal of assets which are subject to shareholder approval are determined by the Notification of the Capital Market Supervision Board No. Tor. Jor. 20/2551.
- The Company has a clear and transparent shareholder structure. There is no cross-holding of major shareholders, thereby preventing any conflicts of interest or transfers of benefits from one party to another. The shareholder structures of the Company and its subsidiaries are published in the Company's annual report, along with the holding of Board members' shares in the Company.
- The Company provides shareholders with proxy forms for the appointment of other individuals or of one of the Company's independent directors to act on their behalf. These forms have been prepared in compliance with the specifications defined by the Ministry of Commerce, in which the shareholders can exercise their voting rights as wished. These forms can also be downloaded from the Company's website. In addition, the Company provides shareholders with duty stamps to be sealed on the proxy forms for their convenience.
- The Company ensures that shareholders have adequate time to prepare for AGM attendance. In 2022, notice of the AGM was posted on the Company's website one month before the AGM date, and submitted to shareholders 21 days in advance. The notice of the AGM was issued in both Thai and in English.
- There is a clear separation of duties and responsibilities of the Board, management, and shareholders, thereby ensuring no overlap in their duties and responsibilities. Any member of the Board of Directors or executive who may have interests in an agenda item under consideration in a Board meeting must abstain from attending the meeting and from voting on said matter. This is to ensure that the Board of Directors and executives make decisions in a fair manner for the utmost benefit of all shareholders.

RESPONSABILITIES TO STAKEHOLDERS

The Board of Directors places great emphasis on contributions from all its stakeholders: shareholders, employees, customers, suppliers, creditors, business partners and competitors. All stakeholders are invited to work with the Company towards their shared goals and mutual benefits, while making the Company a competitive and successful business.

We therefore adhere to the principle of fulfilling our corporate social responsibilities as well as our contractual obligations, as they pertain to our stakeholder relationships.

SHAREHOLDERS

Shareholders have basic rights stipulated by law and by the Company's regulations, such as the right to expect a fair return, to request a verification of their number of shares, to receive share certificates, and to attend, vote and freely express their opinions at shareholders' meetings. All shareholders will receive detailed information concerning dates and agendas prior to the shareholders' meeting. Such information will be posted on the Company's website around one month prior, and related documents are submitted to shareholders at least 21 days before the meeting. The shareholders' right to attend the meetings and their right to vote on resolutions are clearly stated in the notice of the meeting submitted by the Company. The Company also believes that shareholders, as owners of the Company, have the right to make suggestions and comments on the affairs of the Company.

CONFLICT OF INTEREST

The Group continuously strives for good corporate governance practices to maintain its sustainable development. To ensure professionalism and integrity in conducting our business, the Group has reviewed its Code of Ethics to minimize potential conflicts of interest between employees and the Company. Potential conflicts of interest covered by the Code of Ethics include those involving family members of employees - parents, full-blooded brothers/sisters, legal spouses, children and adopted children.

In addition to their required acknowledgement and review of the Company's Code of Ethics, all employees across sales, procurement and purchase, Management and the Board of Directors, must sign and submit the "Conflict of Interest: Acknowledgement and Disclosure Form". They have a responsibility to promptly notify the Group management in writing, with an acknowledgement by the Chief People Officer, if they, at any time, become aware of any actual or potential conflicts of interest, or if the information provided becomes inaccurate or incomplete.

Therefore, all actual and potential conflicts must be disclosed whenever management and employees are discussing and making decisions related to any business matter.

CUSTOMERS

To develop and maintain sustainable relationships, the Company makes sure that customers receive equitable benefits in service, quality and price. A new Customer Support Office was established to provide product information, solve problems, and receive complaints in a way that can improve quality, service and ensure total satisfaction.

- Providing products and services commensurate with prices that fulfill their intended purposes while meeting customer needs.
- Providing products and services by taking into consideration the products' life cycle to better reduce their social and environmental impacts.
- Providing factual, non-deviant information about products and services, such as price, product quality, product characteristics in terms of health and safety, which support customers' decisions.
- Establishing fair agreements that are mutually beneficial to both the Group and our customers.

- Protecting the health and safety of customers through product research and development.
- Providing timely and meaningful support in response to any complaints and conflicts with customers.
- Protecting information to preserve the rights and privacy of our customers.
- Providing knowledge and awareness to our customers to highlight fairness of procurement and sustainable consumption.

Issues of Concern:

Our relationships with customers shall not interfere with or jeopardize our business professionalism.

CREDITORS

The Group conducts its business in a manner that fully complies with the terms and conditions of its loans and obligations to all financial creditors, the details of which are as follows:

- The Group seeks the Board of Directors' approval before entering into a new loan or borrowing relationship, and provides information on all major terms and conditions under any such new loan, i.e. financial covenants, guarantee requirements, etc.
- Once the loan agreement is executed, the Group monitors it at all times to ensure all conditions are fully complied with.
- For financial covenants, the Group examines for full compliance after the month-end account closing. All conditions and covenant compliance checks are reported to the Board by an external auditor on a quarterly basis.
- In cases where there are any adverse material conditions which may affect the ability of the Group to comply with all the terms and conditions, management is obligated to inform

the Board immediately to ensure all parties are aware of such adverse conditions, and to collectively seek solutions to prevent the breach of the conditions.

BUSINESS PARTNERS

Operating within a competitive business context requires the building and maintaining of trust. The Group strictly adheres to its Code of Ethics, honors its promises and upholds its commitments to trading partners in every way, including product quality and timely delivery.

- Following policies and procedures of the Group's procurement and purchasing processes.
- Selecting business partners with fairness, by comparing prices, services, technology, quality, and retaining traceable records accordingly.
- When procuring, priority must be given to business entities, except in cases where individual expertise is needed (or offers higher benefits to the Group's operations).

Issues of Concern:

- 1) Prudence/caution in selecting vendors who are relatives or are related to employees of the Group.
- 2) Making sure not to select business partners whose standards are incompatible with the Group's (such as labor practices, environmental laws, or other industry norms).

COMPETITORS

The Group also operates within a competitive business context by being fair and strictly following laws, as well as its own Code of Ethics in its dealings in the industry and markets.

- Never coercing or defaming competitors - directly or indirectly; bullying, setting trade barriers that would unfairly lessen competitors' opportunities.

- Being careful in maintaining relationships with competitors since they could be customers of our affiliates/subsidiaries.
- Never disclosing the Group's intellectual property, or any of its confidential information, such as pricing policy, contractual conditions, product lists, market research reports, production plans or production capacity.
- Never violating legal rights of competitors.
- Never set agreements with competitors or persons that shall decrease or limit their competitiveness.

Issues of Concern:

- 1) Being wary of entering any binding agreements that may restrict customers' choice of purchase.
- 2) Being wary of setting prices or selling conditions that might be unfair to customers.

NO INTELLECTUAL PROPERTY INFRINGEMENT

The Company has established policies and guidelines in its Code of Ethics whereby no intellectual property infringement can take place. These guidelines on Information and Assets are as follows:

- Recording and reporting information accurately, completely and based on facts.
- Retaining and processing information according to schedules and guidelines established by the Group, and in accordance with the law.
- Restricting the use of electronic equipment, electronic data, or information technologies that are not in compliance with IT policies and regulations. Usage of such equipment, data and technologies for personal or other benefits, especially related to politics, is strictly prohibited.
- Securing and never allowing unauthorized individuals access to codes allowing entry into the Group's information systems.
- The Group reserves the right to inspect its employees' usage of electronic equipment data, electronic equipment, and information technologies, such as the transfer and storage of data, without seeking permission of the relevant assigned users.
- Securing the Group's intellectual property from unauthorized use or disclosure.
- Any output derived from an employee's performance on the job is to be regarded as the property of the Group, unless the Group specifically states that the intellectual property produced belongs to its inventor, creator, researcher, or any other person.
- Employees must take care of their work to ensure that reports, information, formulas, statistics, programs, techniques, processes, and facts representing the intellectual property of the Group are not violated.
- Employees must surrender all intellectual property to the Group upon termination of their employment, or as otherwise stated by the Group.
- Complying with the intellectual property laws that apply to the country in which the Group is operating, and consulting with the appropriate intellectual property experts to seek advice for proper understanding.
- Avoid disclosing information that might affect the Company's stock price to external parties.
- Avoid giving advice on buying or selling the Company's stock unless specifically assigned by the Company to do so.

- Employees and other persons in charge of the Group's information are prohibited from disclosing or conveying corporate information or secrets to unauthorized persons, including their family members, relatives, and friends.

Issues of Concern:

- 1) Informing, presenting, or disclosing corporate information or documents, in any form, to any unauthorized persons inside or outside the Company.
- 2) Hiring or engaging with other external individuals, departments or business entities without prior agreement in writing from the Group as stipulated in the Company's intellectual property policy.
- 3) Copying, adjusting, or revising electronic equipment, electronic data, or information technologies without a proper reason.
- 4) Disclosing or conveying information to persons or organizations not otherwise entitled to receiving such information.
- 5) Spreading rumors or giving information that would affect the Group.

ANTI-CORRUPTION

The Board of Directors of the Company adopted an anti-corruption policy with the ultimate aim of preventing corruption across all value-chain activities while maintaining vigilant operations.

ANTI-CORRUPTION POLICY

The Group continuously strives for good corporate governance practices to maintain the sustainable development of the Group. The Group has established an anti-corruption policy with the purpose of preventing corruption in every activity of the value-chain of the Group's business.

DEFINITION OF CORRUPTION

Corruption includes any type of bribery, such as an offer, a promise, a guarantee, an inquiry, or the acquisition of money, or asset, gift item, or any other inappropriate benefits to/from government officials, private sector staff, either by direct or indirect action such that a person could proceed with, or disregard his/her function, in order to acquire or retain business, recommend a specific company to the Group as a whole, or achieve any improper benefits in a business transaction.

The above policy is reflected in the context of scrupulous observation of the following considerations:

- A zero-tolerance policy in regard to corruption by any person including directors within the Group;
- The Board of Directors will determine and promote the implementation of the anti-corruption policy and lead by example;
- The Board of Directors will govern and manage the Group's business operations in order to comply with the anti-corruption policy, and will communicate any anti-corruption actions to all stakeholders through the various communication channels;
- The Group will continuously promote and encourage all employees and stakeholders to raise awareness for the eradication of corruption, with anti-corruption forming a key part of the orientation program to new employees. In addition, all employees shall renew their acknowledgment of the Code of Ethics annually, which includes anti-corruption;
- The Group establishes strict penalty protocols for staff and Board of Director members who do not comply with the Anti-corruption Policy. These punishments include termination of employment contract or directorship; and

- The Group will regularly review and improve business operations in order to comply with any changes in relevant laws and anti-corruption guidelines at all times.
- Anti-corruption risk assessment has been performed by the Risk Management Committee (through the Risk Management Office) to constantly identify related risks, corresponding likelihood and impacts including internal controls and related working instructions to mitigate residual risks.

In addition, the Risk Management Committee established guidelines on corruption-prevention with a regular monitoring system, the results of which will be reported to the Board of Directors.

Finally, the Company had joined the “Thailand’s Private Sector Collective Action Coalition Against Corruption” (CAC) and was certified on 10th November 2017, recertified on 30th June 2020 and 30th June 2023.

DISCLOSURE AND TRANSPARENCY

Disclosure and transparency are top priorities for the Group. Disclosure of the Group’s general and financial information is done in an accurate, complete, transparent, and timely manner. The disclosed information includes the Group’s structure, its performance and risks, director profile, and information related to investors.

Since 2018, the Board of Directors has established a disclosure policy in accordance with the current laws and best practice guidelines of the Securities and Exchange Commission and the Stock Exchange of Thailand. The disclosure policy clearly states the scope of disclosure of information, authorized spokespersons, management of inaccurate information and information leakage, silent period and trading restrictions.

- All relevant information is disclosed via 56-1 One report, Company’s website and SET’s website. The disclosure of information and

quality of financial statements in the 56-1 One report, and the Group website are in compliance with the rules and regulations of the Stock Exchange of Thailand. The information includes shareholding structure, major shareholders, shareholding of directors and top executives, the Group’s vision and mission, performance by business units, and top corporate risks, etc. In addition, disclosure related to directors includes information on their profiles, meeting attendance, training, shareholding and remuneration.

- Directors and executives are required to file reports on their own or any related person’s interests regarding the management of the Company or any of its subsidiaries in accordance with the stipulated rules and regulations. Since these may cause conflicts of interest and can lead to the siphoning of assets, it is imperative for these to be disclosed in full. These reports ensure that all directors and executives adhere to the fiduciary duties they are bound to. No director or executive shall have any interest whatsoever, both directly and indirectly, to matters under their decision. The Company Secretary acknowledges, signs and submits these reports to the Chairman of the Board and the Chairman of the Audit Committee within 7 days of their submission in compliance with Section 89/16 of Securities and Exchange Act, B.E. 2535 (As amended).
- Directors and top executives are also stipulated to file with the SEC for every purchase, sale and transfer of Company’s shares in compliance with Notification of the Office of the Securities and Exchange Commission No. Sor. Jor. 38/2561.
- In addition, summaries of the shareholding of all directors and top executives are reported quarterly to the Board of Directors meeting.

Changes in company shareholding of the directors and top executives are as follows:

No.	Name	Position	Shareholding amount as of 1 January 2023	Change as of Shareholding	Shareholding amount as of 31 December 2023	Shareholding proportion
1.	Mr. Chainoi Puankosoom	Chairman, Independent Director	5,000	(5,000)	-	-
	Spouse/ Minor child		-	-	-	-
2.	Mr. Koh Ban Heng	Vice Chairman, Independent Director Member of Nomination and Remuneration committee	-	-	-	-
	Spouse/ Minor child		-	-	-	-
3.	Mr. Phirasilp Subhapholsiri	Independent Director Chairman of the Audit Committee and Chairman of the Sustainable Development and Corporate Governance Committee	-	-	-	-
	Spouse/ Minor child		-	-	-	-
4.	Mr. Nopporn Thepsithar	Independent Director, Chairman of the Nomination and Remuneration Committee, Member of Audit Committee	-	-	-	-
	Spouse/ Minor child		-	-	-	-
5.	Mr. Niphon Suthimai	Independent Director, Member of Audit Committee Member of Sustainable Development Corporate Governance Committee	-	-	-	-
	Spouse/ Minor child		-	-	-	-
6.	Mr. Jean-Marie Verbrugghe	Independent Director	-	-	-	-
	Spouse/ Minor child		-	-	-	-
7.	Mr. Pierre Vanstoflegatte ^{1/}	Director	-	-	-	-
	Spouse/ Minor child		-	-	-	-
8.	Mr. Somchit Serththin	Director Member of Nomination and Remuneration Committee	31,000,000	-	31,000,000	1.964
	Spouse/ Minor child		11,000,000	1,000,000	12,000,000	0.760
9.	Mr. Jacques Pastor	Director	1,200,000	-	1,200,000	0.076
	Spouse/ Minor child		-	-	-	-

No.	Name	Position	Shareholding amount as of 1 January 2023	Change as of Shareholding	Shareholding amount as of 31 December 2023	Shareholding proportion
10.	Mr. Chaiwat Srivalwat	Executive Director, Member of the Sustainable Development Corporate Governance Committee and Chief Executive Office	3,000,000	-	3,000,000	0.190
	Spouse/ Minor child		-	-	-	-
11.	Mr. Frederic Roussel	Executive Director Member of the Sustainable Development Corporate Governance Committee Member of Nomination and Remuneration Committee	-	-	-	-
	Spouse/ Minor child		-	-	-	-
12.	Mr. Thierry Defrene	Chief Operating Officer - Logistics and Procurement	250,000	(100,000)	150,000	0.010
	Spouse/ Minor child		-	-	-	-
13.	Mr. Christophe Bernard Voy	Chief Operating Officer - International Business	-	-	-	-
	Spouse/ Minor child		-	-	-	-
14.	Mr. Soranard Nantamontry	Chief Operating Officer - Thailand Business	428,500	-	425,000	0.027
	Spouse/ Minor child		-	-	-	-
15.	Mrs. Udornporn Punpatch	Chief People Officer	1,135,900	-	1,135,900	0.072
	Spouse/ Minor child		23,100	-	23,100	0.001
16.	Mr. Tanawat Tangudomlert ^{2/}		-	-	-	-
	Spouse/ Minor child		-	-	-	-

- ^{1/} Mr. Pierre Vanstoflegatte was appointed as new member of the Board of Directors in replacement of Mr. Frederic Gardes with effect from 1 October 2023.
- ^{2/} Mr. Tanawat Tangudomlert was appointed as acting Chief Financial Officer with effect from 1 October 2023.
- As of 31 December 2023, the Board of Directors collectively holds less than 25% of the Company's shares for both direct and indirect shareholding.

INVESTOR RELATIONS

Investor Relations play a vital role in communication with external parties including investors, shareholders, stock analyst and etc. regarding the Company's business and performance. The Board of Directors has established several documents including the disclosure policy and Code of Ethics to ensure that information disclosure is in accordance with relevant laws and regulations, and aligns with good corporate governance and Best Investor Relation Award guidelines.

In 2023, the Company hosted and participated in several activities to connect with retail investors, institution investors and stock analysts. In adherence to good corporate governance and sustainable development, the Company presented information regarding sustainable development in the meeting.

Type of Meeting	Number of meeting
Analyst Meeting	4
Opportunity Day by the Stock Exchange of Thailand	4
One-on-One Meeting	3

The Company's website plays a vital role as a communication channel with the investment community. The website features stock price quotes, publications including 56-1 One reports, financial statements, MD&A, company presentations, press release and etc.). The Company seeks and values feedback from external parties, and any information requests, comments and inquiries related to investor relations should be made to Mr. Thanapol Laosiripong at tel. +66 2273 6642, or by email at investors@tipcoasphalt.com.

In accordance with the Group's commitment to continuous development, matters pertaining to investor relations including IR activities and investor/analyst feedback are reported to the Board of Directors on a regular basis.

In 2022, the Company's score on Best IR award was 86.58% which exceeded the average score of Companies with market capitalization between Baht 10,000 - 30,000 million.

6.2 Code of Ethics

The present prosperity, success, and stability of the Tipco Asphalt Group are the result of doing business according to its core values - ideals that have been upheld and put into practice by the Board of Directors, management, and staff at all levels. This fosters synergy in all our employees, and is one of the building blocks of the Tipco Asphalt Group's corporate governance which in turn inspires confidence in shareholders, investors and all stakeholders. All Tipco Asphalt Group employees are expected to understand and embody our core values in conducting the Group's business.





In 2023, the acknowledgment rate of all employees of the Code of Ethics was 100%. Our scope of annual acknowledgment this year expands from employees in Asphalt Business, namely Tipco Asphalt PCL, Thai Bitumen Co.,Ltd., and Raycol Asphalt Co.,Ltd.; to employees in Construction Business, namely Thanomwongse Service Co.,Ltd., Thai Slurry Seal Co., Ltd. The annual acknowledgement was supported by series of refresh trainings: Three online sessions with recorded video clips for employees who can access the online system, and three on-site sessions at each of our construction sites : Suvarnabhumi Project (the 3rd Runway); the Bangpakong work site in Chachengsao

province, and the KM37 camp site in Pathumthani province. Apart from the annual acknowledgement, employees in Asphalt Business also underwent an online Code of Ethics test to ensure the highest level of understanding and awareness of all employees.

In addition, the Group detected and investigated 5 cases of actions that violated Code of Ethics. 3 cases were reported via whistleblowing channels and other 2 from internal control examination. Out of total number of 5 cases, our investigation had been completed on four cases as the investigation committees proposed concluding reports to the

Board of Directors, with recommendation for proper control. Another remaining case's investigation is under a jurisdiction performed by state authority. In term of issue of Code of Ethics violation, three cases

were about conflict of interests, and two cases relate to cyber security attacks.

The full Code of Ethics is disclosed as Attachment 5.

6.3 Milestones of Policy, Guidelines, and Corporate Governance of This Past Year

6.3.1 Milestones of Policy, Guideline, and Corporate Governance System

The Company fully recognizes the importance of corporate governance, which is a crucial part of the pursuit of sustainable growth. To this end, reviews on policy, guidelines, and corporate governance systems, were conducted on a continued basis with results presented to both the Sustainable and

Development and Corporate Governance committees and the Board of Directors. In 2023, the Board of Directors reviewed and revised the Board charter by adding the additional role of sustainable development including environmental aspect.

6.3.2 Compliance with Corporate Governance Code (CG Code)

The Company acts in accordance with the 2017 Corporate Governance Code for Listed Companies (CG Code) issued by the Securities and Exchange Commission. Following the Corporate Governance Committee's recommendation, the Board of Directors reviewed the application of the CG Code's

Principles and Sub-Principles including reasons for not following certain Sub-Principles, and recorded these observations as board resolutions in 2023. The sub-principles which the Company has chosen not to follow are explained as follows:

Sub-principles	Explain
<p>3.2.5 The board should establish the policy that the tenure of an independent director should not exceed a cumulative term of nine years from the first day of service. Upon completing nine years, an independent director may continue to serve on the board, subject to the board's rigorous review of his/her continued independence.</p>	<p>The Company's Board of Directors trusts that we have carefully selected and nominated our independent directors. Throughout their tenures, they remain adept, ethical and continue to contribute satisfactorily to the sustainable growth and development of the Company. It is obvious they fully understand their roles and responsibilities to both core and minority shareholders alike.</p> <p>This is reflected in our average CGR score of above 90% for the past four years, and further reflected in the votes received by independent directors in their re-election at the past annual general shareholders' meetings. The past re-election voting by shareholders stands at 98% on average.</p>
<p>3.3.1 The board should establish a nomination committee. The majority of its members and the chairman should be independent directors.</p> <p>3.4.1 The board should establish a remuneration committee with the majority of its members and the chairman being independent directors. The remuneration committee is responsible for setting the remuneration policy.</p>	<p>Nomination and Remuneration committee consists of 50% independent directors. Despite less than majority of independent directors, Chairman of the Committee is independent. In addition, no action of the Committee will be taken with the affirmative action of more than 75% of all Nomination and Remuneration Committee Members.</p>
<p>3.7.3 The company should appoint an external consultant to assist in setting guidelines and providing recommendations for a board assessment at least once every three years. This information should be disclosed in the annual report.</p>	<p>The Company has conducted the Board of Directors assessment using the forms designed by the Stock Exchange of Thailand. The assessment was conducted on both collective and individual bases, and is deemed adequate.</p>
<p>3.9.2 The number of board meetings should be appropriate to the obligations and responsibilities of the board and nature of the business, but the board should meet at least six times per financial year. If the board meetings are not held monthly, the board should receive a report on the company's performance for the months in which the board does not hold a meeting, so that it can monitor management and company performance continuously and promptly.</p>	<p>In 2023, there are 5 board meetings which cover all topics under Act of Public Company Limited. During each meeting, summary of certain matters for period of no board meeting is also reported</p>
<p>8.2.6 All directors and relevant executives should attend the meeting to answer questions from shareholders on company-related matters.</p>	<p>Although all directors did not participate in the AGM, all sub-committees' chairmen attended the AGM to answer questions from shareholders.</p>

6.3.3 Other Practices



The Board of Directors recognizes the importance of corporate governance in the Company's sustainable development, in creating shareholder value, and in securing trust from all stakeholders, including shareholders, employees, customers, business partners, competitors, and creditors.

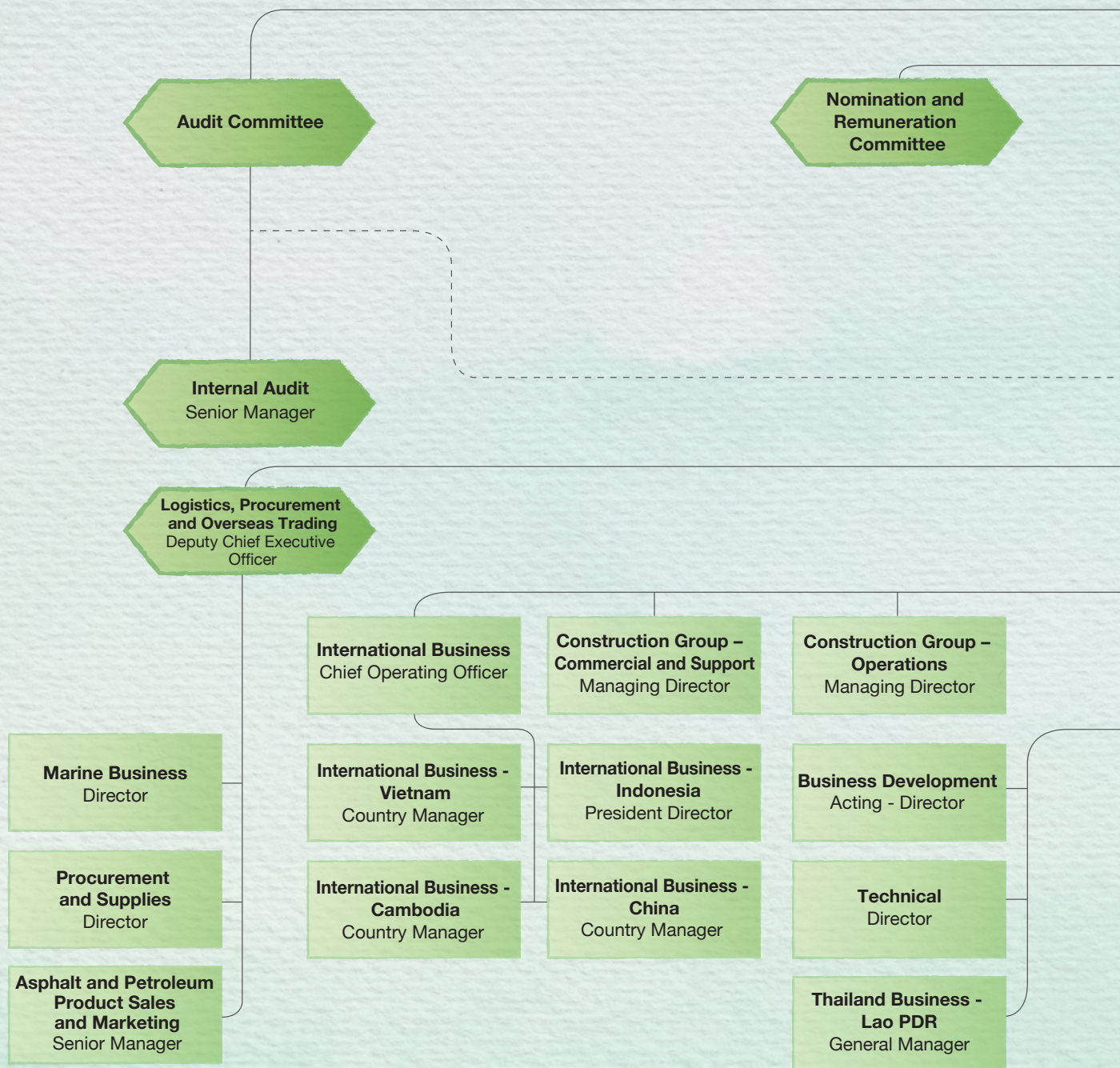
In adherence to Corporate Governance, the Company adhere to Corporate Governance Report of Thai Listed Companies 2023 (CGR), by the Thai Institute

of Directors Association (IOD) for 6 consecutive years. In addition, the Company received 98 points out of a total possible 100 points on the Annual General Meeting Checklist from the Thai Investors Association.

Finally, we are pleased to announce that the Company also received the Sustainability Disclosure Award in 2023 for 5 consecutive years from the ThaiPat Institute.



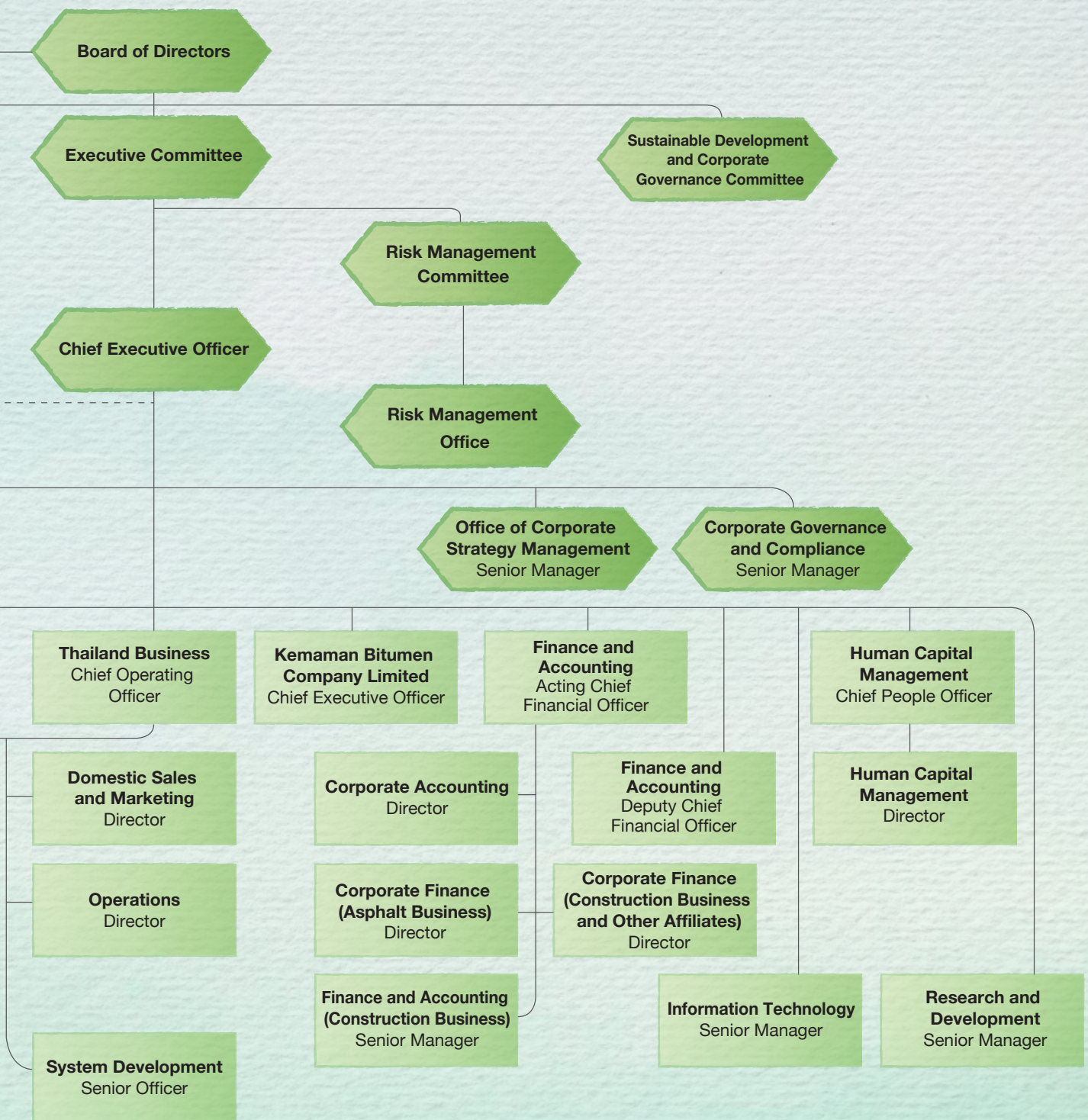
7. Corporate Governance Structure and Key Information about the Board, Sub-Committees, Management, Employees, and Others



7.1 Corporate Governance Structure

The Board of Directors and Management act in the best interests of the Company and its shareholders under a clear, balanced, and accountable management structure. The Board monitors and ensures that Management implements its policies, plans and strategies, and that there is a clear distinction of roles

and responsibilities between the Board and Management. The Board appoints sub-committees to consider important matters, and these include the Audit Committee, the Executive Committee, the Nomination and Remuneration Committee, and the Sustainable Development and Corporate Governance Committee.



7.2 The Board of Directors



1 MR. CHAINOI PUANKOSOOM
Chairman/
Independent Director
Starting date of Directorship
13 August 2015



2 MR. KOH BAN HENG
Vice Chairman/
Independent Director
Starting date of Directorship
1 July 2011



**3 MR. PHIRASILP
SUBHAPHOLSIRI**
Independent Director
Starting date of Directorship
14 May 2013



4 MR. NOPPORN THEPSITHAR
Independent Director
Starting date of Directorship
27 April 2012



**5 MR. JEAN -MARIE
VERBRUGGHE**
Independent Director
Starting date of Directorship
7 April 2020



6 MR. NIPHON SUTHIMAI
Independent Director
Starting date of Directorship
16 February 2006



7 MR. JACQUES PASTOR
Director
Starting date of Directorship
 1 August 2000



8 MR. SOMCHIT SERTTHIN
Director
Starting date of Directorship
 29 April 1994



9 MR. PIERRE VANSTOFLEGATTE
Director
Starting date of Directorship
 13 November 2023



10 MR. CHAIWAT SRIVALWAT
Executive Director
Starting date of Directorship
 13 February 2002



11 MR. FREDERIC ROUSSEL
Executive Director
Starting date of Directorship
 11 August 2022

7.2.1 The Board Composition

- The Board consists of 11 directors, with 2 executive directors.
- As of 31st December 2023, there are 6 independent directors, accounting for 55% of board members.
- The Chairman is not the same person as the Chief Executive Officer for the sake of clear-cut responsibilities and duties.
- Board diversity is prioritized, and members are equipped with the necessary skills to match

a range of business strategies. These are identified through director qualifications. As part of the appointment of new director, Mr. Pierre Vanstoflegatte, the Board of Directors considered his qualification eligibility and qualifications as per the Company's Policy on Director Qualifications and Nomination. In addition, the Board of Directors collectively covered the board skill matrix in accordance with our Policy on Director Qualifications and Nomination.

Board Skill Matrix

No	Name	Strategic planning	Industry knowledge	Accounting and finance	International marketing	Organization and human resources management	Risk management
1	Mr. Chainoi Puankosoom	✓	✓	✓		✓	✓
2	Mr. Koh Ban Heng	✓	✓	✓	✓		✓
3	Mr. Phirasilp Subhapholsiri	✓	✓	✓		✓	✓
4	Mr. Nopporn Thepsithar	✓	✓			✓	✓
5	Mr. Niphon Suthimai	✓	✓	✓		✓	✓
6	Mr. Pierre Vanstoflegatte	✓	✓		✓	✓	✓
7	Mr. Jean-Marie Verbrughe	✓	✓	✓		✓	✓
8	Mr. Somchit Sertthin	✓	✓	✓	✓		✓
9	Mr. Jacques Pastor	✓	✓		✓		
10	Mr. Chaiwat Srivalwat	✓	✓		✓	✓	✓
11	Mr. Frederic Roussel	✓	✓		✓	✓	✓

- There is also a wide variety of education and experience without discrimination across board members (detailed in Attachment 1).
- 9 non-executive directors have expertise in the Company's industry-specific knowledge.

7.2.2 The Board Information

The Board of Directors is composed of 11 members as follows:

Name	Position
Mr. Chainoi Puankosoom	Chairman / Independent Director
Mr. Koh Ban Heng	Vice Chairman / Independent Director Member of Nomination and Remuneration Committee
Mr. Phirasilp Subhapholsiri	Independent Director Chairman of Audit Committee Chairman of Sustainable Development and Corporate Governance Committee
Mr. Nopporn Thepsithar	Independent Director Chairman of Nomination and Remuneration Committee Member of Audit Committee
Mr. Niphon Suthimai	Independent Director Member of Audit Committee Member of Sustainable Development and Corporate Governance Committee
Mr. Jean-Marie Verbrugghe	Independent Director
Mr. Pierre Vanstoflegatte	Director
Mr. Somchit Sertthin	Director Member of Nomination and Remuneration Committee
Mr. Jacques Pastor	Director
Mr. Chaiwat Srivalwat	Chief Executive Officer Executive Director Member of Sustainable Development and Corporate Governance Committee
Mr. Frederic Roussel	Executive Director Member of Sustainable Development and Corporate Governance Committee Member of Nomination and Remuneration Committee

7.2.3 Roles, Duties, and Responsibilities of the Board of Directors

DUTIES AND RESPONSIBILITY OF THE BOARD OF DIRECTORS

The Board of Directors has a commitment to its fiduciary duties and responsibilities, and shall ensure the Company is managed and operated in the best interests of shareholders. To adhere to these fiduciary duties, each director commits to the following key duties:

1. To perform duties with due care (Duty of Care);
2. To perform their duties with loyalty to protect the best interests of the Company and shareholders (Duty of Loyalty);
3. To comply with laws and regulations, the Company's objectives, the Company's articles of association, and the resolutions of the Board of Directors and shareholders' meetings (Duty of Obedience); and
4. To disclose information to the shareholders in an accurate, complete, transparent and timely manner (Duty of Disclosure).

The basic responsibility of the Directors is to exercise their business judgment in the best interest of the Company's shareholders, while bolstering the Group's sustainable growth. The Board shall ensure that each director performs his/ her duty in accordance with all relevant laws and regulations. To fulfill its responsibilities, the Board of Directors shall:

Establish Clear Leadership Role and Responsibilities of the Board

1. Define, evaluate and approve, on a regular basis, the Company's vision, mission, corporate values, business policies, long-term plans and strategies.
2. Review, evaluate and approve the Company's budget and forecast, including resource allocation and capital expenditures.

3. Adopt, implement and monitor compliance with the Company's Code of Conduct.

Define Objectives that Promote Sustainable Value Creation

4. Define objectives that promote sustainable value creation and governance outcomes, as a framework for the operations of the Company.
5. Regularly review the Company's financial and non-financial operating results, adjust the Company's business strategies accordingly.

Strengthen Board Effectiveness

6. Ensure that the directors selection/ nomination policy and procedures are clear and transparent resulting in desired composition of the Board members.
7. Ensure that, upon proposing director remuneration to the shareholders' meeting for approval, the remuneration structure is appropriate for the directors' respective roles and responsibilities, linked to their individual and the Company performances while providing incentives for the Board to guide the Company towards meeting its objectives, both in the short and long term.
8. Conduct an annual self-evaluation and the assessment will be discussed with the full Board each year in order to identify the areas which require improvement.
9. Encourage directors and executives to attend the training course/seminar by the Thai Institute of Directors Association (Thai-IOD) or relevant organizations which is related to their duties and responsibilities.

Ensure Effective CEO and People Management

10. Regularly review and ensure proper mechanism for nomination, development and performance evaluation of the Chief Executive Officer while approving a compensation package as deemed appropriate by the Board.
11. Review, evaluate and approve the overall corporate organizational structure, the assignment of senior management responsibilities and succession plans.
12. Review, evaluate and approve compensation packages pertaining to senior management of the Company.

Nurture Innovation and Responsible Business

13. Prioritize and promote innovations that create values for the Company and its shareholders together with benefits for its customers, other related stakeholders, society, and the environment, supporting sustainable growth of the Company.
14. Encourage the management to adopt responsible operations, and integrate them into the Company's operations plan. This is to ensure that every department and function in the Company fully aligns the Company's objectives, goals, and strategies while applying high ethical, environmental and social standards, with contributions to the sustainable growth of the Company.
15. Ensure that the management allocates and manages resources efficiently and effectively across all aspects of the value chain to assist the Company towards meeting its objectives.
16. Establish an enterprise IT governance framework that fully aligns with the Company's business needs and priorities, promotes business opportunities and performances, strengthens risk management practices, and supports the Company's objectives.

17. Review the Company's policies and progress relating to social responsibility on a regular basis.

Strengthen Effective Risk Management and Internal Control

18. Review and assess the effectiveness of the Company's policies and practices with respect to internal control, risk assessment and risk management;
19. Ensure that the Company has implemented effective and appropriate risk management and internal control systems that fully align with the Company's objectives, goals and strategies, and comply with applicable law and standards.
20. Establish an Audit Committee that can act effectively and independently.
21. Manage and monitor conflicts of interest that might occur between the company, management, directors, and shareholders. The Board should also prevent the inappropriate use of corporate assets, information, and opportunities, including preventing inappropriate transactions with related parties.
22. Establish a clear anti-corruption policy and practices (including communication and staff training), and strive to extend its anti-corruption efforts to stakeholders.
23. Establish a mechanism for handling complaints and whistleblowing.

Ensure Disclosure and Financial Integrity

24. Oversee and monitor to ensure that the preparation of financial statements and disclosure of material information are accurate, sufficient, and timely and are in compliance with the relevant regulations and guidelines.

25. Oversee and monitor the Company's liquidity and debt service coverage together with emergency plans and mechanisms in case problems arise.

Ensure Engagement and Communication with Shareholders

26. Oversee and ensure that the shareholders' meetings are held as scheduled, and conducted properly, with transparency and efficiency while ensuring inclusive and equitable treatment of all shareholders and their abilities to exercise their rights.
27. Oversee and ensure accurate, timely and complete disclosure of shareholder resolutions and preparation of the minutes of the shareholders' meetings.

Others

28. Review, at least annually, of (i) the status of major litigation, (ii) Compliance with significant regulatory requirements affecting the Company; and (iii) corporate governance matters;
29. Perform any other duties in accordance with the Board's and shareholders' resolutions.

Matters involving shared responsibility of the Board and Management:

1. Formulate and review policies, strategies, plans and targets.
2. Ensure a robust system for risk management and internal control.
3. Clearly define Management's responsibilities.
4. Oversee appropriate policies and plans for resource allocation, including HR, IT, and budgeting.
5. Monitor and evaluate financial and non-financial corporate performance.
6. Ensure the integrity of financial and non-financial information disclosures.

Matters the board should delegate to the management:

Engaging in activities which under normal circumstances do not fall under the Board's remit, including day-to-day management and decisions (such as procurement and staffing), and ongoing monitoring to ensure that conduct and operations are in compliance with the company's policies, strategies, plans, and applicable laws and standards.

Duties and Responsibilities of the Chairman of the Board

1. To summon the meetings of the Board of Directors according to the pre-determined schedules and others as necessary;
2. To preside over the Board of Directors meetings;
3. To promote the corporate governance standards of the Board of Directors;
4. To preside over Shareholders' meetings, and conduct the meetings following the sequence of agendas in compliance with the Company's Articles of Association; and
5. To promote working relationships among Executives Directors, Non-Executive Directors and Independent Directors in the Board of Directors, and support CEO and Management to perform their duties in accordance with the Company's policy.
6. To perform the duties specified by the laws and regulations.

The charter of the Board of Directors is disclosed as **Attachment 5**.

7.3 Sub-Committees

The Board has appointed Sub-committees to study and review specific matters. At present, the Company has four Sub-committees appointed by the Board of Directors: the Executive Committee, the Audit Committee, the Nomination and Remuneration Committee, and the Sustainable Development and Corporate Governance Committee;

1. EXECUTIVE COMMITTEE

The Executive Committee's responsibilities are established by the Board of Directors. The Chairman of the Executive Committee has the highest authority to set operational policies related to the Company, while the Chief Executive Officer has the highest authority for their implementation.

SCOPE OF AUTHORITY OF THE EXECUTIVE COMMITTEE

The Executive Committee, pursuant to the resolutions of the Board of Directors of the Company, is responsible for the following:

1. Proposing agendas for the meetings of the Board of Directors and counseling the Board on major decisions;
2. Establishing the policies and operating procedures of the Company; and
3. Managing, making decisions and directing the business and affairs of the Company, except as otherwise specified. All actions by the Executive Committee require the approval of the Chairman and Vice Chairman of the EC (present or represented by proxy) as defined (Majority of the Members), and all decisions made by the Executive Committee pursuant to these Rules and Regulations (except for decisions which by the express terms of the Articles of Association or the PLCA require the approval of the Board of Directors) shall be binding on the Company and its management.

With the majority approval of its members, the Executive Committee may occasionally submit a written request to the Board of Directors for the latter to ratify, confirm or authorize any matters as requested or directed by the Executive Committee. Nevertheless, Executive Committee authority is subject to the prevailing chart of authority at the time. Matters which are delegated to and may be decided by the Executive Committee are:

1. Award of any contract to vendors or suppliers not exceeding an amount to be fixed by the Company Board;
2. Employment, promotion and dismissal of top management personnel;
3. Preparation and submission for approval by the Board of Directors of any proposal to merge the Company with another economic organization or to form a joint venture company or partnership between the Company and any organization;
4. Policies on salaries, wages of officers and employees of the Company, benefits and allowances;
5. Marketing and Sales policies;
6. Preparation and submission for approval by the Board of Directors of annual profit and loss budget, annual cash flow projections, strategic plans, business plans and investment and disposal plans of the Company and the subsidiaries;
7. Entry by the Company or any subsidiary into any transaction which is covered by a profit and loss budget, strategic plan, business plan or financial policy approved by the Board of Directors;

8. Entry by the Company or any subsidiary into any transaction which is covered by the investment and asset disposal plan approved by shareholders;
9. The appointment and removal of directors of any subsidiary;
10. Submission and participation in bids, signing contracts, correspondences or documents binding the Company;
11. Representing the Company and acting on its behalf with third parties, public or private persons, ministries, administrations, and local communities;
12. Granting sub-delegations to beneficiaries with the necessary means, skills and authority, as the Executive Committee deems timely, for a duration it shall determine, concerning any or part of the present Rules and Regulations; and
13. Carrying out all acts, which are necessary for the execution of the present rules and regulations, with the exception of the following cases where the Board of Director's consideration and approval are required;
 - Entry into any transaction which is subject to approval by the Board of Directors under the chart of authority.
 - Entry into any connected transaction, acquisition and disposition of asset transaction as stipulated under the rules and guidelines mandated by the Securities and Exchange Commission, and the Stock Exchange of Thailand that require to be considered and approved by the Board of Directors or shareholders.

The rules and regulations of the Executive Committee are disclosed as Attachment 5.

2. AUDIT COMMITTEE

The Company has a process for inspecting and controlling the business through the appointment of three Independent Directors.

REQUIREMENTS FOR APPOINTMENT OF MEMBERS OF THE AUDIT COMMITTEE

1. The Audit Committee shall be appointed by the Board of Directors, consisting of at least three independent directors. At least one member should have an understanding of and expertise in accounting matters. The Audit Committee shall select one member to be Chairman of the Audit Committee.
2. The term of an Audit Committee member is three years. Members whose term of office expires may be re-appointed.
3. The Audit Committee enjoys independence in performing its duties. It reports directly to the Board of Directors.
4. The tenure of an Audit Committee member will cease upon said member's death, resignation, dismissal or retirement by rotation.
5. There must be at least four Audit Committee meetings each year, the results of which are to be reported to the Board of Directors.

TERMS OF OFFICE OF THE AUDIT COMMITTEE

The Audit Committee directly reports to the Board of Directors. Each Audit Committee member serves a three-year term. New members will be appointed and/or old members are re-appointed by the Board of Directors at the end of the term.

SCOPE OF AUTHORITY OF THE AUDIT COMMITTEE

The role of the Audit Committee, as assigned by the Company Board of Directors, is as follows:

1. Review the reporting of the Company's financial statements for their accuracy and adequacy;

2. Review the suitability and effectiveness of the Company's internal control system, internal audit function and the independence of the Internal Audit Department, while providing concurrence to the appointments, transfers, and terminations of the Internal Audit Manager;
3. Review the Company's compliance to any rules and regulations including those on securities, regulations of the SET and any other regulations relevant to the Company's business;
4. Make suggestions to the Company's Board of Directors on the selection or termination of the external auditor. The Audit Committee shall also review the proposed fees of the external auditor when proposing its selected external auditors to the Company's Board of Directors. The Audit Committee shall also participate in a meeting with the external auditor at least once a year without the presence of the Company's Management;
5. Consider the Company's business transactions with related parties, or any transaction that may lead to potential conflicts of interest, in compliance with the relevant rules and regulations of the SET to ensure their rationality and maximum benefit to the Company;
6. Issue a report, to be signed by the Chairman of the Audit Committee, and disclosed in the Company's Annual Report, which shall contain comments on at least the following areas:
 - 6.1 Accuracy, adequacy and credibility of the Company's financial statements.
 - 6.2 Adequacy of the Company's internal control system.
 - 6.3 Compliance with any regulations on securities, the regulations of the SET and other regulations relevant to the Company's business.
 - 6.4 Appropriateness of the external auditor.
 - 6.5 Transactions of possible conflicts of interest.
 - 6.6 Meetings of the Audit Committee and contributions of members.
 - 6.7 Overall comments on performance in accordance with this Charter.
 - 6.8 Other transactions that shareholders or other investors should be aware of in accordance with the roles and responsibilities assigned by the Company Board of Directors.

The Audit Committee's charter is disclosed as Attachment 5.

3. NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee (N&R committee) consists of four Directors, two of which are Independent Directors. One of the Independent Directors is appointed as the Chairman of the Nomination and Remuneration Committee.

SCOPE OF AUTHORITY OF THE NOMINATION AND REMUNERATION COMMITTEE

1. To screen and select the appropriate persons as members of the Board of Directors, and to propose the selected individuals to the Board of Directors, who then submit the proposal to the Shareholders' Meeting for approval;
2. To screen and select the appropriate qualified persons to be nominated as Chief Executive Officer, and then propose the nominee to the Board of Directors for approval;
3. To propose remuneration packages for the Company's Directors to the Board of Directors and sub-committees, and to further propose the same packages to the shareholders meeting for approval;

4. To propose the remuneration packages for the Chief Executive Officer and Executive Directors to the Board of Directors for approval; and
5. To engage in any other duties as assigned by the Board of Directors.

The N&R committee is in charge of nominating appropriate persons as members of the Board of Directors in accordance with the Group's policy on Director Qualifications and Nomination. In addition, the N&R committee is responsible for suggesting competitive remuneration packages for the Board of Directors, sub-committees and Executive Directors, using the self-assessments of the Board of Directors, Sub-committees, and Chief Executive Officer, as key reference points. Finally, the N&R committee is charged with proposing a succession plan for the positions of Chief Executive Officer and other senior executives.

The charter of the Nomination and Remuneration Committee is disclosed as Attachment 5.

4. SUSTAINABLE DEVELOPMENT AND CORPORATE GOVERNANCE COMMITTEE

The Board of Directors has a commitment to good corporate governance principles to achieve sustainable development. The Committee is in charge of the Company's sustainable development and corporate governance matters, while ensuring that the Company's business operation is in line with the directions, policies, and strategies devised to achieve sustainable development and corporate governance objectives.

ROLES AND RESPONSIBILITIES OF THE COMMITTEE

SUSTAINABLE DEVELOPMENT

1. To establish the Company's sustainable development target, policy framework and guidelines in line with Company business

operations to promote innovation across social and environmental matters, and propose them to the Board of Directors for consideration and approval;

2. To regularly review the Company's sustainable development target, policy framework and guidelines in response to changing global trends, business environments, laws, and international guidelines while taking into consideration shareholders' expectations, and present these to the Board of Directors for consideration and approval;
3. To acknowledge and consider sustainability strategies while promoting and supporting activities to achieve the Group's sustainability goals;
4. To consider the annual budgets related to sustainability issues and propose them to the Board of Directors for approval and/or acknowledgement; and
5. To regularly report sustainable development performance and progress including key sustainable development issues relating to the environment, social responsibility, and sustainability management to the Board of Directors for acknowledgement.

CORPORATE GOVERNANCE

1. To establish and/or review corporate governance targets, policy frameworks and guidelines in compliance with the laws and regulations, corporate governance guidelines from relevant agencies and/or regulators for approval/acknowledgement by the Board of Directors;
2. To monitor corporate governance performance is in line with the Group's policy and goals; and

3. To regularly report performance progress to the Board of Directors for acknowledgement.

2. To perform any other duties assigned by the Board of Directors; and

GENERAL MATTERS

1. To oversee the disclosure of the Company's sustainable development and corporate governance information in the 56-1 One Report, the Sustainability Report and any other relevant documents;

3. To review this Charter regularly for appropriateness and timeliness.

The charter of the Sustainable Development and Corporate Governance Committee is disclosed as Attachment 5.

7.3.2 List of Sub-Board Committees

1. EXECUTIVE COMMITTEE

1.	Mr. Chaiwat Srivalwat	Chairman / Executive Director
2.	Mr. Frederic Roussel	Vice Chairman / Executive Director
3.	Mr. Christophe Bernard Voy	Member / Executive Officer
4.	Mr. Thierry Alain Simon Defrene	Member / Executive Officer
5.	Mr. Soranard Nantamontry	Member / Executive Officer
6.	Mr. Jacques Marechal	Member/ Secretary of Executive Committee

2. AUDIT COMMITTEE

1.	Mr. Phirasilp Subhapholsiri	Chairman / Independent Director
2.	Mr. Nopporn Thepsithar	Member / Independent Director
3.	Mr. Niphon Suthimai	Member / Independent Director
	Mr. Joseph Soosay	Secretary of Audit Committee

All members of the Audit Committee have the adequate expertise in accounting and finance.

3. NOMINATION AND REMUNERATION COMMITTEE

1.	Mr. Nopporn Thepsithar	Chairman / Independent Director
2.	Mr. Koh Ban Heng	Member / Independent Director
3.	Mr. Frederic Roussel	Member / Executive Director
4.	Mr. Somchit Sertthin	Member / Director

4. SUSTAINABLE DEVELOPMENT AND CORPORATE GOVERNANCE COMMITTEE

1. Mr. Phirasilp Subhapholsiri	Chairman / Independent Director
2. Mr. Niphon Suthimai	Member / Independent Director
3. Mr. Chaiwat Srivalwat	Member / Executive Director
4. Mr. Frederic Roussel	Member / Executive Director

7.4 Executive Management

7.4.1 Names and Positions of Executives

The Board has set the roles and duties of Management in day-to-day business activities in line with the company's policies, chart of authority and Board resolutions. In 2023, there were 16 top executives as follows:

1. Mr. Chaiwat Srivalwat	Chief Executive Officer
2. Mr. Thierry Alain Simon Defrene	Deputy Chief Executive Officer - Logistics, Procurement and Overseas Trading
3. Mrs. Kanya Ruengprateepsang ^{1/}	Chief Financial Officer
4. Mrs. Udomporn Punpatch	Chief People Officer
5. Mr. Soranard Nantamonry	Chief Operating Officer – Thailand Business
6. Mr. Christophe Bernard Voy	Chief Operating Officer – International Business
7. Mr. Tanawat Tangudomlert ^{1/}	Acting Chief Financial Officer and Director - Corporate Accounting
8. Mr. Jacques Marechal	Deputy Chief Financial Officer
9. Ms. Sarinee Chumchuensuk	Director - Human Capital Management
10. Mr. Martin Brzuska	Director - Marine Group
11. Ms. Chitmanee Chiranantaratana	Director - Procurement and Supplies
12. Mr. Kris Serthin	Director - Domestic Sales and Marketing and Acting Director - Business Development
13. Mr. Suphat Pipitawan	Director – Operations
14. Mr. Surapon Katekaew	Director - Technical
15. Ms. Auchcha Ruttrakulthip	Director – Corporate Finance (Construction Business and Other Affiliates)
16. Ms. Promporn Kanjanarat	Director - Corporate Finance (Asphalt Business)

Note:

^{1/} Mr. Tanawat Tangudomlert was appointed as acting Chief Financial Officer in replacement of Mrs. Kanya Ruengprateepsang with effect from 1st October 2023.

- No.1,2, 4-7 of executive are regarded as executives under SEC's definition (As of December 2023)

DIRECTORS AND TOP EXECUTIVES ASSIGNED TO OTHER COMPANIES

The appointment of directors and top executives of subsidiaries and associated companies to oversee and manage their operations is a key governance mechanism that ensures subsidiaries and associated companies comply with policies, goals, company vision, medium-term business plans, and strategic growth plans efficiently. As such, the Board of Directors formulated a policy for the appointment of directors and executives to subsidiaries and associated companies.

The Board of Directors of the Company has assigned the Executive Committee to appoint and transfer Company representatives to the Board or executive positions in subsidiaries/associated companies in accordance with shareholding proportion.

The nominated person shall have the necessary qualifications, a sound knowledge of ethics, a sense of responsibility, and leadership qualities as deemed appropriate.

Please find the list of Board of Directors members and top executive directorship in subsidiaries, joint ventures associated companies or other related companies in Attachment 2

7.4.2 Remuneration of Executive Directors and Executives

REMUNERATION FOR THE CHIEF EXECUTIVE OFFICER AND EXECUTIVE DIRECTORS

The N&R committee assesses the performance of the Chief Executive Officer and Executive Directors and proposes their remuneration packages for approval by the Board of Directors by taking into account the following information:

1. Performance-based pay - The pay shall be subject to the achievement of the Group's performance, based on Key Performance Indicators (KPIs) of financial, customer, internal/ business process and learning and growth perspectives.
2. Strategic initiatives of the Group - the progress of corporate strategies per the Vision 2025 to add value to the business and shareholders.
3. Competitive compensation policy – the compensation is benchmarked with other listed companies in the same industry, adopting an entrepreneurial approach with emphasis on the performance-based bonus to be competitive with other companies.

REMUNERATION STRUCTURE OF THE CHIEF EXECUTIVE OFFICER AND EXECUTIVE DIRECTORS

The package includes remuneration paid in cash i.e. salary, which is reviewed annually; the bonus is variable and dependent on yearly performance. Other forms of compensation include the provident fund scheme, health and life insurance policy(s), and employee stock options program.

7.4.3 Total Executives' Remuneration

In 2023, remuneration including salary, bonus and provident fund for 7 executives as defined by the SEC was Baht 63.35 million.

7.5 Personnel

On 31st December 2023, the Group had a total headcount of 2,030 employees spanning 1,552 persons in operation, 189 in management, and 289 in head office. The Group paid a total remuneration to all employees of Baht 1,403.9 million in the form of salaries, overtime, living allowances, bonuses, social security contributions and provident funds.

	TIPCO ASPHALT PCL	THAI BITUMEN CO., LTD.	RAYCOL ASPHALT CO., LTD.	ALPHA MARITIME CO., LTD.	TASCO SHIPPING CO., LTD.	BITUMEN MARINE CO., LTD.	RAVANA 1020 CO., LTD.	TIPCO MARITIME CO., LTD.	THAI SLURRY SEAL CO.,LTD.	THANOMWONGSE CO., LTD.	SUBSIDIARY IN CAMBODIA	SUBSIDIARIES IN CHINA	SUBSIDIARIES IN MALASIA	SUBSIDIARIES IN SINGAPORE AND VIETNAM	SUBSIDIARIES IN INDONESIA	SUBSIDIARY IN LAO	Total
Operation (person)	205	56	48	35	38	33			155	357	69	40	153	178	185		1,552
Management (person)	78	2	1						5	23	5	4	33	23	13	2	189
Head office (person)	102	3	2					23	13	29	21	6	13	23	26	28	289
Total (person)	385	61	51	35	38	33	-	23	173	409	95	50	199	224	224	30	2,030
Remuneration for employee (million Baht)	504.40	35.30	26.20	36.90	37.10	38.20	-	28.50	67.90	204.20	33.90	28.60	197.10	135.30	25.60	4.70	1,403.90

SIGNIFICANT CHANGES IN NUMBER OF EMPLOYEE FOR THE PAST THREE YEARS

Total employee number for the years 2023, 2022 and 2021 were 2,030, 2,153, and 2,236 persons respectively.

PROVIDENT FUND

As part of the selection of the provident fund manager, the Company strongly encourages the welfare committee to consider asset management companies which adopt the Investment Governance Code: (I Code). The asset management company shall consider the environment, society and

governance as part of investment. In this regard, the Company appointed "Principal Asset Management Company Limited" as its provident fund manager. In our commitment to long-term benefits, guidelines for fund manager selection are shared to members of the provident fund. As of the end of 2023, 661 employees in Thailand are participating in the provident fund scheme, which accounts for 32.6% of a total number of 2,030 employees.

7.6 Other Key Information

7.6.1 Responsible Executives

ACCOUNTING SUPERVISOR

The Company assigned Ms. Nattamon Ingkapradit to be directly responsible for the supervision of accounting, effective from 18th June 2018. Please see information regarding the Accounting Supervisor in Attachment 1.

COMPANY SECRETARY

The Board of Directors appointed Mr. Thanapol Laosiripong, Manager - Corporate Affairs and Planning, on 13th August 2015 as the Company Secretary to take responsibility as set forth by the law. The Company Secretary reports functionally to the Chairman of the Board of Directors, and operationally to the Chief Executive Officer. Details of the company secretary profile and responsibilities appear in Attachment 1.

HEAD OF INTERNAL AUDIT

The AC and the Chief Executive Officer jointly appointed Mr. Joseph Soosay as Senior Manager - Internal Audit Department (IAD) with effect from 16th July 2012.

We hereby express our opinion that the Senior Manager - Internal Audit Department of the Company is adequately experienced to manage the IAD. As a certified internal auditor, he is suitably qualified to fulfil his duties in accordance with the Standards of the Institute of Internal Auditors. Please see information regarding the Accounting Supervisor in Attachment 3.

7.6.2 Head of Investor Relations

Information requests, comments and inquiries related to investor relations should be made by contacting Mr. Thanapol Laosiripong at Tel. +66 2273 6642, or by email at investors@tipcoasphalt.com.

7.6.3 Audit Fee

For the fiscal year 2023, the Company and its subsidiaries paid audit fee and non-audit fee to auditors as follows:

Audit fee

Company/ Subsidiary	Total (THB Million)
Tipco Asphalt Public Company Limited	3.20
Subsidiaries in the Group	10.59

Non-audit fee

Company/ Subsidiary	Scope of service	Total (THB Million)
Tipco Asphalt Public Company Limited	Service fee for compliance with law and regulation	0.45
Subsidiaries in the Group	Service fee for compliance with law and regulation	1.81

8. Highlights of Corporate Governance

8.1. Performance of the Board of Directors

8.1.1 Recruitment, Development, and Performance Assessment of the Board of Directors

1. Independent Directors

The Board of Directors shall consist of at least one-third independent directors. Independent directors shall possess the qualifications as specified in the Securities and Exchange Commission's guidelines. The Company's definitions of an Independent Director are as follows:

1. Holding no more than 1% of total voting shares* including the shareholding of persons related to the independent directors;
2. Is not currently and has never been the Company's executive director, worker, employee, salaried consultant, or controlling parties*. Exception: It has been at least two years since the person held their previous position;
3. Not related by blood or legally registered with any other directors, executives, major shareholders, controlling parties, or persons who will be nominated as directors, executives, or controlling parties of the company or subsidiary;
4. Not currently having and never having had any relations with the company* that may impede, compromise or interfere with the person having independent views. Also, the person should not currently be and never have been a significant shareholder or controlling person for persons having business relations with the company*. Exception: It has been at least two years since the person has held the position;
5. Is not currently and has never been the Company's auditor*. Also, the person should not currently be or never have been a significant shareholder controlling person, or partner of the current auditor's auditing firm*. Exception: It has been at least two years since the person held the position;
6. Not currently providing or never having provided professional services, legal consulting and financial consulting services to the company with a fee of more than THB 2 million per year*. Also, the person should not currently be or never have been a significant shareholder, controlling person, or partner of any of our current service providers. Exception: It has been at least two years since the person held the position;
7. Not currently a director appointed to represent the Company's directors, major shareholders, or the shareholder related to a major shareholder;
8. Not currently operating under similar business models and/or significant competitors to the Company or any of its subsidiaries; or not be a significant partner of the partnership, executive or director, salaried worker, employees, or consultants; or holding more than 1% of voting shares of any other companies operating under a similar business nature that are significant competitors to the Company and its subsidiaries;
9. Not under any conditions that may impede the person from having independent views towards the Company's operations.

* Including the parent company, subsidiary, affiliate, major shareholder(s), or controlling parties of the company

At present, the Board of Directors consists of 6 independent directors out of a total 11 directors, representing 55% of Board membership.

2. Nomination and Appointment of Directors & Chief Executive Officer

NOMINATION OF DIRECTORS

In accordance with the Group's policy on Director qualifications and nomination, the N&R committee is in charge of nominating appropriate persons as members of the Board of Directors to the Board of Directors and Shareholders meeting as necessary. As part of director nomination, the N&R committee may consider the director pool from the IOD for potential candidates, if any.

In 2023, there was a new director appointment. In the process, the Board of Directors followed recommendations from the N&R committee which, reviewed and confirmed that the Board of Directors with the new director collectively had between them the required skills to comply with policies on director qualifications and nomination.

In our commitment to enhancing the minority right of shareholders, prior to the 2024 Annual General Meeting (AGM), shareholders of the Company were entitled to propose agenda items. Shareholders were allowed to exercise such rights from the period 2nd October 2023 to 29th December 2023 for consideration by the Board of Directors. Should any proposed agenda be included in the meeting, the Company will specify in the notice of the meeting that said agenda was proposed by a shareholder.

However, in the case where the proposed agenda was rejected, the Company will inform shareholders of the reasons for its rejection at the annual general meeting of shareholders. Moreover, any shareholder is entitled to nominate any qualified candidate for election as a Board member in advance. The N&R Committee will consider the proposed nominee(s) together with

other nominated persons according to the Company's criteria for the nomination of directors. The N&R Committee shall then present the nominee(s) to the Board for consideration before proposing them to the shareholders' meeting for approval.

VOTING REQUIREMENT OF APPOINTMENT OF DIRECTORS

Pursuant to Clause 15 of the Company's Articles of Association, the rules and procedures for electing directors are as follows:

1. Separate round of voting by the shareholders shall take place for each Director position;
2. Each shareholder has a voting right of one vote per share for each available Director position;
3. Each Director position shall be allocated to the person who has received the most affirmative votes, provided that the number of affirmative votes received represents at least three quarters of the total number of votes by shareholders attending the meeting by proxy or physical presence and having the right to vote; and
4. Director(s) who are also shareholder(s) are not eligible to vote for their own re-election.

DIRECTOR'S ORIENTATION

Mr. Pierre Vanstoflegatte was appointed as new member of the Board of Directors with effect from 13th November 2023. In response to this, the Company arranged an orientation program to inform him of the Group's business policies, capital structure, shareholding structure, business performance, information systems, code of ethics and related laws and regulations. Moreover, each new Director receives a Director's Handbook containing all relevant information. New Directors also receive a briefing from the Chief Executive Officer that covers the Company policies, relevant information including the capital structure, shareholders, performance, and processes in use at the Company, laws, regulations, a marketing/operational overview, and updates on performance.



KNOWLEDGE IMPROVEMENT OF THE DIRECTORS AND EXECUTIVES

The Board of Directors has a policy to support and facilitate participation in in-house and external training and in continuous knowledge improvement for directors and executives. The Company has encouraged directors and executives to attend training courses organized by the Thai Institute of Directors (IOD), the Securities and Exchange Commission (SEC), and the Stock Exchange of Thailand (SET).

In 2023, the Company conducted in-house training for all members of the Board of Directors

and top executives covering the topics of “Climate awareness”. The session was presented by representatives of Environmental Resources Management (ERM).

In addition, there are internal briefing session to all members of the Board of Directors and top executives regarding conflict of interest and insider trading.

Finally, external training/seminar of directors and executives in 2023 can be summarized as follows:

Name	Course	By
1. Mr. Chaiwat Srivalwat	National Director Conference : Delivering “Net Zero” together	Thai Institute of Directors
	CEO Club No.3/2023 - Riding the Waves of Mega Trends	Stock Exchange of Thailand
2. Mr. Soranard Nantamonry	National Director Conference : Delivering “Net Zero” together	Thai Institute of Directors

Name	Course	By
3. Mr. Tanawat Tangudomlert	CFO Orientation for New IPOs	Stock Exchange of Thailand
	Course “Accounting information” (CPD 5 hours)	Department of Business Development
	Course “Financial statement analysis” (CPD 5 hours)	Department of Business Development
	Course “Accounting standards related to PPE” (CPD 6 hours)	Department of Business Development
	Course “Income, the difference between accounting and taxation” (CPD 6.5 hours)	Department of Business Development
	Course “Code of Ethics for professional accountants” (CPD 1 hours)	Department of Business Development

BOARD SELF ASSESSMENT COLLECTIVE AND INDIVIDUAL SELF-ASSESSMENT OF THE BOARD OF DIRECTORS

The Company applies the Board Self-Assessment form designed by the Stock Exchange of Thailand (SET). The assessment consists of (i) A collective Self-assessment and (ii) Individual Self-assessments. The main objective of the self-assessment form is to evaluate the performance of the Board as a team, and of the Directors as a collective body and on an individual basis, in light of recognized best practices and principles of good corporate governance. The procedures are as follows:

1. The Board of Directors performs self-assessment evaluations under guidelines provided by the SET;
2. The Company Secretary summarizes the self-assessment results of all members of the Board of Directors; and
3. The Company Secretary reports the self-assessment results to the Board of Directors and ensures the results are used to improve the performance of the Board

The 6 categories covered by the collective and individual Self-Assessment Forms are as follows:

1. Structure and qualifications of the board (Collective and individual)
2. Roles, duties and responsibilities of the board (Collective and individual)
3. The board meetings (Collective and individual)
4. Duties of Directors (Collective)
5. Relationship with Management (Collective)
6. Director’s self-improvement and management training (Collective)

The Company scored 3.85 out of 4 and 3.88 out of 4 on the collective and individual forms for the Board Self- Assessment evaluations respectively.

SELF-ASSESSMENT OF SUB-COMMITTEES

The sub-committees, comprising the Executive Directors Committee, the Audit Committee, the Nomination and Remuneration Committee, and the Sustainable Development and Corporate Governance Committee shall perform self-assessments once a year to reflect operation efficiency under the principles of good corporate governance in compliance with the Corporate Governance Report (CGR). These self-assessments include (i) collective self-assessments of the sub-committees and (ii) individual self-assessments of the sub-committees. Procedures are as follows:

1. The sub-committees perform self-assessment evaluations under the principles of good corporate governance of the Thai Institute of Directors Association (IOD) and guideline practices of Sub-committees;
2. The Company Secretary summarizes and reports the self-assessment results to the Sub-committees and ensures the results are used to improve performance of all the sub-committees; and
3. The Company Secretary reports the self-assessment results of the sub-committees to the Board of Directors. The categories covered by the collective and individual self-assessment forms of the sub-committees are as follows:

	Collective				Individual			
	EC	AC	N&R	SD&CG	EC	AC	N&R	SD&CG
1. Structure and qualifications of the board	✓	✓	✓	✓	✓	✓	✓	✓
2. Roles, duty and responsibilities of the board	✓							
3. The board meetings	✓	✓	✓	✓	✓	✓	✓	✓
4. Duties of directors	✓	✓	✓	✓	✓	✓	✓	✓
5. Relationship with Management	✓							
6. Director's self-improvement and management training	✓							

Results of the assessment of all the sub-committees in 2023 were summarized as follows:

Sub-committees	Result of the assessment	
	Collective assessment	Individual assessment
1. Executive Committee	3.54	3.56
2. Audit Committee	4.00	4.00
3. Nomination and Remuneration Committee	4.00	4.00
4. Sustainable Development and Corporate Governance Committee	3.85	3.91

The Company records and reports the assessment results of both the Board of Directors and the sub-committees to all Directors for their acknowledgement.

NOMINATION OF THE CHIEF EXECUTIVE OFFICER

The Board of Directors shall consider for approval candidates proposed for the position of Chief Executive Officer, as nominated by the N&R committee. The assessment of the prospective Chief Executive Officer is based on criteria including:

- (1) knowledge of and experience in the asphalt, petroleum and road-construction industries;
- (2) good relationship with relevant networks in our industries; and
- (3) possession of the desired competencies of leadership stipulated in the Group's Core Values.

PERFORMANCE ASSESSMENT OF THE CHIEF EXECUTIVE OFFICER AND TOP EXECUTIVES

The N&R committee assesses the performance of the Chief Executive Officer and other executive officers based on the Company's operating results, implementation of the Board's policies, BSC (Balanced Scorecard) financial and non-financial performance, e.g. maintaining CGR score, recertification for CAC program. The N&R committee will then consider the appropriate remuneration for the Chief Executive Officer and Executive Directors and propose these to the Board for approval.

As part of the assessment of CEO, the Board also conducts its own CEO self-assessment by using the form recommended by the SET. The main objective of the self-assessment form is to evaluate the performance of the Chief Executive Officer.

THE 3 CATEGORIES COVERED BY THE CEO SELF-ASSESSMENT FORM ARE AS FOLLOWS:

1. Status of achievements;
2. Performance measures, e.g. strategy formulation, financial planning, non-financial KPI such as CGR score; and
3. Development need

In 2023, assessment score from self-Assessment form was 3.89 out of 4.00. The assessment of CEO is satisfactory according to targets of achievement.

SUCCESSION PLAN

The Tipco Asphalt group has an executive succession plan in place. The Board of Directors has assigned the N&R committee to be responsible for designing suitable succession plans for the Chief Executive Officer and for other top executives. The N&R Committee reports progress related to this to the Board of Directors on a regular basis.

In 2022 the N&R Committee reviewed the succession plan for the positions of CEO and other senior executives (N-1 and N-2). Preparation of candidates for upper management positions helps

Tipco Asphalt manage risks and ensure business continuity. According to the Succession Plan, 3 nominated C-Suites are selected to undertake the development program. Such nominees shall possess all the desired qualifications including the necessary experience and knowledge, and demonstrate a profound understanding of the asphalt business, in addition to having a good reputation, leadership, a record of accomplishment, commitment and dedication, and other relevant competencies. This is in accordance with the Business Drivers which were conducted under the consultancy of an external expert - Development Dimensions Internationals Inc (DDI).

The N&R committee also continued to follow up on the development of the succession plan for the position of Chief Executive Officer. The progress is reported for the Board of Directors' acknowledgement on an annual basis. Executive coaching sessions for the potential successors have been conducted throughout the year 2023. From the coaching sessions, the successors have developed action plans to proceed. They have agreed to review their progress every six months with the mentors, including the CEO and designated executives.

In 2023, to strengthen the succession planning process by implementing additional initiatives and processes. We have selected a high-potential N-2 employee (Director level), to be assessed for an N-1 position. The assessment was made against the global data benchmarking based on talent assessment platform. As a result of the assessment, an individual development plan (IDP) is developed to support the successor growth and preparation for the promotion. The successor also be provided coaching for building the skills and experience necessary to be a successful leader in our organization.

This process will not only benefit the successor, but it will also establish a strong talent pipeline for future leadership positions, including the role of CEO.

8.1.2 Meeting Attendance and Remuneration of Individual Directors

BOARD MEETINGS

1. The Board of Directors must hold at least five meetings a year by setting meeting dates in advance and may convene extraordinary sessions if necessary;
2. The Chairman or the assigned person shall send meeting invitations specifying the date, time, venue, and agenda details to all Directors at least five business days ahead of the meeting. Except for urgent cases where the company's interests need protecting, notification of the meeting can be given through other means and the meeting can be convened earlier;
3. At a meeting of the Board of Directors, a quorum is constituted when at least ten Directors (more than two-thirds of the total number of directors) are present. If that quorum is not present within the first thirty minutes from the time when the meeting was set to begin, or if the quorum dissolves during the meeting, the meeting shall be adjourned for a minimum of seven business days;
4. In the event that the Chairman of the Board does not attend the meeting or is unable to perform his/her duty, the Vice Chairman shall step in as Chairman of the meeting. If the Vice Chairman is not present or is unable to perform his duty, the Directors present may elect one of their members to be chairman of the meeting;
5. Decisions at the meeting shall be made by majority vote;
6. Each Director shall have one vote, but a director who has interests in any matter shall not be entitled to vote on said matter; and
7. The Company Secretary or the assigned person is responsible for preparing the minutes of the meetings and for arranging the safe

keeping of such certified minutes which need approval by the Directors at the 24th Floor, Tipco Tower 1, 118/1 Rama 6 Rd., Phayathai Sub-District, Phayathai District, Bangkok 10400, and are then made available for review.

advance. The attendance of the Board of Directors Meetings, Audit Committee Meetings, Nomination and Remuneration Committee Meetings, Corporate Governance Meetings, and Shareholders' Meeting for 2023 by all Directors is summarized as follows:

The schedule for every meeting is set annually in

Name	Position	Board of Directors Meeting	Audit Committee Meeting	Nomination and Remuneration Committee Meeting	Sustainable Development and Corporate Governance Committee Meeting	Shareholders' Meeting
Mr. Chainoi Puankosoom	Chairman	5/5	-	-	-	1/1
Mr. Koh Ban Heng	<ul style="list-style-type: none"> Vice Chairman Independent Director Member of the Nomination and Remuneration committee 	5/5	-	2/2	-	1/1
Mr. Phirasilp Subhapholsiri	<ul style="list-style-type: none"> Independent Director Chairman of the Audit Committee Chairman of the Sustainable Development and Corporate Governance Committee 	5/5	12/12	-	4/4	1/1
Mr. Nopporn Thepsithar	<ul style="list-style-type: none"> Independent Director Chairman of the Nomination and Remuneration committee Member of the Audit Committee 	5/5	11/12	2/2	-	1/1
Mr. Niphon Suthimai	<ul style="list-style-type: none"> Independent Director Member of the Audit Committee Member of the Sustainable Development and Corporate Governance committee 	5/5	12/12	-	4/4	1/1
Mr. Jean-Marie Verbrugge	Independent Director	5/5	-	-	-	0/1

Name	Position	Board of Directors Meeting	Audit Committee Meeting	Nomination and Remuneration Committee Meeting	Sustainable Development and Corporate Governance Committee Meeting	Shareholders' Meeting
Mr. Frederic Gardes	Director	3/4 ^{1/}	-	-	-	0/1
Mr. Pierre Vanstoflegatte	Director	1/1 ^{2/}	-	-	-	-
Ms. Laksana Supsakorn	Director ^{3/}	3/5 ^{3/}	-	-	-	1/1
Mr. Somchit Serththin	<ul style="list-style-type: none"> • Director • Member of Nomination and Remuneration committee 	5/5	-	2/2	-	1/1
Mr. Jacques Pastor	<ul style="list-style-type: none"> • Director • Member of Nomination and Remuneration committee 	5/5	-	-	-	0/1
Mr. Chaiwat Srivalwat	<ul style="list-style-type: none"> • Executive Director • Member of the Sustainable Development and Corporate Governance Committee 	5/5	-	-	4/4	1/1
Mr. Frederic Roussel	<ul style="list-style-type: none"> • Executive Director • Member of the Sustainable Development and Corporate Governance Committee • Member of the Nomination and Remuneration Committee 	5/5	-	2/2	4/4	1/1

- During the Board of Directors meeting No.5/2023 on 13th November 2023, there was an agenda regarding discussion among the members of the Board of Directors in the absence of the Executive Directors. After the agenda, summary of comments from the non-executive directors were reported to the executive directors including the Chief Executive Officer.
 - Out of the 5 Board of Directors meetings, 2 meetings were physical and the rest were electronics meetings.
- ^{1/} Mr. Frederic Gardes resigned from the Board of Directors with effect from 30 September 2023.
- ^{2/} The Board of Directors resolved to appoint Mr. Pierre Vanstoflegatte in replacement of Mr. Frederic Gardes with effect from 13 November 2023.
- ^{3/} Ms. Laksana Supsakorn resigned from the Board of Directors with effect from 11 August 2023. Her replacement was appointed on 16 January 2024.

BOARD REMUNERATION

The N&R committee is in charge of proposing the remuneration of the Board of Directors and sub-committees to the Board of Directors and shareholders. As part of this proposal, suggested remuneration is linked with the roles and responsibilities of the Board of Directors, their current strategies, and long-term goals. The remunerations are competitive, and are benchmarked against the average remuneration of companies in relevant industries. The remuneration consists of fixed remuneration and variable remuneration.

At the 2023 AGM, the meeting resolved to

- approve the lump sum 2022 remuneration of the Company in the amount of Baht 16,880,000 million for all the Directors and members of the sub-committees.
- authorize the Board of Directors to determine variable remuneration which shall be subjected to the Company's performance.

Position	Amount per person (Baht)
Chairman of the Board	600,000
Independent Director/Executive Director/Director	400,000
Chairman of Audit committee	500,000
Audit committee member	400,000
N&R committee member	60,000
Chairman of SD&CG committee	100,000
SD&CG committee member	80,000

REMUNERATION FOR THE BOARD AND EXECUTIVES

1. In 2023, total annual fixed and variable remuneration paid stood at Baht 6,659,727 and Baht 8,507,398 which were within the budget of lump sum 2023 remuneration of the Company in the amount of Baht 16,880,000 million.
2. In 2023, there was no payment of non-financial remuneration to the Board of Directors.
3. Other remuneration: -None-

Name	Scope of Authority	2022			2023	
		Fixed	Variable	Extra	Fixed	Variable
1. Mr. Chainoi Puankosoom	Chairman / Independent Director	600,000	1,200,000	300,000	600,000	1,200,000
2. Mr. Koh Ban Heng	Vice Chairman / Independent Director	400,000	800,000	200,000	400,000	800,000
	Member of N&R Committee	60,000	-	-	60,000	-
3. Mr. Phirasilp Subhapholsiri	Independent Director	400,000	800,000	200,000	400,000	800,000
	Chairman of AC	500,000	-	-	500,000	-
	Chairman of SD&CG Committee	100,000	-	-	100,000	-
4. Mr. Nopporn Thepsithar	Independent Director	400,000	800,000	200,000	400,000	800,000
	Chairman of N&R Committee	60,000	-	-	60,000	-
	Member of AC	400,000	-	-	400,000	-
5. Mr. Niphon Suthimai	Independent Director	400,000	800,000	200,000	400,000	800,000
	Member of AC	400,000	-	-	400,000	-
	Member of SD&CG Committee	80,000	-	-	80,000	-
6. Mr. Jean-Marie Verbrugge	Independent Director	400,000	800,000	200,000	400,000	800,000
7. Mr. Frederic Gardes	Director	400,000	800,000	200,000	282,740 ^{4/}	-
8. Mr. Pierre Vanstoflegatte	Director	-	-	-	53,699 ^{4/}	107,398
9. Ms. Laksana Supsakorn	Director	400,000	800,000	200,000	243,288 ^{5/}	-
10. Mr. Somchit Serththin	Director	400,000	800,000	200,000	400,000	800,000
	Member of N&R Committee	60,000	-	-	60,000	-
11. Mr. Jacques Pastor	Director	400,000	800,000	-	400,000	800,000
	Member of N&R Committee	45,000 ^{1/}	-	-	-	-
12. Mr. Chaiwat Srivalwat	Executive Director / Chief Executive Office	400,000	712,865	-	400,000	800,000
	Member of SD&CG Committee	80,000	-	-	80,000	-
13. Mr. Frederic Roussel	Executive Director	155,342 ^{2/}	279,286	-	400,000	800,000
	Member of SD&CG Committee	30,411 ^{2/}	-	-	80,000	-
	Member of N&R Committee	8,548 ^{3/}	-	-	60,000	-
Total		6,579,301^{6/}	9,392,151	1,900,000	6,659,727	8,507,398

- ^{1/} Mr. Jacques Pastor resigned from the Nomination and Remuneration committee with effect from 1 Oct 2022.
- ^{2/} Mr. Frederic Roussel was appointed as a member of the Board of Directors and Sustainable and Development Committee in replacement of Mr. Jacques Marechal with effect from 11 August 2022 and 14 August 2022, respectively.
- ^{3/} Mr. Frederic Roussel was appointed as a member of the Nomination and Remuneration committee in replacement of Mr. Jacques Pastor with effect from 10 November 2022.
- ^{4/} The Board of Directors resolved to appoint Mr. Pierre Vanstoflegatte in replacement of Mr. Frederic Gardes with effect from 13 November 2023.
- ^{5/} Ms. Laksana Supsakorn resigned from the Board of Directors with effect from 11 August 2023. Her replacement was appointed on 16 January 2024.
- ^{6/} Total fixed remuneration of 2022 excludes remuneration of Mr. Jacques Marechal, Mr. Sitilarb Supsakorn and Mr. Hugues de Champs of 508,384 Baht.

DIRECTORS' & OFFICERS' LIABILITY INSURANCE

The Company has a Directors and Officers (D&O) liability insurance policy in place. The insurance policy has a maximum coverage of Baht 500 million that protects Directors and Officers from claims made against them.

8.1.3 Oversight of Subsidiaries, Associates, and Joint-Venture Companies

The appointment of directors and executives of a subsidiary and associated company to oversee and manage its operation is a key governance mechanism that ensures the subsidiary and associated company complies with the policy, goals, vision, medium-term business plans, and strategic growth plans efficiently. As such, the Board of Directors of Tipco Asphalt Public Company Limited (the Company) formulated their own policy for the appointment of directors and executives to subsidiaries and associated companies. The Board of Directors of the Company has assigned the Executive Committee to appoint and transfer company representatives to the Board or executive positions in subsidiaries/associated companies in accordance with shareholding proportion.

The nominated person shall have the necessary qualifications, knowledge, ethics, sense of responsibility, and leadership qualities deemed appropriate.

ROLES AND RESPONSIBILITIES

1. Ensuring that the subsidiary and associated company comply with relevant laws, regulations, Articles of Association and policy;
2. Acting in the best interests of the subsidiary and associated company and ensuring that the direction of the subsidiary/associated company's strategies, policies, and business plans is consistent with that of the Company;
3. Reporting the operating results and performance of the subsidiary and associate company to the Company on a regular basis;
4. Supervising the subsidiary and associated company to ensure compliance with the requirements of the Stock Exchange of Thailand, where such requirements are applicable to the subsidiary and associate company, e.g. entering into related party transactions, acquisition or disposal of significant assets;
5. Ensuring that the subsidiary and associated company have appropriate and adequate internal control systems; and
6. Performing any other duties in accordance with the Board of directors of the subsidiary/associate company and/or the shareholders' meeting of the subsidiary and associated company;

8.1.4 Monitoring Compliance of Corporate Governance Policy and Guidelines

The Company places importance on good corporate governance by having established policies and guidelines, detailed in the Company's Corporate Governance Policy and Code of Conduct. Good Corporate Governance is promoted to build confidence in all groups of stakeholders. In 2023, monitoring compliance with the Corporate Governance Policy and Guidelines was presented during the quarterly management review. The subsequent results showed that the Company had completely implemented the guidelines for each issue. Monitoring compliance with the Corporate Governance Policy and Guidelines covers 4 specific topics with the following details:

1. Conflict of Interest

Report of conflict of interest of Directors and Executives

Directors and executives are required to file reports on their own or any related person's interests regarding the management of the Company or any of its subsidiaries in accordance with the stipulated rules and regulations. Since these may cause conflicts of interest and can lead to the siphoning of assets, it is imperative for these to be disclosed in full. These reports ensure that all directors and executives adhere to the fiduciary duties they are bound to. The Company Secretary acknowledges, signs, and submits these reports to the Chairman of the Board and the Chairman of the Audit Committee within 7 days of their submission in compliance with Section 89/16 of the Securities and Exchange Act, B.E. 2535 (As amended).

In 2023, all members of the Board of Directors updated "Report on the interests of Directors and Executives". In addition, a new member of the Board of directors and executive filed "Report on the interests of Directors and Executives". Such reports were submitted to Chairman of the Board of Directors and Audit Committee in accordance with relevant regulation.

Report of conflict of interest of Employee

The Group continuously strives for good corporate governance practices to maintain its sustainable development. To ensure professionalism and integrity in conducting our business, the Group has reviewed its Code of Ethics to minimize potential conflicts of interest between employees and the Company. Potential conflicts of interest covered by the Code of Ethics include those involving family members of employees - parents, full-blooded brother/sister, legal spouses, children and adopted children.

While all employees are required to acknowledge their review of the Company's Code of Ethics, there is an additional requirement for the Board of Directors, all Management, and all employees in sales, procurement and purchase, to sign and submit the "Conflict of Interest: Acknowledgement and Disclosure" form. They have a responsibility to promptly notify the Group Management in writing, with an acknowledgement by the Chief People Officer, if they at any time become aware of any actual or potential conflicts of interest, or if the information provided becomes inaccurate or incomplete.

The refore, all actual and potential conflicts of interest must be disclosed whenever management and employees are discussing and making decisions related to any business matter.

In 2023, 100% of defined staffs signed the Conflict of Interest declaration form. Above all, there were three cases of violation of conflict of interest.

2. Insider Trading

The Company has an established policy and Code of Ethics governing the use of internal information, which have been incorporated into employee regulations with penalties for executives or employees who disclose internal information to outsiders for personal gain with the following details:

- Directors and executives, as well as their spouses, cohabitating partners, and minor children under legal age, including legal entities where they have more than 30% shareholding of the number of all voting rights of the juristic person, according to Article 258 of the Securities and Exchange Act of 1992, must notify and distribute information about shares held, as well as reporting any changes to SEC every time they buy, sell, transfer, or receive shares within three days of the change to comply with Article 59. Failure to do so will lead to punishment, as decreed by Clause 275 of the Securities and Exchange Act of 1992.
- In addition, the summary of the shareholding of all directors and top executives are reported quarterly to the Board of Directors meeting.
- Finally, under the Company's Code of Ethics, the Board of Directors, executives, and employees working in related departments, are prohibited from trading the Company's shares for 21 days prior to the release of the Company's quarterly and annual financial statements (blackout period) until the first calendar day after the announcement date.

In 2023, directors and top executives filed transactions as per public disclosure on <https://market.sec.or.th/public/idisc/en/r59>. In addition, summary of shareholding of director and top executives are reported to the Board of Directors on a quarterly basis. Finally, there were no transactions during the blackout period and insider trading case.

3. Anti-Corruption

The Board of Directors of the Company adopted an anti-corruption policy with the aim of preventing corruption across all value-chain activities while maintaining vigilant operations.

The Risk Management Committee established anti-corruption guidelines alongside a regular monitoring system, the results of which are reported to the Board of Directors.

The Company will continuously promote and encourage all employees and stakeholders to raise awareness for the eradication of corruption. Anti-corruption will be part of the orientation program to new employees and all employees shall acknowledge the Code of Ethics annually, which includes anti-corruption prevention. In 2023, the acknowledgment rate of the Code of Ethics by employees was 100%, with a series of refresh training for employees in Asphalt Business. We also began a series of training for employees in Construction Business.

The training covers all aspects in the Code of Ethics, including the Anti-corruption practices, from a period from 24 November to 6 December 2023. The online trainings, with a total number of 54 live-participants, were recorded as video clips and published on Intranet to be available to employees in both Thai and English.

There were no cases violating the Group's Anti-Corruption policy and guidelines in 2023.

Thailand's Private Sector Collective Action Coalition Against Corruption (CAC)

The Company encourages its Directors to attend the Anti-Corruption for Executives (ACEP) training course, while employees are encouraged to regularly participate in events related to anti-corruption efforts and initiatives.

In 2014, the Company signed the Declaration of Intent in View of Establishing Thailand's Private Sector Collective Action Coalition Against Corruption (CAC). The Company developed its policy, risk assessment framework, procedures, monitoring system, and reporting in accordance with the Self-evaluation Tools of the CAC.

The Company has been recognized as a certified company by the CAC. It was first certified on 10th November 2017 and has since passed all subsequent recertifications on 30th June 2020 and 30th June 2023. This recent certification will be valid until 30th June 2026.

Following the implementation of the self-evaluation tools 4.0 by the Institutes of Directors with effect from July 2021, the Company is undertaking the necessary actions, e.g. risk assessment, policy and guideline reviews, communication, ahead of the next recertification. Risk Assessment is conducted in accordance with the guidelines of the “Self-Evaluation Tool for Anti-Corruption System Development” Version 4.0, which covers risk for subsidiaries. The assessment template includes business activity, risk type, risk description, likelihood, impact, risk score, key control. In addition, the Company’s employees also attended the “Working Paper for Better Corruption Prevention” course. The Company participated in “No Gift Policy” campaign by CAC.

In addition to policy implementation and frequent monitoring and reporting, the Company regularly participates in the following anti-corruption events:



- 19th August 2015: the Company’s representatives participated in the Anti-corruption Program seminar organized by the Office of National Anti-Corruption Commission in collaboration with the Royal Thai Government.
- 2016: National Anti-Corruption Day activities with the theme of “Sin of Cheating” at the Sanam Luang Royal Plaza, Bangkok, organized by the Anti-Corruption Organization of Thailand (ACT) in collaboration with the Thai Chamber of Commerce and the Board of Trade of Thailand.
- 6th September 2017: Anti-Corruption Day with the theme “New Government! Old corruption! or รัฐบาลใหม่! คอร์รัปชันเก่า” at Centara Grand & Bangkok Convention Centre at CentralWorld, organized by the Thai Institute of Directors (“Thai IOD”).
- 9th December 2017: the Company’s representative participated in the International Anti-Corruption Day (Thailand) at Muang thongthaini, Nonthaburi.
- 6th September 2018: Anti-Corruption Day with the theme “คนไทย ตื่นรู้สู้โกง at Bhiraj Tower at Bangkok International Trade & Exhibition Centre (BITEC).
- 7th December 2018: International Anti-Corruption Day (Thailand) at Muangthongthaini, Nonthaburi.
- 6th September 2019: Anti-Corruption Day with the theme “รวมพลังอาสาสู้โกง” at Bhiraj Tower at Bangkok International Trade & Exhibition Centre (BITEC).
- 7th October 2019: the Company issued the No Gift Guideline through the Anti-Corruption Guideline Manual in order to provide comprehensive guidance on effective implementation of the Group’s Anti-Corruption Policy and controls.
- 9th December 2019: International Anti-Corruption Day (Thailand) “เดินหน้า ล้างโกง” at Muangthongthani, Nonthaburi.
- 15th September 2020: Anti-Corruption Day with the theme “Power of Data” through video conference.

- 6th September 2021: Anti-Corruption Day with the theme “คบเด็กสร้างชาติ” through Facebook live.
- 9th December 2021: International Anti-Corruption Day (Thailand) “Zero Tolerance ไม่ทำ ไม่นท ไม่นอว รวมไทยต้านโกง” through Facebook live.
- 6th September 2022: Anti-Corruption Day with the theme “ผู้นำ...กับการปราบโกง” at Bang Sue Grand Station.
- 9th September 2022: International Anti-Corruption Day (Thailand) “Zero Tolerance ไม่ทำ ไม่นท ไม่นอว รวมไทยต้านโกง” through Facebook live.
- 6th September 2023: Anti-Corruption Day with the theme “What the Fact” through Facebook live.



- 9th September 2023: International Anti-Corruption Day (Thailand) “BREAK the corruption” at Muang Thong Thani.



4. Whistleblowing

The Group expects all personnel, stakeholders, and external sources to monitor their compliance with corporate governance and the Code of Ethics, and encourages them to raise any questions and concerns they may have regarding these policies. In addition, they can report any misconduct or noncompliance, and send their enquiries to the Company Secretary, the Internal Audit, or the Human Resources Department.

Procedures pertaining to the reporting of violations of or non- compliance with the Code of Ethics are known by all employees and must be observed. In the event employees notice (or suspect) a violation of, or non-compliance with, the Code of Ethics, they may direct their questions or complaints by phone, e-mail or letter to any of the following persons:

1. Any independent director
2. Chief People Officer
3. Head of Internal Audit
4. Company Secretary to the Board of Directors

The above persons shall report such matters to the Chief Executive Officer - if the issue is raised against employees below the Chief Executive Officer level; or to the Board of Directors - if the issue is raised against the Chief Executive Officer and/or any director within 24 hours. The Group shall investigate all complaints with due urgency and confidentiality.

The Chief Executive Officer or Board of Directors shall appoint a fact-finding committee, comprising relevant heads of departments and Human Capital Management.

The fact-finding committee is authorized to:

- Investigate facts and witnesses
- Proceed according to relevant measures
- Propose prevention to repeating cases
- Proceed with disciplinary actions and/or prosecution according to the law

All employees are expected to cooperate in the investigations as necessary, which are conducted legally, when there is a complaint of violation or non-compliance with the Code of Ethics.

At the soonest, but no later than 14 days from its instigation, the fact-finding committee shall report the result of the investigation to the Chief Executive Officer or Board of Directors. The Human Capital Management Department shall collect the investigation reports, then notify the whistle-blower and the Board of Directors, as well as the responsible persons against whom the complaint was filed.

Measures for Protection and Compensation

Any person making complaints, reports, or cooperating with a fact-finding investigation shall be protected according to the whistle-blower protection guidelines as follows:

- Those who complain, report, or cooperate may choose not to disclose their identities. However, their identities should be disclosed to the investigators appointed by the Group to facilitate the effectiveness of any such investigations.
- The Company regards such information as confidential, and discloses such information only as necessary to ensure the safety of, and prevent harm to, those who report their sources, and other individuals involved.
- Appropriate protection will be provided to those who complain, report, or cooperate if they believe they will be under threat.
- Anyone harmed while providing information to assist the Group's investigations will be compensated in a fair and appropriate manner.

In 2023, there were three (3) cases derived via whistleblowing channels, all of which received a complete investigation with recommendations to ensure proper internal control proposed to the Board of Directors.

No.	Issues	Result of Investigation	Corrective Action
1	Personal Fraud – a staff borrowed money from a network of customers for personal use.	This issue is a misconduct against the Code of Ethics and employee's rule and regulations.	<ul style="list-style-type: none"> • Termination of employment for the staff • The management conducted a meeting with the related customers to clarify the issue and coordinate for follow-up.
2	Personal Fraud / Conflict of Interest – a staff is reported as compromising the work process for personal benefits.	This issue is a misconduct against the Code of Ethics and employee's rule and regulations.	<ul style="list-style-type: none"> • Termination of employment for the staff • The management conducted a meeting with the related parties to clarify the issue and coordinate for follow-up and legal proceedings.
3	Conflict of Interest - a staff involved in receiving personal benefits from outsourcing practices.	This issue is a misconduct against the Code of Ethics and employee's rule and regulations.	<ul style="list-style-type: none"> • Termination of employment for the staff • The management conducted a meeting with the related parties to clarify the issue and coordinate for follow-up and legal proceedings.

8.2 Report of the Audit Committee

The Audit Committee (“AC”) currently consists of three independent directors who are knowledgeable and experienced in business administration, finance, accounting, engineering and internal auditing. The AC comprises Mr. Phirasilp Subhapholsiri, Mr. Nopporn Thepsithar and Mr. Niphon Suthimai. Mr. Phirasilp serves as the Chairman of the AC.

In 2023, the AC performed its duties as required by the Company's AC Charter and as assigned by the Board of Directors (if any), in conformance with the regulations of the Stock Exchange of Thailand (“SET”). In particular, the AC was informed about the circulation letter No. 23/2566, dated 12 September 2023, by the Securities and Exchange Commission (“SEC”) to all listed companies regarding the role of the AC emphasizing the five key topics as follows:

1. Oversight of the internal control system.
2. Information disclosure and financial statements.
3. Compliance to Section 89/25 under the Securities and Exchange Act B.E. 2535.
4. Justification and monitoring on Material Transactions and Related Party Transactions.
5. Monitoring on capital raised and usage there on against objectives.

The AC, through the Company's Internal Audit Department (“IAD”) has continued to emphasize the importance of anti-corruption controls throughout the Group.

In 2023, the AC held 12 meetings, with attendance as tabulated below:

Name	Meeting Attendance/ Total Meetings
Mr. Phirasilp Subhapholsiri	12/12
Mr. Nopporn Thepsithar	11/12
Mr. Niphon Suthimai	12/12

Management, the external auditor and the IAD team attend these AC meetings as necessary. In 2022, there was AC meeting between AC members and the external auditor without the presence of management.

REVIEW OF FINANCIAL REPORTS

Every quarter, the AC reviews the quarterly and annual financial statements (of the Company and the Group) together with management and the external auditors. Among other activities, the AC holds discussions with the external auditor to ascertain the completeness and accuracy of the presentation of the Company's financial statements, key accounting adjustments, adequacy of accounting methods, scope of the audit, accuracy and adequacy of disclosures, as well as the external auditor's independence. Accordingly, the AC was satisfied that the Company's financial statements had complied with all relevant accounting standards and regulations.

The AC was satisfied that the accounting procedures and financial statements were both accurate and reliable, and that adequate and timely information had been disclosed in the financial statements for the benefit of investors and other users of the financial statements.

RISK MANAGEMENT

The current Enterprise Risk Management (ERM) process as employed in the Company was implemented in 2013, and continues to evolve to serve the interests of the Company. The ERM practice mainly focuses on identifying

and assessing uncertainties associated with strategic, operational, and business objectives. It also follows the guidance of the Committee of Sponsoring Organizations of the Treadway Commission (COSO)-ERM framework.

The AC oversees the ERM process of the Company. The AC has a specific agenda every quarter to review the progress of ERM matters in the Company. The AC also discusses specific key risks with the Company's management on a regular basis, and questions what mitigation plans the Company has in place to manage such risks. In 2023, the AC oversaw several developments in ERM for the Company, including developing the ERM framework for the Construction Group of the Company as well as to its operations in Cambodia.

The ERM process includes a formal ERM framework which consists of an ERM policy and related procedures. The corporate risks identified and assessed during this process are of critical importance for the pro-active management of risks in the Company.

REVIEW OF RELATED PARTY TRANSACTIONS

The AC reviews standard related party transactions of the Company on a quarterly basis, or more frequently in the event of any new class of related party transactions as reported by management. The AC confirms that such transactions are conducted fairly and performed for the best interests of the Company and its shareholders.

REVIEW OF INTERNAL CONTROL EFFECTIVENESS

The AC has reviewed the adequacy, appropriateness and effectiveness of the internal control system from the 2023 reports of the IAD on the Company and its subsidiaries. The AC is satisfied that the internal control system of the Company and its subsidiaries is adequate and effective for its business. The AC also evaluated the adequacy of the internal control system in accordance with The Securities Exchange Commission guidelines and noted that an adequate, appropriate, and effective system of internal control has been implemented.

REVIEW OF GOOD CORPORATE GOVERNANCE

The AC was satisfied that the Company has complied with the relevant laws, regulations (including regulations of the SET) and agreements with external parties (as necessary). The AC was also satisfied that significant related-party business transactions had been disclosed in the financial statements, and that the notes on such matters met the requirements set out by the SET and the Securities Exchange Commission. The AC agreed with the external auditor that such transactions conformed to the agreed criteria of normal business conduct.

OVERSIGHT OF INTERNAL AUDIT

The AC reviewed the reports of the IAD in 2023. This included oversight of new reviews as well as follow-up reviews to ascertain the completion of agreed actions by management.

During 2023, the IAD completed reviews of Plant Operations in Thailand as well as in foreign subsidiaries. The IAD also reviewed the controls in place for domestic sales in Thailand, as well as the oversight controls for Plant Operations in Thailand. The IAD also reviewed selected internal controls for the Company's finance and accounting function, and also performed reviews over selected head offices for foreign subsidiaries. As requested by the AC, the IAD also performs limited reviews of anti-corruption controls as part of every single review that it performs.

APPOINTMENT OF THE EXTERNAL AUDITOR FOR 2024

The AC has considered and recommended the appointment of EY Office Limited as the Company's external auditor for another year and had also reviewed their proposed audit fees for 2024. The AC also evaluated the overall credentials of EY Office Limited, such as the global network of, number of partners and staff, and other factors, of EY Office Limited. Consequently, the AC has proposed the same to the Board for approval by the shareholders at the Annual General Meeting of 2024.

In conclusion, the AC has comprehensively performed its duties and responsibilities in accordance with the AC Charter as approved by the Board of Directors. The AC also commented that the Company and its subsidiaries had properly presented their financial statements, performed in good business conduct, and implemented an appropriate and effective internal control system and internal auditing process. The Company and its subsidiaries have complied with the relevant laws, regulations and agreements while properly disclosing related party transactions under good governance practices of transparency and trustworthiness. The Company and its subsidiaries have also continually improved the internal control system in terms of quality and suitability to its business environment.



Mr. Phirasilp Subhapholsiri

Chairman of the Audit Committee

8.3 Report of Other Sub-Committees

REPORT OF THE SUSTAINABLE DEVELOPMENT AND CORPORATE GOVERNANCE COMMITTEE

The Sustainable and Development committee (SD&CG) consists of 2 independent directors (Mr. Phirasilp Subhapholsiri and Mr. Niphon Suthimai), and 2 executive directors (Mr. Chaiwat Srivalwat and Mr. Frederic Roussel).

In 2023, the SD&CG Committee continued to perform its duties as set forth in the Sustainable Development and Corporate Governance Committee Charter and held a total of 4 meetings with attendance as tabulated below:

Name	Meeting Attendance/ Total Meetings
Mr. Phirasilp Subhapholsiri	4/4
Mr. Niphon Suthimai	4/4
Mr. Frederic Roussel	4/4
Mr. Chaiwat Srivalwat	4/4

The main duties performed by the SD&CG Committee were as follows:

Sustainable Development

- Considered and approved Sustainable Development plan and key targets for 2023;
- Reviewed Sustainable Development quarterly performances and key KPI results for 2023;
- Considered and approved the preparation of the Company's Sustainability Report 2023 including the conduct of Sustainability Materiality Assessment Survey to accommodate the SD Report;
- Overseeing climate strategy and International Financial Reporting Standards IFRS S2 report: Climate-related Disclosures by Engaged reputable consultant; and

Note : In 2023, the Company received the Sustainability Disclosure Award from the Thaipat Institute for the 5 consecutive years.

Corporate Governance

- Reviewed and proposed to the Board continuous improvements on corporate governance (CG) principles, policies and guidelines in accordance with the Corporate Governance Report of Thai Listed Companies 2023 (CGR) by the Thai Institute of Directors Association (IOD);
- Reviewed and proposed to the Board continuous improvements on good practice of Annual General Meeting in accordance with the AGM Checklist by the Thai Investor Association. In 2023, the Company received a score of 98 out of 100, well exceeding the market average;
- Reviewed and proposed to the Board the submission of a Self-Evaluation Tool for Anti-Corruption System Development to ensure the Company's membership recertification by the Thailand Collective Action Against Corruption (CAC). The Company was re-certified for 2nd time, effective from 30 June 2023 until 30 June 2026; and
- Reviewed and proposed to the Board the application of each Principle and Sub-Principle of the Corporate Governance Code for listed companies 2017 (CG Code) relevant to the Company's business.

**Mr. Phirasilp Subhapholsiri**

Chairman of the Sustainable Development and
Corporate Governance Committee

REPORT OF THE NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee (N&R committee) consists of 4 directors, 2 of whom are independent directors, namely Mr. Nopporn Thepsithar (the Chairman) and Mr. Koh Ban Heng. The other directors are Mr. Frederic Roussel and Mr. Somchit Sertthin.

In 2023, the N&R Committee continued to perform its duties as set forth in the N&R committee Charter and held a total of 2 meetings with attendance as tabulated below:

Name	Meeting Attendance/ Total Meetings
Mr. Nopporn Thepsithar	2/2
Mr. Koh Ban Heng	2/2
Mr. Frederic Roussel	2/2
Mr. Somchit Sertthin	2/2

The main duties performed by the SD&CG Committee were as follows:

1. Nomination of directors

The N&R committee screened and nominated the qualified person(s) to replace directors who retired by rotation at the 2023 Annual General Meeting to the Board of Directors and shareholders and who resigned in 2023 and a new member of the Board of Directors in replacement of resigned director during 2023. As part of the nomination process, the N&R committee adhered to policies regarding director qualifications and nomination including the overall Board Skill Matrix.

2. The N&R committee followed up on the development of the succession plan for the Chief Executive Officer and top management for the continuity of the Company's operations. This matter is reported to the Board of Directors for acknowledgement on an annual basis.

3. The N&R committee proposes self-assessments to the Board of Directors and all sub-committees on an annual basis. These self-assessments include collective self-assessments and individual self-assessments. Furthermore, the N&R committee proposes evaluation forms for the Chief Executive Officer, the results of which are considered as part of CEO evaluation.

4. Proposal of remuneration

The N&R committee took into account the 2022 market survey of Directors remuneration (conducted every 2 years) of listed companies by the Institute of Directors. The survey clearly showed that the fixed remuneration of the Company's Board of Directors and its sub-committees were comparable with others in the Property and Construction and Resource industries.

- The N&R committee proposed total remuneration on a lump sum basis including fixed and variable remuneration at the maximum of 16,880,000 Baht. This includes fixed and variable remuneration for all members of the Board of Directors and Sub-committees. The remuneration per position remains unchanged comparing with 2022.

- The N&R committee also proposed the remuneration package for the Executive Directors and the Chief Executive Officer by considering certain criteria including management of the business in accordance with goals, long-term strategies and assessment results.

5. The N&R committee encourages continuous development among members of the Board of Directors by suggesting relevant training courses and seminars offered regularly by the authorities and private entities.



Mr. Nopporn Thepsithar

Chairman of the Nomination &
Remuneration Committee

REPORT ON RISK MANAGEMENT COMMITTEE

The Company recognizes the importance of Enterprise Risk Management (ERM) with the implementation of a framework, relevant policies, and development of enterprise risk management in accordance with international standards, namely COSO ERM (2017) and ISO31000 (2018) Risk Management. This is to ensure the Company's key objectives and targets are achieved efficiently, while increasing the Company's resiliency in dealing with volatilities in rapidly changing economic landscape, market environment, and climate-related risks.

In 2023, the Company's Risk Management Committee (RMC) comprised 19 members. Of these, 2 members; namely, Mr. Chaiwat Srivalwat the Chairman of the Risk Management Committee and Mr. Frederic Roussel were also members of Board of Directors and 7 members from the Executive Committee.

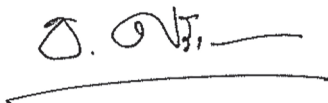
Name	Position
Mr. Chaiwat Srivalwat	Chairman of Risk Management Committee
Mr. Frederic Jacques Maurice Roussel	Member
Mr. Thierry Alain Simon Defrene	Member
Mrs. Kanya Ruengprateepsang ¹	Member
Mrs. Udornporn Punpatch	Member
Mr. Soranard Nantamontry	Member
Mr. Christophe Bernard Voy	Member
Mr. Jacques Louis Yves Marie Marechal	Member
Mr. Sanjay Grover	Member
Mr. Puwanat Wantanachaisaeng	Member
Mrs. Sarinee Chumchuensuk	Member
Mr. Tanawat Tangudomlert	Member
Ms. Promporn Kanjanarat	Member
Mr. Martin Stanislaw Brzuska	Member
Ms. Chitmanee Chiranantaratana	Member
Mr. Kris Sertthin	Member
Mr. Suphat Pipitawan	Member
Mr. Surapon Katekaew	Member
Mr. Fabien Stephane Luc Gil	Member
Mr. Chatwaruth Musigchai	Secretary

^{1/} Mrs. Kanya Ruengprateepsang resigned with effective date of 30 September 2023.

The Risk Management Committee performed its full duties within its scope of roles and responsibilities as prescribed in its roles and responsibilities. In 2023, the Risk Management Committee arranged one RMC meeting, which 17 committee members participated in. The meeting agendas focused primarily on developing enterprise risk management. The Risk Management Committee then reported the meeting summary to the Executive Committee and the Broad of Directors for consideration.

Major details of the meeting can be summarized as follows:

- the Group's Enterprise Risk Management Policy was revised and approved by the broad of directors in May 2023. Key change in the revised Policy was the inclusion of the ISO 31000 (2018) Risk Management requirements/guidelines as additional enterprise risk management frameworks.
- The Company's Corporate Risk Appetite was revised. In particular, the Impact Criteria, called Business Continuity for both Plant Operations and IT were revisited and discussed. These provided the specific perspectives when assessing the impact of plant operation and IT-related risks.
- Summaries on Enterprise Risk Management progresses in 2023 and work plan for 2024. In 2023, Enterprise Risk Management practice implementations were extended to the Construction Business and the subsidiary in Cambodia.
- Revision of the Group's Top Corporate Risks. These include key business risks and emerging risks. The main areas of focus centered the impact/likelihood assessment of key risks and the consideration of other potential risk factors that could impact the Group in the near future.
- With reference to the Company's climate strategy, the RMC was updated on climate risk identification and assessment, in accordance with IFRS S2 Climate-related Disclosures.



Mr. Chaiwat Srivalwat

Chairman of Risk Management
Committee

9. Internal Control and Connected Transactions

9.1 Internal Control

The internal control system of the Group generally conforms to the internal control model advocated by the Committee of Sponsoring Organizations of the Treadway Commission (or, COSO). Management has instituted an appropriate control environment for the organization, which is further guided by the five core values of the Group (that is, Teamwork, Integrity, Prudence, Commitment and Open-mindedness).

This control environment is supported by an organizational structure that has been developed to support the realization of the Group's strategic objectives. The organizational structure sets out clearly delineated lines of responsibility whilst promoting co-ordination across departments. A Chart of Authority (which is regularly reviewed and updated) is in place to set out the authority limits of management at all levels of the Group so they can achieve the organizational objectives.

The Group's core value of Prudence reinforces the importance of good corporate governance (or, CG) at the Group. This is further reflected by the implementation of a systematic enterprise risk management (or, ERM) process at the Group.

This involves the identification, assessment and management of threats and or incidents that may affect the Group. The establishment of a CG Committee (a sub-committee of the Board of Directors) further emphasizes the value of good CG for the Group. Risks at all levels of the Group are managed through an effective internal control system that is periodically reviewed and updated to reflect the evolving needs of the business. The system of internal controls is documented in procedural manuals and is subjected to independent reviews by the Group's internal audit function.

The Company's commitment to information technology (IT) is clearly demonstrated by its investment in the Oracle enterprise resource planning (or, ERP) solution, which went "live" in late 2017. The investment in the Oracle ERP system, as well as other investments in IT in recent years, have been instrumental in facilitating business continuity in recent years, which was greatly beneficial in minimizing the impact from the COVID-19 pandemic.

The Company also has appropriate communication channels in place (using IT where applicable) to facilitate the monitoring of operations and key controls by both operating management and Senior Management of the Group. Finally, the Audit committee assessed and proposed to the Board of Directors the adequacy of the internal control system of the Company through a complete COSO form, as provided by the Securities Exchange Commission (SEC), which was prepared by the management. The Board of Directors and Audit committee deemed the Company's internal control system adequate.

AUDIT COMMITTEE'S OPINION OF THE SENIOR MANAGER - INTERNAL AUDIT DEPARTMENT

The AC and the Chief Executive Officer jointly appointed Mr. Joseph Soosay as Senior Manager - Internal Audit with effect from 16 July 2012. We hereby express our opinion that the Senior Manager - Internal Audit Department of the Company is adequately experienced to manage the IAD. As a Certified Internal Auditor, he is suitably qualified to fulfil his duties in accordance with the Standards of the Institute of Internal Auditors. The professional credentials of the Senior Manager - Internal Audit Department are listed in the table below:

FULL NAME	PROFESSIONAL CERTIFICATIONS	RECENT WORK EXPERIENCE	
		PERIOD	POSITION/ COMPANY
Joseph Mugilen Soosay Manickam	Certified Internal Auditor (CIA);	2012 - Present	Senior Manager - Internal Audit/ Tipco Asphalt Public Co., Ltd.
	Chartered Management Accountant (ACMA); Chartered Global Management Accountant (CGMA)	2008 - 2012	Associate Director - Advisory Services/ PricewaterhouseCoopers FAS Ltd.

The Senior Manager - Internal Audit reports functionally to the AC and administratively to the Chief Executive Officer. The appointment, removal and transfer of the Senior Manager - Internal Audit Department is subject to approval by the AC and the Chief Executive Officer.

9.2 Connected Transactions

Connected transactions between the Company and/or subsidiary and connected party shall be transacted in accordance with section 89/12 of the Securities and Exchange Act B.E. 2535. The Board of Directors approved the general commercial conditions for ordinary business transaction and ordinary business support transaction which can be executed by management as follows:

- Sales and services provided to/received from related companies are transacted in accordance with the market price/contract price
- Rental and service expenses paid to/received from related companies are in accordance with the market price/ contract price
- Technical Assistance fee expenses are paid in accordance with the rate stated in the technical assistance contract

The summary of ordinary business support transactions and Ordinary business support transactions with general commercial condition were as follows:

Unit: THB Million	Related Companies, Details and Amount		2022	2023	Pricing Policy
Sales and Services Provided to	Asia Bitumen Trading Pte Ltd.	Sales - Asphalt Cement	35	-	Market price/ Contract price
	Phoenix Asphalt Philippines Inc.	Sales - Asphalt Cement	499	291	
	Colas S.A. (Colas S.A., Sami Bitumen Technology)	Sales - Asphalt Cement and provide services	2,034	2,193	
	Siam Container Transport and Terminal Co., Ltd.	Provide services	2	2	
	Tipco Tower Co., Ltd.	Provide services	1	1	
	Marketing Consultant Co., Ltd.	Provide services	2	1	
	TN Joint Venture	Sales - Asphalt cement and oil and provide supporting services, interest income, revenue from construction contract	388	506	
	NTH Joint Venture	Provide supporting services	109	4	
	ISCO Industry PTE	Sales - Aqua Quick	13	54	
	Borneo Asphalt Sdn. Bhd.	Sales - Asphalt Cement and provide services	248	186	
	Continental Bitumen Ltd.	Sales - Asphalt Cement and provide consultancy and marine management services	400	17	
	Seneoudom Sole Co., Ltd.	Sales - Asphalt cement	20	34	
	Narval Group (Atlantic, Baltic, MC Asphalt)	Provide marine management services	11	17	
Total Revenues			3,762	3,306	

Unit: THB Million	Related Companies, Details and Amount		2022	2023	Pricing Policy
Rental and Service Expenses Paid to	Siam Container Transport and Terminal Co., Ltd	Service - Transportation & Customs Clearance	8	4	Market price/ Contract price
	Tipco F&B Co., Ltd.	Other services	3	2	
	Tipco Tower Company Limited	Office rental and other services	33	40	
	Marketing Consultant Co., Ltd.	Other services	1	-	
	PT SARANA DISTRIBUSI ASPHALT NUSANTARA	Other services	3	3	
	Colas S.A.	Project management services	42	41	
	Ruamsupsin Co., Ltd.	Other services	4	4	
	ISCO Industry PTE	Other services	3	-	
	Asia Bitumen Trading Pte Ltd.	Purchases of goods	272	535	
	Other Joint Operators (TN Joint Venture and NTH Joint Venture	Other services	332	394	
	Sub Total	701	1,023		
Technical Assistance Fee Expenses Paid to	Colas S.A.	Technical assistance fee	44	47	Contract price
Total Expenses			745	1,070	

Loans to related parties and loan from related parties as of 2023

Lender	Borrower	Term	Pricing Policy
Tipco Asphalt PLC.	Alpha Maritime Co. Ltd.	3%	Market comparable
Tipco Asphalt PLC.	Pacific Bitumen Ptd. Ltd.	SOFR + 1.5%	Market comparable
Raycol Asphalt Co.,Ltd.	Tipco Asphalt PLC.	1.20%	Market comparable
Thanomwongse Service Co.,Ltd.	TN Joint Venture	3.90 – 4.28%	Cost plus certain margin
Nawarat Patanakarn PLC.	TN Joint Venture	7.05%	Market comparable

Connected transactions with Tipco Tower Co.,Ltd.

The Company reviewed its leasing contract for the use of its office rental from 1st January 2022 - 31st December 2024 with Tipco Tower Co. Ltd., which boasts full facilities, a reasonable renting price and continued business operations. Transactions with the Tipco tower Co., Ltd., which has common directors with the Group, followed general conditions and were based on market prices with no transfer of benefit.

Connected transactions with Thai Slurry Seal Co., Ltd.

The Company increased its shareholding from 25% to 62.5% of total of issued and paid-up shares of Thai Slurry Seal Co. Ltd., engaged in road construction and maintenance services. Transactions with Thai Slurry Seal Co., Ltd., which has common directors with the Group, will enable the Company to increase its involvement in the road construction and maintenance business. In addition, the transaction will increase future business potential and support the mission and vision of the Company. The Board of Directors meeting considered the offering price and deemed it both reasonable and beneficial to the Company and the Company's shareholders.

Notification to SET:

<https://weblink.set.or.th/dat/news/202101/21006412.pdf>

Details on the connected transactions of the past 3 years are shown in annual report at

<https://www.tipcoasphalt.com/investor-relations/publications/annual-report-56-1-one-report/?lang=en>

REPORT OF THE BOARD OF DIRECTORS' RESPONSIBILITIES FOR FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the consolidated and separate financial statements of Tipco Asphalt Public Company Limited and other financial information appears in the 56-1 One Report in accordance with the Public Company Limited Act of 1992, the Securities and Exchange Act of 1992, and the announcement of the Capital Market Supervisory Board concerning the criteria, conditions, and reporting method for the disclosure of information on financial status and performance of companies that issue securities.

The financial statements were prepared in accordance with Thai Financial Reporting Standards and free from material misstatement, whether due to fraud or error, while the Accounting Policies are selected for their appropriateness and consistently implemented. The financial statements are also prepared with careful considerations and best possible estimates while significant information is sufficiently and transparently disclosed in the notes for the benefits of shareholders and other investors. The Company's external auditor has reviewed and audited the financial statements and expressed an unqualified opinion in the auditor's report.

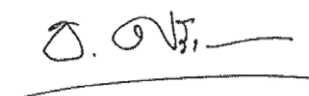
The Board of Directors had appointed the Audit Committee, comprised of independent directors whose qualifications are in accordance with requirements of the Stock Exchange of Thailand, to review the accuracy and sufficiency of the Company's financial reports and the disclosures of related transactions and the adequacy and efficiency of internal control system. The opinion of the Audit Committee is reported in the Audit Committee's report published in this 56-1 One Report.

The Board of Directors is of opinion that the consolidated and separate financial statements of the Company ended 31st December 2023 had presented fairly, in all material respects, the financial position and financial performance in accordance with Thai Financial Reporting Standards.



(Mr. Chainoi Puankosoom)

Chairman



(Mr. Chaiwat Srivalwat)

Chief Executive Officer

03

FINANCIAL STATEMENTS

- Financial Statements
- **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
- **Attachment 2** : Details of the directors of subsidiaries
- **Attachment 3** : Details of the Heads of the Internal Audit and Compliance Units
- **Attachment 4** : Assets for business undertaking and details of asset appraisal
- **Attachment 5** : Unabridged policy and guidelines on corporate governance and unabridged code of business conduct prepared by the Company





Independent Auditor's Report

To the Shareholders of Tipco Asphalt Public Company Limited

Opinion

I have audited the accompanying consolidated financial statements of Tipco Asphalt Public Company Limited and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2023, and the related consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and have also audited the separate financial statements of Tipco Asphalt Public Company Limited for the same period.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Tipco Asphalt Public Company Limited and its subsidiaries and of Tipco Asphalt Public Company Limited as at 31 December 2023, their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Group in accordance with the *Code of Ethics for Professional Accountants including Independence Standards* issued by the Federation of Accounting Professions (Code of Ethics for Professional Accountants) that are relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code of Ethics for Professional Accountants. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, were of most significance in my audit of the financial statements of the current period. These matters were addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

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 matters and how audit procedures respond for each matter are described below.

Valuation of commodity forward contracts

As discussed in Notes 4 and 30 to the consolidated financial statements, the Group has entered into derivatives to protect the exposure from the fluctuation in price of commodities, with many counterparties, and presented the fair value of such derivatives in the financial statements. Management therefore relied on a valuation technique and model suggested by expert, in which the assumptions used in the model were based on comparable and observable market inputs. The difference in assumption used in calculation affected the fair value of such derivatives presented in the financial statements.

I gained an understanding of the transaction and recording process of fair value of commodity forward contracts. I sent the confirmations to counterparties to determine the completeness of transaction. I verified supporting documents and recalculated the fair value of such commodity forward contract transactions, on a sampling basis, for actual transactions occurring during the year. In addition, I tested the calculation of the fair value of derivatives at the end of reporting period and reviewed the appropriateness of such fair value used by comparing to the counterparties' information and available market inputs. Moreover, I examined the information disclosed in notes to the consolidated financial statements for appropriateness and completeness.

Other Information

Management is responsible for the other information. The other information comprise the information included in annual report of the Group, but does not include the financial statements and my auditor's report thereon. The annual report of the Group is expected to be made available to me after the date of this auditor's report.

My opinion on the financial statements does not cover the other information and I 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 Group, 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 Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

I am responsible for the audit resulting in this independent auditor's report.

Krongkaew Limkittikul

Certified Public Accountant (Thailand) No. 5874

EY Office Limited

Bangkok: 9 February 2024

Tipco Asphalt Public Company Limited and its subsidiaries
Statement of financial position
As at 31 December 2023

(Unit: Baht)

	<u>Note</u>	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
		<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Assets					
Current assets					
Cash and cash equivalents		3,001,571,115	2,603,494,942	853,257,473	546,475,445
Trade and other receivables	6, 7	4,624,342,863	6,988,214,278	3,239,658,066	5,644,218,500
Contract assets	8	979,152,846	1,146,128,460	-	-
Short-term loans to related parties	6	158,487,238	40,928,476	40,000,000	110,000,000
Inventories	9	4,907,953,444	4,982,918,932	3,594,088,580	3,774,333,213
Current tax assets		84,994,628	66,715,497	-	-
Derivative - commodity forward contracts	30	100,521,019	128,761,876	100,521,019	128,761,876
Advance payments for inventories and services	6	306,256,637	307,809,850	726,880	1,404,748
Other current assets		216,846,443	241,904,611	56,414,533	50,242,971
Total current assets		14,380,126,233	16,506,876,922	7,884,666,551	10,255,436,753
Non-current assets					
Investments in subsidiaries	10	-	-	8,203,108,878	8,376,058,878
Investments in joint ventures	11	150,345,811	135,315,828	67,552,611	67,552,611
Investments in associates	12	564,219,500	507,246,214	18,403,580	18,403,580
Long-term loans to related parties	6	-	-	384,675,016	514,356,144
Investment properties	13	189,032,559	189,032,559	94,342,234	94,342,234
Property, plant and equipment	14	7,001,271,119	7,586,835,835	694,361,042	745,966,145
Right-of-use assets	19	753,726,582	739,555,981	96,086,211	89,752,128
Goodwill		195,932,109	195,932,109	-	-
Intangible assets	15	127,413,602	191,105,885	18,669,046	19,713,781
Deferred tax assets	23	153,078,532	107,256,152	54,013,352	29,025,367
Other non-current assets		148,944,661	98,025,452	1,088,976	3,242,252
Total non-current assets		9,283,964,475	9,750,306,015	9,632,300,946	9,958,413,120
Total assets		23,664,090,708	26,257,182,937	17,516,967,497	20,213,849,873

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

Tipco Asphalt Public Company Limited and its subsidiaries
Statement of financial position (continued)
As at 31 December 2023

(Unit: Baht)

	<u>Note</u>	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
		<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Liabilities and shareholders' equity					
Current liabilities					
Short-term loans from financial institutions	16	2,164,558,027	3,230,549,084	1,731,696,411	2,908,319,823
Trade and other payables	6, 17	2,848,103,764	3,732,364,714	3,296,490,734	4,203,363,259
Contract liabilities	8	438,530,590	683,309,723	2,330,849	33,851,005
Current portion of lease liabilities	19	114,425,062	101,790,845	28,190,378	22,698,052
Short-term loans from related parties	6	123,870,480	110,967,305	60,000,000	100,000,000
Income tax payable		121,652,544	520,014,837	71,099,402	449,766,495
Derivative - commodity forward contracts	30	13,709,512	197,697	13,709,512	197,697
Other current liabilities		116,722,439	147,089,233	6,501,720	8,033,309
Total current liabilities		5,941,572,418	8,526,283,438	5,210,019,006	7,726,229,640
Non-current liabilities					
Lease liabilities - net of current portion	19	328,125,495	322,204,162	69,578,689	68,771,087
Deferred tax liabilities	23	252,852,918	369,714,692	-	-
Provision for long-term employee benefits	20	239,470,741	246,786,202	131,027,982	135,103,822
Total non-current liabilities		820,449,154	938,705,056	200,606,671	203,874,909
Total liabilities		6,762,021,572	9,464,988,494	5,410,625,677	7,930,104,549

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

Tipco Asphalt Public Company Limited and its subsidiaries
Statement of financial position (continued)
As at 31 December 2023

(Unit: Baht)

	<u>Note</u>	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
		<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Shareholders' equity					
Share capital					
Registered					
1,578,361,570 ordinary shares of Baht 1 each		<u>1,578,361,570</u>	<u>1,578,361,570</u>	<u>1,578,361,570</u>	<u>1,578,361,570</u>
Issued and fully paid					
1,578,361,570 ordinary shares of Baht 1 each		1,578,361,570	1,578,361,570	1,578,361,570	1,578,361,570
Premium on share capital		1,327,141,921	1,327,141,921	1,327,141,921	1,327,141,921
Other deficits		(564,073,047)	(564,073,047)	-	-
Retained earnings					
Appropriated - statutory reserve	21	172,123,329	172,123,329	172,123,329	172,123,329
Unappropriated		14,336,373,950	14,003,178,416	8,981,041,820	9,082,474,145
Other components of shareholders' equity		<u>(512,759,311)</u>	<u>(284,026,930)</u>	<u>47,673,180</u>	<u>123,644,359</u>
Equity attributable to owners of the Company		<u>16,337,168,412</u>	<u>16,232,705,259</u>	<u>12,106,341,820</u>	<u>12,283,745,324</u>
Non-controlling interests of the subsidiaries		<u>564,900,724</u>	<u>559,489,184</u>	-	-
Total shareholders' equity		<u>16,902,069,136</u>	<u>16,792,194,443</u>	<u>12,106,341,820</u>	<u>12,283,745,324</u>
Total liabilities and shareholders' equity		<u>23,664,090,708</u>	<u>26,257,182,937</u>	<u>17,516,967,497</u>	<u>20,213,849,873</u>
		-	-	-	-

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

Directors

Tipco Asphalt Public Company Limited and its subsidiaries
Statement of comprehensive income
For the year ended 31 December 2023

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2023	2022	2023	2022
Profit or loss:					
Revenues					
Sales and service income		27,604,647,348	30,024,760,275	23,383,179,342	25,944,953,712
Revenues from construction contracts		3,501,351,239	3,375,779,293	-	-
Other income					
Dividend income from subsidiaries	10	-	-	195,074,896	465,329,556
Dividend income from an associate	12	-	-	65,872,712	119,591,865
Gain on exchange		86,237,025	107,662,484	67,580,107	110,615,489
Others		159,807,769	214,195,832	127,656,338	173,741,646
Total revenues		31,352,043,381	33,722,397,884	23,839,363,395	26,814,232,268
Expenses					
Cost of sales and services		23,727,964,309	25,129,895,827	20,634,689,217	22,089,570,743
(Gain) loss from commodity forward contracts	30	(146,012,843)	679,755,777	(146,012,843)	679,755,777
Reduction of cost of inventories to net realisable value	9	46,906,180	197,582	27,843,706	1,886,953
		23,628,857,646	25,809,849,186	20,516,520,080	22,771,213,473
Cost of construction		3,339,497,675	3,229,323,111	-	-
Selling expenses		161,681,345	160,339,649	93,813,817	96,079,106
Administrative expenses		1,100,185,051	1,153,911,525	623,463,981	632,135,036
Other expenses					
Impairment loss of investment in subsidiaries (reversal)	10	-	-	172,950,000	(60,775,864)
Impairment loss on property, plant and equipment (reversal)	14	(625,000)	199,941,927	(625,000)	3,822,552
Total expenses		28,229,596,717	30,553,365,398	21,406,122,878	23,442,474,303
Profit from operating activities		3,122,446,664	3,169,032,486	2,433,240,517	3,371,757,965
Share of profit (loss) from investments in joint ventures	11	(10,514,237)	9,094,506	-	-
Share of profit from investments in associates	12	122,381,743	151,933,984	-	-
Finance income		28,501,888	23,658,248	35,653,587	25,111,202
Finance cost		(142,966,422)	(113,215,419)	(75,267,856)	(69,405,491)
Expected credit losses	7	(211,175,516)	(120,240,367)	(81,371,743)	(20,911,166)
Profit before income tax		2,908,674,120	3,120,263,438	2,312,254,505	3,306,552,510
Income tax	23	(583,203,240)	(737,552,345)	(440,759,917)	(573,009,036)
Profit for the year		2,325,470,880	2,382,711,093	1,871,494,588	2,733,543,474

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

Tipco Asphalt Public Company Limited and its subsidiaries
Statement of comprehensive income (continued)
For the year ended 31 December 2023

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2023	2022	2023	2022
Other comprehensive income:					
<i>Other comprehensive income to be reclassified</i>					
<i>to profit or loss in subsequent periods:</i>					
Exchange differences on translation of					
financial statements in foreign currencies		(165,677,191)	(19,833,565)	-	-
Gain (loss) on cash flow hedges - net of income tax	23, 30	(75,971,179)	151,252,557	(75,971,179)	151,252,557
Other comprehensive income to be reclassified					
to profit or loss in subsequent periods - net of income tax		(241,648,370)	131,418,992	(75,971,179)	151,252,557
<i>Other comprehensive income not to be reclassified</i>					
<i>to profit or loss in subsequent periods:</i>					
Actuarial gain - net of income tax	20, 23	604,200	3,728,424	-	10,383,370
Other comprehensive income not to be reclassified					
to profit or loss in subsequent periods - net of income tax		604,200	3,728,424	-	10,383,370
Other comprehensive income for the year		(241,044,170)	135,147,416	(75,971,179)	161,635,927
Total comprehensive income for the year		2,084,426,710	2,517,858,509	1,795,523,409	2,895,179,401
Profit attributable to:					
Equity holders of the Company		2,305,518,247	2,366,511,142	1,871,494,588	2,733,543,474
Non-controlling interests of the subsidiaries		19,952,633	16,199,951	-	-
		<u>2,325,470,880</u>	<u>2,382,711,093</u>		
Total comprehensive income attributable to:					
Equity holders of the Company		2,077,390,066	2,521,808,071	1,795,523,409	2,895,179,401
Non-controlling interests of the subsidiaries		7,036,644	(3,949,562)	-	-
		<u>2,084,426,710</u>	<u>2,517,858,509</u>		
Earnings per share	26				
Basic earnings per share					
Profit attributable to equity holders of the Company		1.46	1.50	1.19	1.73

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

Tipco Asphalt Public Company Limited and its subsidiaries
Statement of changes in shareholders' equity
For the year ended 31 December 2023

	Consolidated financial statements											(Unit: Baht)
	Equity attributable to owners of the Company											
	Other components of equity											
	Issued and paid-up share capital	Premium on share capital	Other deficits	Appropriated statutory reserve	Unappropriated	Retained earnings	Other components of equity	Exchange differences on translation of financial statements in foreign currencies	Cash flow hedge reserve	Total other components of shareholders' equity	Total equity attributable to shareholders of the Company	
Balance as at 1 January 2022	1,578,361,570	1,327,141,921	(564,073,047)	172,123,329	13,285,766,211	(403,758,787)	(27,608,198)	(431,366,985)	15,367,952,999	569,329,257	15,937,282,256	15,937,282,256
Profit for the year	-	-	-	-	2,366,511,142	-	-	-	2,366,511,142	16,199,951	2,382,711,093	2,382,711,093
Other comprehensive income for the year	-	-	-	-	7,956,874	(3,912,502)	151,252,557	147,340,055	155,296,929	(20,149,513)	135,147,416	135,147,416
Total comprehensive income for the year	-	-	-	-	2,374,468,016	(3,912,502)	151,252,557	147,340,055	2,521,808,071	(3,949,562)	2,517,858,509	2,517,858,509
Dividend paid (Note 28)	-	-	-	-	(1,657,055,811)	-	-	-	(1,657,055,811)	-	(1,657,055,811)	(1,657,055,811)
Dividend paid to non-controlling interests of subsidiaries	-	-	-	-	-	-	-	-	-	(5,890,511)	(5,890,511)	(5,890,511)
Balance as at 31 December 2022	1,578,361,570	1,327,141,921	(564,073,047)	172,123,329	14,003,178,416	(407,671,289)	123,644,359	(284,026,930)	16,232,705,259	559,489,184	16,792,194,443	16,792,194,443
Balance as at 1 January 2023	1,578,361,570	1,327,141,921	(564,073,047)	172,123,329	14,003,178,416	(407,671,289)	123,644,359	(284,026,930)	16,232,705,259	559,489,184	16,792,194,443	16,792,194,443
Profit for the year	-	-	-	-	2,305,518,247	(152,761,202)	(75,971,179)	(228,732,381)	2,305,518,247	19,952,633	2,325,470,880	2,325,470,880
Other comprehensive income for the year	-	-	-	-	604,200	(152,761,202)	(75,971,179)	(228,732,381)	(228,732,381)	(12,915,989)	(241,044,170)	(241,044,170)
Total comprehensive income for the year	-	-	-	-	2,306,122,447	(152,761,202)	(75,971,179)	(228,732,381)	2,077,390,066	7,036,644	2,084,426,710	2,084,426,710
Dividend paid (Note 28)	-	-	-	-	(1,972,926,913)	-	-	-	(1,972,926,913)	-	(1,972,926,913)	(1,972,926,913)
Dividend paid to non-controlling interests of subsidiaries	-	-	-	-	-	-	-	-	-	(1,625,104)	(1,625,104)	(1,625,104)
Balance as at 31 December 2023	1,578,361,570	1,327,141,921	(564,073,047)	172,123,329	14,336,373,950	(560,432,491)	47,673,180	(512,759,311)	16,337,168,412	564,900,724	16,902,069,136	16,902,069,136

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

Tipco Asphalt Public Company Limited and its subsidiaries
Statement of changes in shareholders' equity (continued)
For the year ended 31 December 2023

	Separate financial statements										(Unit: Baht)
	Issued and paid-up share capital	Premium on share capital	Retained earnings		Other components of shareholders' equity			Total shareholders' equity	Total shareholders' equity	Total shareholders' equity	
			Appropriated statutory reserve	Unappropriated	Cash flow hedge reserve	Other comprehensive income	Total other components of shareholders' equity				
Balance as at 1 January 2022	1,578,361,570	1,327,141,921	172,123,329	7,995,603,112	(27,608,198)	(27,608,198)	11,045,621,734				
Profit for the year	-	-	-	2,733,543,474	-	-	2,733,543,474				
Other comprehensive income for the year	-	-	-	10,383,370	151,252,557	151,252,557	161,635,927				
Total comprehensive income for the year	-	-	-	2,743,926,844	151,252,557	151,252,557	2,895,179,401				
Dividend paid (Note 28)	-	-	-	(1,657,055,811)	-	-	(1,657,055,811)				
Balance as at 31 December 2022	1,578,361,570	1,327,141,921	172,123,329	9,082,474,145	123,644,359	123,644,359	12,283,745,324				
Balance as at 1 January 2023	1,578,361,570	1,327,141,921	172,123,329	9,082,474,145	123,644,359	123,644,359	12,283,745,324				
Profit for the year	-	-	-	1,871,494,588	-	-	1,871,494,588				
Other comprehensive income for the year	-	-	-	-	(75,971,179)	(75,971,179)	(75,971,179)				
Total comprehensive income for the year	-	-	-	1,871,494,588	(75,971,179)	(75,971,179)	1,795,523,409				
Dividend paid (Note 28)	-	-	-	(1,972,926,913)	-	-	(1,972,926,913)				
Balance as at 31 December 2023	1,578,361,570	1,327,141,921	172,123,329	8,981,041,820	47,673,180	47,673,180	12,106,341,820				

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

Tipco Asphalt Public Company Limited and its subsidiaries

Cash flow statement

For the year ended 31 December 2023

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Cash flows from operating activities:				
Profit before income tax	2,908,674,120	3,120,263,438	2,312,254,505	3,306,552,510
Adjustments to reconcile profit before income tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	1,195,350,448	1,218,709,362	173,180,326	203,960,245
Written off withholding tax	7,142,584	13,671,526	-	-
Expected credit losses	211,175,516	120,240,367	81,371,743	20,911,166
Reduction of cost of inventories to net realisable value	46,906,180	197,582	27,843,706	1,886,953
Impairment loss of investment in subsidiaries (reversal)	-	-	172,950,000	(60,775,864)
Impairment loss on property, plant and equipment (reversal)	(625,000)	199,941,927	(625,000)	3,822,552
Dividend income from subsidiaries	-	-	(195,074,896)	(465,329,556)
Dividend income from an associate	-	-	(65,872,712)	(119,591,865)
Unrealised (gain) loss on exchange	28,926,516	(18,557,651)	30,827,761	(51,944,853)
(Gain) loss on sales/written off of equipment	9,554,788	(40,010,554)	(2,520,129)	(46,010,142)
Gain on sales/written off of computer software	(47,465)	-	(66,339)	-
Gain on disposal of investment in a subsidiary	-	(35,343,050)	-	-
Share of (profit) loss from investments in joint ventures	10,514,237	(9,094,506)	-	-
Share of profit from investments in associates	(122,381,743)	(151,933,984)	-	-
Provision for long-term employee benefits	31,683,905	32,384,457	16,044,604	16,239,107
Change in fair value of forward exchange contracts	2,995,664	(20,761,123)	2,987,467	(20,943,968)
Change in fair value of commodity forward contracts	(53,211,303)	18,471,125	(53,211,303)	18,471,125
Finance income	(28,501,888)	(23,658,248)	(35,653,587)	(25,111,202)
Finance cost	128,469,235	99,987,900	69,573,961	63,553,370
Profit from operating activities before changes in operating assets and liabilities	4,376,625,794	4,524,508,568	2,534,010,107	2,845,689,578
(Increase) decrease in operating assets				
Trade and other receivables	2,150,018,355	(2,926,309,405)	2,315,458,809	(2,876,262,783)
Contract assets	159,478,903	(273,267,793)	-	-
Inventories	27,951,810	1,386,885,446	152,400,927	1,397,292,445
Advance payments for inventories and services	(2,406,237)	91,053,949	677,868	4,812,830
Other current assets	(107,782,344)	(147,606,991)	(50,709,715)	(34,211,774)
Other non-current assets	(4,916,485)	(1,702,447)	2,153,276	442,249
Increase (decrease) in operating liabilities				
Trade and other payables	(872,850,306)	758,542,674	(769,233,372)	388,361,865
Contract liabilities	(244,779,133)	(139,864,352)	(31,520,157)	33,263,187
Other current liabilities	(34,821,472)	49,581,820	(5,234,549)	(8,915,177)
Other non-current liabilities	(38,205,898)	(25,945,798)	(20,120,444)	(14,012,417)
Cash flows from operating activities	5,408,312,987	3,295,875,671	4,127,882,750	1,736,460,003
Cash paid for corporate income tax	(1,240,270,362)	(395,811,582)	(825,422,200)	(153,917,266)
Net cash flows from operating activities	4,168,042,625	2,900,064,089	3,302,460,550	1,582,542,737

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

Tipco Asphalt Public Company Limited and its subsidiaries

Cash flow statement (continued)

For the year ended 31 December 2023

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Cash flows from investing activities:				
Cash paid for investment in a joint venture	(10,000,000)	-	-	-
Dividend received from subsidiaries	-	-	195,074,896	465,329,556
Dividend received from an associate	65,872,712	119,591,865	65,872,712	119,591,865
(Increase) decrease in short-term loans to related parties	(117,558,762)	(15,702,355)	70,000,000	-
Cash receipt from interest	26,818,646	23,648,120	5,139,501	589,070
Acquisition and cash paid to settle payables from purchases of equipment	(410,160,612)	(411,140,119)	(43,599,200)	(23,989,087)
Cash paid for acquisitions of computer software	(6,741,321)	(7,902,121)	(5,538,819)	(6,326,665)
Proceeds from sales of equipment and vessel	21,437,255	539,896,875	2,935,166	52,814,603
Proceeds from sales of computer software	92,357	-	66,377	-
Net cash flows from (used in) investing activities	(430,239,725)	248,392,265	289,950,633	608,009,342
Cash flows from financing activities:				
Decrease in short-term loans from financial institutions	(1,063,000,430)	(173,376,275)	(1,176,623,412)	(187,926,973)
Increase (decrease) in short-term loans from related parties	12,903,175	110,967,305	(40,000,000)	20,000,000
Payment of principal of lease liabilities	(121,958,163)	(121,270,455)	(25,963,051)	(27,518,932)
Dividend paid to shareholders	(1,972,947,058)	(1,656,636,145)	(1,972,947,058)	(1,656,636,145)
Dividend paid to non-controlling interests of subsidiaries	(1,625,104)	(5,890,511)	-	-
Interest paid	(124,597,146)	(103,617,871)	(70,095,634)	(63,312,640)
Net cash flows used in financing activities	(3,271,224,726)	(1,949,823,952)	(3,285,629,155)	(1,915,394,690)
Exchange differences on translation of financial statements in foreign currencies	(68,502,001)	(135,754,690)	-	-
Net increase in cash and cash equivalents	398,076,173	1,062,877,712	306,782,028	275,157,389
Cash and cash equivalents at beginning of year	2,603,494,942	1,540,617,230	546,475,445	271,318,056
Cash and cash equivalents at end of year	3,001,571,115	2,603,494,942	853,257,473	546,475,445
	-	-	-	-
Supplemental cash flows information				
Non-cash transactions				
Acquisitions of equipment for which cash has not been paid	2,185,861	12,096,875	-	-

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

Tipco Asphalt Public Company Limited and its subsidiaries
Notes to consolidated financial statements
For the year ended 31 December 2023

1. General information

Tipco Asphalt Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand. The major shareholders of the Company are Supsakorn family and Colas Group, a company incorporated in French Republic. The Company is principally engaged in the manufacture and distribution of asphalt and petroleum products and its registered address is 118/1 Rama 6 Road, Phayathai Sub district, Phayathai District, Bangkok.

2. Basis of preparation

- 2.1 The financial statements have been prepared in accordance with Thai Financial Reporting Standards enunciated under the Accounting Profession 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.

2.2 Basis of consolidation

- a) The consolidated financial statements include the financial statements of Tipco Asphalt Public Company Limited (“the Company”) and the following subsidiary companies (“the subsidiaries”) (collectively as “the Group”):

Company's name	Nature of business	Paid-up capital		Shareholding percentage	
		2023 (Million Baht)	2022 (Million Baht)	2023 (%)	2022 (%)
<u>Subsidiaries incorporated in Thailand</u>					
Raycol Asphalt Co., Ltd.	Manufacture and distribution of asphalt products	111	111	100.00	100.00
Thai Bitumen Co., Ltd.	Manufacture and distribution of asphalt products	375	375	99.99	99.99
Ravana 1020 Co., Ltd. (“Ravana”)	Distribution of machine, materials and tools relating to road construction	80	80	99.99	99.99
Indrachit Holding Co., Ltd. (Owned by Ravana)	Holding company	1	-	99.98	-
Tipco Maritime Co., Ltd.	Shipping management and agency	2	2	99.99	99.99
Alpha Maritime Co., Ltd.	Marine transportation	143	143	99.99	99.99
Bitumen Marine Co., Ltd.	Marine transportation	150	150	99.99	99.99
Tasco Shipping Co., Ltd.	Marine transportation	290	290	99.99	99.99
Thai Slurry Seal Co., Ltd. (“Thai Slurry Seal”)	Road rehabilitation services and sales of construction materials	497	497	62.50	62.50
Thanomwongse Service Co., Ltd. (Owned by Thai Slurry Seal)	Construction service and sales of construction materials	2,500	2,500	62.50	62.50

Company's name	Nature of business	Paid-up capital		Shareholding percentage	
		2023	2022	2023 (%)	2022 (%)
<u>Subsidiaries incorporated in Malaysia</u>					
Kemaman Oil Corporation Sdn Bhd ("KOC")	Holding company, manufacture, storer, tank rental and distribution of asphalt and petroleum products	151.96 Million MYR	151.96 Million MYR	100.00	100.00
Kemaman Bitumen Company Sdn Bhd ("KBC")	Manufacture, refinery, storer and distribution of asphalt and petroleum products	305.55 Million MYR	305.55 Million MYR	100.00	100.00
KBC Trading Sdn Bhd (10% owned by the Company and 20% owned by KOC)	Distribution of asphalt products	0.30 Million MYR	0.30 Million MYR	30.00	30.00
<u>Subsidiaries incorporated in Singapore</u>					
Highway Resources Pte. Ltd. ("HR")	Holding company	4.78 Million SGD	4.78 Million SGD	100.00	100.00
Highway Resources Trading Pte. Ltd. (100% owned by HR)	Dormant	0.01 Million USD	0.01 Million USD	100.00	100.00
AD Shipping Pte. Ltd.	Marine transportation	7.13 Million SGD	7.13 Million SGD	100.00	100.00
Reta Link Pte. Ltd.	Marine transportation	0.05 Million SGD	0.05 Million SGD	100.00	100.00
Pacific Bitumen Shipping Pte. Ltd.	Marine transportation	0.04 Million USD	0.04 Million USD	100.00	100.00

Company's name	Nature of business	Paid-up capital		Shareholding percentage	
		<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
<u>Subsidiary incorporated in Vietnam</u>					
Asphalt Distribution Co., Ltd. (100% owned by HR)	Manufacture and distribution of asphalt products	115,650 Million VND	115,650 Million VND	100.00 (%)	100.00 (%)
<u>Subsidiaries incorporated in Indonesia</u>					
PT Asphalt Bangun Sarana ("ABS")	Manufacture and distribution of asphalt products	58,450 Million IDR	58,450 Million IDR	99.99 (%)	99.99 (%)
PT Saranaraya Reka Cipta (99.90% owned by ABS)	Manufacture and distribution of asphalt products	10,477 Million IDR	10,477 Million IDR	99.89 (%)	99.89 (%)
<u>Subsidiary incorporated in Cambodia</u>					
Tipco Asphalt (Cambodia) Co., Ltd.	Manufacture and distribution of asphalt products	20.00 Million Riel	20.00 Million Riel	100.00 (%)	100.00 (%)
<u>Subsidiary incorporated in Lao People's Democratic Republic</u>					
Tipco Asphalt Lao Co., Ltd.	Manufacture and distribution of asphalt products	26,675 Million LAK	26,675 Million LAK	75.00 (%)	75.00 (%)

Company's name	Nature of business	Paid-up capital		Shareholding percentage	
		2023	2022	2023 (%)	2022 (%)
<u>Subsidiary incorporated in Hong Kong</u>					
Tasco International (Hong Kong) Ltd. ("TIHK")	Holding company	97.97 Million HKD	97.97 Million HKD	100.00	100.00
<u>Subsidiaries incorporated in China (owned by TIHK)</u>					
Langfang Tongtai Road Material Co., Ltd.	Manufacture and distribution of asphalt products	2.10 Million USD	2.10 Million USD	51.00	51.00
Tipco Asphalt (Xinhui) Co., Ltd.	Manufacture and distribution of asphalt products	30.00 Million RMB	30.00 Million RMB	100.00	100.00
Guangzhou Tipco Asphalt Trading Co., Ltd.	Distribution of asphalt products	6.00 Million RMB	6.00 Million RMB	100.00	100.00

- b) The Company is deemed to have control over an investee or subsidiaries if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns.
- c) Subsidiaries are fully consolidated as from the date on which the Company obtains control and continue to be consolidated until the date when such control ceases.
- d) The financial statements of the subsidiaries are prepared using the same significant accounting policies as those of the Company.
- e) The assets and liabilities in the financial statements of overseas subsidiary companies are translated to Baht using the exchange rates prevailing on the end of reporting period, and revenues and expenses translated using monthly average exchange rates. The resulting differences are shown under the caption of “Exchange differences on translation of financial statements in foreign currencies” in the statement of changes in shareholders’ equity.
- f) Material balances and transactions between the Group have been eliminated from the consolidated financial statements.
- g) Non-controlling interests represent the portion of profit or loss and net assets of the subsidiaries that are not held by the Company and are presented separately in the consolidated profit or loss and within equity in the consolidated statement of financial position.

2.3 The separate financial statements present investments in subsidiaries, joint ventures and associates under the cost method.

2.4 The Group has interests in joint operations which are joint arrangements whereby subsidiaries has rights to assets and obligations relating to the joint arrangements. The Group recognises assets, liabilities, revenues and expenses in relation to its interest in the following joint operations in the consolidated and separate financial statements of subsidiaries from the date that joint control commences until the date that joint control ceases.

Company’s name	Nature of business	Country of incorporation	Percentage of shareholding	
			2023	2022
TN Joint Venture	Construction service	Thailand	51.61	51.61
TN-CEI Joint Venture	Construction service	Thailand	51.00	51.00
TH Joint Venture	Construction service	Thailand	51.00	51.00
NTH Joint Venture	Construction service	Thailand	23.50	23.50
NT Joint Venture	Construction service	Thailand	49.00	49.00

3. New financial reporting standards

3.1 Financial reporting standards that became effective in the current year

During the year, the Group has adopted the revised financial reporting standards which are effective for fiscal years beginning on or after 1 January 2023. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards.

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

3.2 Financial reporting standards that will become effective for fiscal years beginning on or after 1 January 2024

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 2024. 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 management of the Group believes that adoption of these amendments will not have any significant impact on the Group's financial statements except for the following standard, which involves changes to key principles, as summarised below.

TAS 12, *Income Taxes* - International Tax Reform - Pillar Two Model Rules

The amendment requires that entities shall neither recognise nor disclose information about deferred taxes related to Pillar Two model rules published by the Organisation for Economic Co-operation and Development (OECD). This mandatory temporary exemption applies immediately.

The amendment also includes disclosure requirements for affected entities to help users of financial statements better understand an entity's exposure to Pillar Two income taxes arising from that legislation, particularly before its effective date. These disclosure requirements apply for annual reporting periods beginning on or after 1 January 2024, but not for any interim periods ending on or before 31 December 2024.

The Group has applied the mandatory exception by not recognising and not disclosing information about deferred tax assets and liabilities arising from Pillar Two income taxes. The management of the Group is currently in the process of assessing the potential exposure to Pillar Two income taxes on the financial statements.

4. Significant accounting policies

4.1 Revenue and expense 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 and discounts to customers.

Revenues from construction contracts

The Group has determined that its construction contracts generally have one performance obligation. The Group recognises construction revenue over time where the stage of completion is measured using an input method, based on comparison of actual construction costs incurred up to the end of the period and total anticipated construction costs at completion.

The likelihood of contract variations claims and liquidated damages, delays in delivery or contractual penalties are taken into account in determining the revenue to be recognised, such that revenue is only recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur.

When the value and stage of completion of the contract cannot be reasonably measured, revenue is recognised only to the extent of contract costs incurred that are expected to be recovered.

Rendering of services

Service revenue is recognised over time when services have been rendered taking into account the stage of completion.

Vessel operating income consists of time charters and voyage charters. Income from time charters is recognised when the right to use a vessel is transferred to a lessee for an agreed period of time, while income from voyage charters is recognised by reference to the stage of completion.

Costs of construction

Costs of construction services consist of costs of materials, labour, sub-contractors, services and other expenses.

Costs of construction are recognised in accordance with satisfied performance obligations in the contract when incurred. Provision for anticipated losses on projects is made in the accounts in full when the possibility of loss is ascertained.

Finance cost

Interest expense from financial liabilities at amortised cost is calculated using the effective interest method and recognised on an accrual basis.

Dividends

Dividends are recognised when the right to receive the dividends is established.

4.2 Balances of contracts with customers

Contract assets

A contract asset is the excess of cumulative revenue earned over the billings to date. Allowance for impairment loss is provided for the estimated losses that may be incurred in customer collection. Contract assets are transferred to receivables when the rights become unconditional.

Contract liabilities

A contract liability is recognised when the billings to date exceed the cumulative revenue earned and the Group has an obligation to transfer services to its customer. Contract liabilities are recognised as revenue when the Group fulfils its performance obligations under the contracts.

4.3 Cash and cash equivalents

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

4.4 Inventories

Finished goods and work in process are valued at the lower of cost determined under the weighted average cost method and net realisable value. Cost of finished goods includes all production costs and attributable factory overheads.

Raw materials, packaging materials, spare parts and factory supplies are valued at the lower of cost determined under the weighted average cost method and net realisable value. Raw materials, packaging materials, spare parts and factory supplies are charged to production costs whenever consumed.

4.5 Investments in subsidiaries, joint ventures and associates

Investments in joint ventures and associates are accounted for in the consolidated financial statements using the equity method.

Investments in subsidiaries, joint ventures and associates are accounted for in the separate financial statements using the cost method less allowance for loss on impairment (if any).

4.6 Investment properties

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and allowance for loss on impairment (if any).

Depreciation of investment properties is calculated by reference to their costs on the straight-line basis over the estimated useful lives of 5 and 20 years. Depreciation of the investment properties is included in profit or loss. No depreciation is provided on land.

On disposal of investment properties, the difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period when the asset is derecognised.

4.7 Property, plant and equipment/Depreciation

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

Building and equipment acquired through business combination are initially recognised at their fair value on the date of business acquisition. Following the initial recognition, the building and equipment are carried at cost less accumulated depreciation and less allowance for loss on impairment of assets (if any).

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

Land improvement	20 years
Buildings and complements	5 to 47 years
Building improvements	20 to 30 years
Machinery, tools and equipment	1.5 to 20 years
Furniture and office equipment	3 to 5 years
Vehicles	5 to 10 years
Vessels	2.5 to 30 years

Depreciation is included in profit or loss.

No depreciation is provided on land, construction in progress and equipment under installation.

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.

4.8 Intangible assets

Intangible assets acquired through business combination are initially recognised at their fair value on the date of business acquisition while intangible assets acquired in other cases are recognised at cost. Following the initial recognition, the intangible assets are carried at cost less accumulated amortisation and less allowance for loss on impairment of assets (if any).

Intangible assets with finite lives are amortised on the straight-line basis over the economic useful life and tested for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method of such intangible assets are reviewed at least at each financial year end. The amortisation expense is charged to profit or loss.

A summary of the intangible assets with finite useful lives is as follows:

	<u>Useful lives</u>
Computer software	3 to 5 years
Customer relationship	8 to 29 years
Non-competition clause	5 years
Backlog	3 to 4 years

4.9 Goodwill

Goodwill is initially recorded at cost, which equals to the excess of cost of business combination over the fair value of the net assets acquired. If the fair value of the net assets acquired exceeds the cost of business combination, the excess is immediately recognised as gain in profit or loss.

Goodwill is carried at cost less allowance for impairment loss (if any). Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of group of cash-generating unit that are expected to benefit from the synergies of the combination. The Group estimates the recoverable amount of each group of cash-generating unit to which the goodwill relates. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised in profit or loss and will not be reversed in future periods.

4.10 Leases

At inception of contract, the Group 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.

The Group recognises right-of-use assets and lease liabilities based on lease payments for all leases as at the date underlying assets are available for use (the commencement date of the lease), except a lease that has a lease term of no more than 12 months or a lease of low-value assets, for which the Group recognises lease payments as expenses on a straight-line basis over the lease term.

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.

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 terms.

Land and buildings	10 to 50 years
Machinery and equipment	5 to 17 years
Office equipment	4 to 5 years
Motor vehicles	4 to 6 years

Lease liabilities

Lease liabilities are measured at the present value of the lease payments to be made over the lease term, discounted by the interest rate implicit in the lease or the Group'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. The carrying amount of lease liabilities is remeasured if there is a lease modification.

4.11 Related party transactions

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

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

4.12 Foreign currencies

The consolidated and separate financial statements are presented in Baht, which is also the Company's functional currency. Items of each entity included in the consolidated financial statements of each entity are measured using the functional currency of that entity.

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 the reporting period.

Gains and losses on exchange are included in profit or loss.

4.13 Impairment of non-financial assets

At the end of each reporting period, the Group performs impairment reviews in respect of the property, plant and equipment, investment properties and other intangible assets whenever events or changes in circumstances indicate that an asset may be impaired. The Group also carries out annual impairment reviews in respect of goodwill. 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. In determining value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by a valuation model that, based on information available, reflects the amount that the Group could obtain from the disposal of the asset in an arm's length transaction between knowledgeable, willing parties, after deducting the costs of disposal.

An impairment loss is recognised in profit or loss.

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

Defined benefit plans and other long-term employee benefits

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

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

Actuarial gains and losses arising from post-employment benefits are recognised immediately in other comprehensive income.

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

4.15 Provisions

Provisions are recognised when the Group 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.

4.16 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 Group 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 profit will be available against which such deductible temporary differences and tax losses carried forward can be utilised.

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

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

4.17 Financial instruments

The Group initially measures financial assets at their 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 Group's business model for managing the financial assets and the contractual cash flows characteristics of the financial assets.

Financial assets at amortised cost

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

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

Financial assets at FVTPL

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

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

Dividends on listed equity investments are recognised as other income in profit or loss.

Classification and measurement of financial liabilities

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

Derecognition of financial instruments

A financial asset is primarily derecognised when the rights to receive cash flows from the asset have expired or have been transferred and either the Group has transferred substantially all the risks and rewards of the asset, or the Group has 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 Group recognises 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 Group expects to receive, discounted at an approximation of the original effective interest rate.

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

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.

4.18 Derivatives and hedge accounting

The Group entered into commodity forward contracts and forward exchange contracts to hedge against fluctuations in commodity prices and foreign exchange rates, respectively.

Derivatives are initially recognised at fair value on the date of the derivative contract and are subsequently remeasured at fair value. They are carried as financial assets or financial liabilities depending on the fair value of the derivatives. Subsequent changes in fair value are recognised in profit or loss, unless the derivative is designated as an effective hedging instrument under a cash flow hedge, when it is recognised using hedge accounting.

Hedge accounting for cash flow hedges

The effective portion of the gain or loss on the hedging instrument is recognised in other comprehensive income in the cash flow hedge reserve and later reclassified to profit or loss when the hedged cash flows affect profit or loss or no longer exist.

The Group prepares formal documentation on the date that hedge accounting is applied, and provides regular updates regarding the risk management objectives and strategies and the relationships between the hedging instruments and hedged items, including the nature of the risks being hedged, how the Group assesses the hedge effectiveness, analysis of the causes of hedge ineffectiveness and how the hedge ratio is determined.

The Group considers hedging effective when all of the following requirements are met.

- There is an economic relationship between hedged items and hedging instruments.
- Counterparty credit risk is not a significant factor in the change in the fair value of hedging instruments and hedged items.
- The ratio of the quantity of hedging instruments to the quantity of hedged items is equal to the hedge ratio.

4.19 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between buyer and seller (market participants) at the measurement date. The Group 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 Group 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 observable active market for such assets or liabilities

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

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

At the end of each reporting period, the Group 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 judgments and estimates

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

Fair value of financial instruments

In determining the fair value of financial instruments recognised in the statement of financial position that are not actively traded and for which quoted market prices are not readily available, the management exercises judgement, using a variety of valuation techniques and models. The input to these models is taken from observable markets, and includes consideration of credit risk, liquidity, correlation and longer-term volatility of financial instruments. Change in assumptions about these factors could affect the fair value recognised in the statement of financial position and disclosures of fair value hierarchy.

Allowance for expected credit losses of trade receivables and contract assets

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

Goodwill and intangible assets

The initial recognition and measurement of goodwill and intangible assets, and subsequent impairment testing, require management to make estimates of cash flows to be generated by the asset or the cash-generating units and to choose a suitable discount rate in order to calculate the present value of those cash flows.

Allowance for impairment of non-financial assets

In determining allowance for impairment of a non-financial asset, the management is required to exercise judgements regarding determination of the recoverable amount of the asset, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs of disposing of the asset. The value in use calculation is based on a discounted cash flow model. The cash flows are derived from the budget for the future and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the performance of the assets of the cash-generating unit being tested. The recoverable amount is sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. These estimates are most relevant to property, plant and equipment, vessel and goodwill recognised by the Group.

Net realisable value of inventories

The management uses judgment to estimate the net realisable value of inventories taking into consideration the fluctuation of price or cost directly relating to events occurring after the reporting period.

Consolidation of subsidiary that the Group hold less than half of shares

The management of the Group determined that the Group has control over KBC Trading Sdn Bhd, even though the Group holds 30 percent of shares that is less than half of shares. This is because the Group has control over that company through its board of directors. As a result, KBC Trading Sdn Bhd is deemed to be a subsidiary of the Group and has to be included in the consolidated financial statements from the date on which the Group assumed control.

6. Related party transactions

During the year, the Group 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 Group and those related parties.

(Unit: Million Baht)

	Consolidated		Separate		Transfer Pricing Policy
	financial statements		financial statements		
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	
<u>Transactions with subsidiaries</u>					
(eliminated from the consolidated financial statements)					
Sales and service income	-	-	7,856	7,599	Cost plus certain margin
Rental and service income	-	-	9	7	Contract price
Technical and administrative assistance income	-	-	60	55	Contract price
Interest income	-	-	34	25	At rates of 2.00 - 3.00 percent and SOFR plus 1.50 percent per annum
Dividend income	-	-	195	465	
Purchases of goods	-	-	13	11	Cost plus certain margin
Rental and service expenses	-	-	1,932	1,996	Contract price
<u>Transactions with joint arrangements</u>					
Sales and service income	836	1,112	374	614	Market price / contract price
Revenues from construction contracts	140	161	-	-	Contract price
Rental and service income	7	5	-	-	Contract price
Interest income	4	1	-	-	At rate of 3.20 - 4.28 percent per annum
Purchases of goods	535	272	535	272	Market price
<u>Transactions with group of other joint operators</u>					
Purchases of goods	116	106	-	-	Market price / contract price
Cost of construction	269	223	-	-	Contract price
Interest expenses	9	3	-	-	At rates of 6.35 - 7.05 percent per annum
<u>Transactions with associates</u>					
Dividend income	-	-	66	120	
Rental and service expense	3	3	-	-	Contract price

(Unit: Million Baht)

	Consolidated		Separate		Transfer Pricing Policy
	financial statements		financial statements		
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	
<u>Transactions with related companies</u>					
Sales and service income	2,282	2,462	2,194	2,405	Market price / contract price
Rental and service income	38	21	3	3	Contract price
Rental and service expenses	92	94	61	65	Contract price
Technical and administrative assistance expenses	47	44	31	27	Contract price

The balances of the accounts between the Group and those related companies as at 31 December 2023 and 2022 are as follows:

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
<u>Trade and other receivables- related parties</u> (Note 7)				
Subsidiaries	-	-	1,325,132	1,536,022
Joint arrangements	177,322	287,837	7,404	172,807
Associates	3,424	4,266	-	-
Group of other joint operators	3,809	-	-	-
Related companies (common shareholders and directors)	230,200	421,053	210,378	401,875
Total trade and other receivables - related parties	414,755	713,156	1,542,914	2,110,704
<u>Unbilled receivables - related parties</u>				
Joint arrangements	17,215	28,164	-	-
Total unbilled receivables - related parties	17,215	28,164	-	-
<u>Advance payments for inventories and services - related parties</u>				
Group of other joint operators	77,461	138,997	-	-
Total advance payments for inventories and services - related parties	77,461	138,997	-	-

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
<u>Trade and other payables - related parties</u> (Note 17)				
Subsidiaries	-	-	2,098,268	2,227,046
Joint arrangements	674	90,818	21	80,145
Associates	553	-	-	-
Group of other joint operators	332,734	227,584	-	-
Related companies (common shareholders and directors)	83,326	83,474	63,142	60,754
Total trade and other payables - related parties	417,287	401,876	2,161,431	2,367,945
<u>Advance received from customer - related parties</u>				
Joint arrangements	12,532	19,890	-	-
Related companies (common shareholders and directors)	37,230	-	-	-
Total advance received from customer - related parties	49,762	19,890	-	-

Loans to related parties and loan from related parties

The balances and the movements of loans between the Company and those related companies are as follows:

(Unit: Thousand Baht)

Company's name	Related by	Consolidated financial statements			
		Balance as at	Increase	Decrease	Balance as at
		31 December 2022	during the year	during the year	31 December 2023
<u>Short-term loans to related party</u>					
TN Joint Venture	Joint arrangements	40,928	235,886	(118,327)	158,487
<u>Short-term loans from related party</u>					
Nawarat Patanakarn PCL	Other joint operator	110,967	77,387	(64,484)	123,870

(Unit: Thousand Baht)

Company's name	Related by	Separate financial statements				Balance as at 31 December 2023
		Balance as at 31 December 2022	Increase during the year	Decrease during the year	Loss on exchange	
Short-term loan to related party						
Alpha Maritime Co., Ltd.	Subsidiary	110,000	-	(70,000)	-	40,000
Long-term loans to related parties						
AD Shipping Pte. Ltd.	Subsidiary	39,950	-	(39,356) *	(594)	-
Pacific Bitumen Shipping Pte. Ltd.	Subsidiary	474,406	-	(88,456) *	(1,275)	384,675
Total		514,356	-	(127,812)	(1,869)	384,675

* AD Shipping Pte. Ltd. and Pacific Bitumen Shipping Pte. Ltd. offsets its long-term loan to be repaid to the Company with outstanding balance receivable from the Company.

Short-term loans from related party

Raycol Asphalt Co., Ltd.	Subsidiary	100,000	-	(40,000)	-	60,000
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Directors and management's benefits

During the years ended 31 December 2023 and 2022, the Group had employee benefit expenses payable to their directors and management as below.

	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2023	2022	2023	2022
Short-term employee benefits	196	211	174	195
Post-employment benefits and other long-term benefits	6	6	6	6
Total	202	217	180	201

Guarantee obligations with related parties

The Group has outstanding guarantee obligations with its related parties, as described in Note 18 to the consolidated financial statements.

7. Trade and other receivables

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
<u>Trade receivables - related parties</u> (Note 6)				
Aged on the basis of due dates				
Not yet due	287,669	623,849	1,019,666	1,670,949
Past due				
Up to 3 months	31,349	49,581	201,778	197,884
3 - 6 months	31,323	2,743	102,395	93,504
6 - 9 months	-	-	27,267	1,577
9 - 12 months	3,538	2,902	-	1,609
Over 12 months	21,483	-	-	163
Total trade receivables - related parties	<u>375,362</u>	<u>679,075</u>	<u>1,351,106</u>	<u>1,965,686</u>
<u>Trade receivables - unrelated parties</u>				
Aged on the basis of due dates				
Not yet due	2,412,218	4,515,929	842,710	2,826,620
Past due				
Up to 3 months	691,694	787,090	357,072	279,271
3 - 6 months	510,663	516,520	274,396	171,518
6 - 9 months	353,589	235,559	186,158	153,784
9 - 12 months	219,898	125,278	103,305	55,670
Over 12 months	560,387	409,037	144,374	111,751
Total	<u>4,748,449</u>	<u>6,589,413</u>	<u>1,908,015</u>	<u>3,598,614</u>
Less: Allowance for expected credit losses	<u>(607,821)</u>	<u>(436,080)</u>	<u>(244,813)</u>	<u>(166,439)</u>
Total trade receivables - unrelated parties, net	<u>4,140,628</u>	<u>6,153,333</u>	<u>1,663,202</u>	<u>3,432,175</u>
Total trade receivables - net	<u>4,515,990</u>	<u>6,832,408</u>	<u>3,014,308</u>	<u>5,397,861</u>
<u>Other receivables</u>				
Accounts receivable from commodity forward contracts				
contracts	32,756	100,271	32,756	100,271
Other receivables - related parties (Note 6)	39,393	34,081	191,808	145,018
Other receivables - unrelated parties	36,204	21,454	786	1,069
Total other receivables	<u>108,353</u>	<u>155,806</u>	<u>225,350</u>	<u>246,358</u>
Total trade and other receivables - net	<u>4,624,343</u>	<u>6,988,214</u>	<u>3,239,658</u>	<u>5,644,219</u>

The normal credit terms are due within 90 days.

Set out below is the movements in the allowance for expected credit losses of trade receivables.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Beginning balance	436,080	453,589	166,439	346,612
Allowance for expected credit losses	301,388	200,724	120,522	71,095
Amount recovered	(101,695)	(80,484)	(39,151)	(50,184)
Amount written off	(15,752)	(370)	(2,997)	(197,477)
Disposal of investment in a subsidiary	-	(122,543)	-	-
Effect from foreign exchange	(12,200)	(14,836)	-	(3,607)
Ending balance	<u>607,821</u>	<u>436,080</u>	<u>244,813</u>	<u>166,439</u>

8. Contract assets/Contract liabilities

8.1 Contract balances

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Contract assets				
Unbilled receivables	677,474	958,140	-	-
Retention receivables	309,176	187,988	-	-
Less: Allowance for expected credit losses	(7,497)	-	-	-
Total retention receivables - net	<u>301,679</u>	<u>187,988</u>	<u>-</u>	<u>-</u>
Total contract assets	<u>979,153</u>	<u>1,146,128</u>	<u>-</u>	<u>-</u>
Contract liabilities				
Advances received from inventories and services	438,531	683,310	2,331	33,851
Total contract liabilities	<u>438,531</u>	<u>683,310</u>	<u>2,331</u>	<u>33,851</u>

During the current year, Baht 7 million (2022: Nil) was recognised as allowance for expected credit losses on contract assets in the consolidated financial statements.

8.2 Unbilled receivables

As at 31 December 2023, the balance of unbilled receivables of Baht 677 million was expected to be billed within one year (2022: Baht 958 million).

8.3 Revenue recognised in relation to contract balances

During the current year, the Group recognised contract liabilities at the beginning of the year of Baht 280 million (2022: Baht 280 million) as revenue, and recognised decrease in revenue from changes in variable considerations of performance obligations satisfied in previous years of Baht 11 million (2022: Baht 65 million).

8.4 Revenue to be recognised for the remaining performance obligations

As at 31 December 2023, the Group expected to recognise revenue totaling Baht 2,182 million (2022: Baht 5,736 million) in the future in respect of performance obligations under contracts with customers that have not been satisfied or partially unsatisfied. The Group expects to satisfy these performance obligations within 2 years.

9. Inventories

(Unit: Thousand Baht)

	Consolidated financial statements					
	Cost		Reduction of cost to net realisable value		Inventories - net	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Finished goods	1,896,532	1,908,430	(30,588)	(1,814)	1,865,944	1,906,616
Raw materials	2,891,039	2,740,616	(19,022)	(2,508)	2,872,017	2,738,108
Packaging materials, spare parts and factory supplies	172,015	176,954	(7,362)	(5,880)	164,653	171,074
Goods in transit	5,339	167,121	-	-	5,339	167,121
Total	4,964,925	4,993,121	(56,972)	(10,202)	4,907,953	4,982,919

(Unit: Thousand Baht)

	Separate financial statements					
	Cost		Reduction of cost to net realisable value		Inventories - net	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Finished goods	1,187,318	1,465,738	(21,349)	(1,814)	1,165,969	1,463,924
Raw materials	2,427,009	2,279,982	(8,306)	-	2,418,703	2,279,982
Packaging materials, spare parts and factory supplies	8,149	8,725	(107)	(133)	8,042	8,592
Goods in transit	1,375	21,835	-	-	1,375	21,835
Total	3,623,851	3,776,280	(29,762)	(1,947)	3,594,089	3,774,333

During the current year, the Group reduced cost of inventories by Baht 47 million which was included in cost of sales to reflect the net realisable value (2022: reduced by Baht 0.2 million) (the Company only: reduced by Baht 28 million, 2022: reduced by Baht 2 million).

10. Investments in subsidiaries

Details of investments in subsidiaries as presented in the separate financial statements.

(Unit: Thousand Baht)

Company's name	Investment cost		Dividend received during the year	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
<u>Domestic subsidiaries</u>				
Raycol Asphalt Co., Ltd.	583,030	583,030	77,700	-
Thai Bitumen Co., Ltd.	386,697	386,697	112,500	-
Tipco Maritime Co., Ltd.	2,945	2,945	-	-
Alpha Maritime Co., Ltd.	142,999	142,999	-	-
Bitumen Marine Co., Ltd.	149,999	149,999	-	-
Ravana 1020 Co., Ltd.	79,999	79,999	-	-
Tasco Shipping Co., Ltd.	289,999	289,999	-	-
Thai Slurry Seal Co., Ltd.	598,043	598,043	-	-
<u>Overseas subsidiaries</u>				
Tasco International (Hong Kong) Ltd.	537,072	537,072	-	-
Less: Allowance for impairment loss of investment	(65,420)	(65,420)	-	-
Kemaman Oil Corporation Sdn Bhd	1,303,035	1,303,035	-	-
Kemaman Bitumen Company Sdn Bhd	2,769,493	2,769,493	-	-
KBC Trading Sdn Bhd	1,377	1,377	-	801
Tipco Asphalt (Cambodia) Co., Ltd.	3,352	3,352	-	-
PT Asphalt Bangun Sarana	337,254	337,254	-	-
Pacific Bitumen Shipping Pte. Ltd.	1,340	1,340	-	-
Highway Resources Pte. Ltd.	717,054	717,054	-	35,978
AD Shipping Pte. Ltd.	430,232	430,232	-	-
Less: Allowance for impairment loss of investment	(172,950)	-	-	-
Reta Link Pte. Ltd.	28,682	28,682	-	428,551
Tipco Asphalt Lao Company Limited	78,877	78,877	4,875	-
Total investments in subsidiaries	8,203,109	8,376,059	195,075	465,330

The paid-up capital and percentage of shareholding were presented in Note 2.2 to the consolidated financial statements.

Investment in Indrachit Holding Company Limited (“Indrachit”)

On 16 June 2023, the Board of Directors’ Meeting of Ravana 1020 Company Limited (“Ravana”) passed a resolution approving to invest in a newly incorporated subsidiary, Indrachit Holding Company Limited, in which Ravana holds 99.98% of total registered share capital of Baht 1 million (10,000 ordinary shares of Baht 100 each). Indrachit is principally engaged in investing in innovation projects. Ravana already paid for such share capital and completed the incorporation process in the current year.

Impairment loss of investment in AD Shipping Pte. Ltd.

During the current year, the Company recorded allowance for impairment loss on investment in AD Shipping Pte. Ltd. of Baht 173 million presented as a separate item in profit or loss of the separate financial statements.

Disposal of investment in Zhenjiang Tipco Asphalt Co., Ltd. (“Zhenjiang”)

In May 2022, the Group sold all of its investment in Zhenjiang to another shareholder. This resulted in gain on disposal of investment in a subsidiary amounting to Baht 35 million, which was included in other income in the consolidated statements of comprehensive income.

Holding in Zhenjiang was an investment in a subsidiary by an overseas subsidiary, representing 51 percent interest in the subsidiary. The Group did not include the financial statements of Zhenjiang in the consolidated financial statements as from the date of investment disposal.

Reversal of impairment loss of investment in Thai Bitumen Co., Ltd. (“Thai Bitumen”)

During 2022, having noted the continuously good operating results, the Company’s management revisited the recoverable amount of the investment in Thai Bitumen and reached the conclusion to reverse the allowance for impairment loss of the investment amounting to Baht 61 million. The amount was presented as a separate item in profit or loss of the separate financial statements.

11. Investments in joint ventures

11.1 Details of investments in joint ventures:

Investments in joint ventures represent investments in entities which are jointly controlled by the Company and other companies. Details of these investments are as follows:

(Unit: Thousand Baht)

Joint ventures	Nature of business	Consolidated financial statements					
		Shareholding percentage		Cost		Carrying amounts based on equity method	
		<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
		(%)	(%)				
Asia Bitumen Trading Pte. Ltd. (Owned by TIHK)	Distribution of asphalt and petroleum products	50	50	242	242	44,606	44,888
Borneo Asphalt Sdn Bhd (Owned by KBC)	Distribution of asphalt products	50	50	38,888	23,815	8,613	8,444
Phoenix Asphalt Philippines Inc.	Manufacture and distribution of asphalt and petroleum products	40	40	67,553	67,553	87,851	81,984
Nila Solutions Co., Ltd. (Owned by Indrachit)	Software services	50	-	10,000	-	9,276	-
Total				<u>116,683</u>	<u>91,610</u>	<u>150,346</u>	<u>135,316</u>

(Unit: Thousand Baht)

Joint venture	Nature of business	Separate financial statements					
		Shareholding percentage		Cost		Carrying amounts based on cost method	
		<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
		(%)	(%)				
Phoenix Asphalt Philippines Inc.	Manufacture and distribution of asphalt and petroleum products	40	40	67,553	67,553	67,553	67,553
Total				<u>67,553</u>	<u>67,553</u>	<u>67,553</u>	<u>67,553</u>

Investment in Nila Solutions Company Limited (“Nila”)

On 3 July 2023, the Board of Directors’ Meeting of Indrachit passed a resolution approving to invest in Nila Solutions Company Limited, a newly incorporated company as joint venture, in which Indrachit holds 50% of the total registered share capital of Baht 20 million (200,000 ordinary shares of Baht 100 each). Nila operates as a joint venture with Skyller Solutions Company Limited to provide software services of stockpile monitoring and construction progress monitoring. Nila completed the incorporation process and received such share capital payment in the current year.

Investment in Borneo Asphalt Sdn Bhd (“Borneo”)

On 31 December 2023, the Board of Directors’ Meeting of KBC passed a resolution approving to increase in such investment in Borneo to the original proportion of 50 percent of the total registered capital increase of MYR 4.1 million (4,108,356 preference shares of MYR 1 each). KBC has paid for the shares through conversion of advance payments and accrued interest in the amount of MYR 2.05 million or equivalent to approximately Baht 15 million.

11.2 Share of comprehensive income

The Group recognised its share of profit/loss from investments in the joint ventures in the consolidated financial statements as follows:

Joint ventures	(Unit: Thousand Baht)	
	Consolidated financial statements	
	Share of profit (loss) from investments in joint ventures during the year	
	<u>2023</u>	<u>2022</u>
Asia Bitumen Trading Pte. Ltd.	170	4,206
Borneo Asphalt Sdn Bhd	(16,560)	(2,240)
Phoenix Asphalt Philippines Inc.	6,600	7,129
Nila Solutions Company Limited	(724)	-
Total	<u>(10,514)</u>	<u>9,095</u>

11.3 Summarised financial information about material joint ventures

Summarised information about financial position

(Unit: Million Baht)

	Asia Bitumen		Borneo Asphalt		Phoenix Asphalt	
	Trading Pte. Ltd.		Sdn Bhd		Philippines Inc.	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Cash and cash equivalent	95.1	42.9	16.1	30.5	7.8	77.0
Trade and other receivables	75.0	86.8	52.2	26.3	44.4	32.9
Other assets	1.4	1.1	308.9	402.0	270.0	224.7
Trade and other payables	(74.7)	(32.5)	(3.3)	(118.7)	(7.6)	(13.5)
Other liabilities	(7.6)	(8.6)	(356.7)	(323.3)	(95.0)	(116.2)
Net assets	89.2	89.7	17.2	16.8	219.6	204.9
Shareholding percentage (%)	50	50	50	50	40	40
Carrying amounts of joint ventures based on equity method	44.6	44.9	8.6	8.4	87.9	82.0

Summarised information about profit and loss

(Unit: Million Baht)

For the year ended 31 December

	Asia Bitumen		Borneo Asphalt		Phoenix Asphalt	
	Trading Pte. Ltd.		Sdn Bhd		Philippines Inc.	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Total revenues	1,478.0	1,917.4	339.0	388.2	722.6	694.4
Cost of goods sold	(1,451.8)	(1,883.9)	(337.5)	(371.1)	(660.6)	(636.9)
Total expenses	(25.8)	(25.1)	(33.7)	(21.5)	(46.0)	(39.7)
Profit (loss) for the year	0.4	8.4	(32.2)	(4.4)	16.0	17.8

12. Investments in associates

12.1 Details of associates

(Unit: Thousand Baht)

Consolidated financial statements

Company's name	Nature of business	Shareholding percentage		Cost		Carrying amounts based on equity method	
		<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
		(%)	(%)				
Colasie Co., Ltd.	Holding company	40	40	18,404	18,404	563,958	507,202
PT Sarana Distribusi Aspal Nusantara (Owned by ABS)	Barge rental service	49	49	1,313	1,313	262	44
Total investments in associates				19,717	19,717	564,220	507,246

(Unit: Thousand Baht)

Company's name	Nature of business	Separate financial statements					
		Shareholding percentage		Cost		Carrying amounts based on cost method	
		<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
		(%)	(%)				
Colasie Co., Ltd.	Holding company	40	40	18,404	18,404	18,404	18,404
Total investments in associates				18,404	18,404	18,404	18,404

12.2 Share of comprehensive income and dividend received

The Group recognised its share of profit/loss from investments in associates in the consolidated financial statements and dividend income in the separate financial statements as follows:

(Unit: Thousand Baht)

Company's name	Consolidated financial statements		Separate financial statements	
	Share of profit (loss) from investments in associates during the year		Dividend received during the year by the Company	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Colasie Co., Ltd.	122,971	151,837	65,873	119,592
PT Sarana Distribusi Aspal Nusantara	(589)	97	-	-
Total	122,382	151,934	65,873	119,592

12.3 Summarised financial information about material associates

Financial information of Colasie Co., Ltd.

Financial information of Colasie Co., Ltd. as at 31 December 2023 and 2022 and for the years then ended are summarised below.

(Unit: Million Euro)

	<u>2023</u>	<u>2022</u>
Paid-up capital	1.04	1.04
Total assets	1.70	1.47
Total liabilities	0.01	0.01
Total revenues	4.77	5.08
Profit for the year	4.71	5.02

13. Investment properties

(Unit: Thousand Baht)

Consolidated financial statements

	The Company's land, buildings and equipment located at Petchburi plant	Land of Thai Bitumen	Total
As at 31 December 2023:			
Cost	267,472	383,608	651,080
Less: Accumulated depreciation	(137,804)	-	(137,804)
Less: Allowance for diminution in value	(86,868)	(237,375)	(324,243)
Net book value	42,800	146,233	189,033
As at 31 December 2022:			
Cost	267,472	383,608	651,080
Less: Accumulated depreciation	(137,804)	-	(137,804)
Less: Allowance for diminution in value	(86,868)	(237,375)	(324,243)
Net book value	42,800	146,233	189,033

(Unit: Thousand Baht)

Separate financial statements

	The Company's land, buildings and equipment located at Petchburi plant	The Company's land for rent located at Suratthani province	Total
As at 31 December 2023:			
Cost	267,472	61,438	328,910
Less: Accumulated depreciation	(137,804)	(9,896)	(147,700)
Less: Allowance for diminution in value	(86,868)	-	(86,868)
Net book value	42,800	51,542	94,342
As at 31 December 2022:			
Cost	267,472	61,438	328,910
Less: Accumulated depreciation	(137,804)	(9,896)	(147,700)
Less: Allowance for diminution in value	(86,868)	-	(86,868)
Net book value	42,800	51,542	94,342

The fair values of the investment properties were appraised by an independent professional valuer using the Sales Comparison Approach, which measured at fair value in level 2.

The fair values of the investment properties as at 31 December 2023 and 2022 are stated below:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
The Company's land for rent located at				
Suratthani province	-	-	218,000	218,000
The Company's land, buildings and equipment				
located at Petchburi plant	42,800	42,800	42,800	42,800
Land of Thai Bitumen	146,233	146,233	-	-

14. Property, plant and equipment

	Consolidated financial statements						Total
	Land and land improvement	Buildings, building improvements and complements	Machinery, tools and equipment	Furniture, office equipment and vehicles	Vessels	Construction in progress and equipment under installation	
Cost							
As at 1 January 2022	696,999	1,066,652	8,435,482	1,290,352	4,030,196	461,579	15,981,260
Additions	7,049	9,376	95,587	16,555	91,831	163,592	383,990
Disposals/written off	(198)	(37,628)	(85,933)	(145,643)	(124,942)	(34)	(394,378)
Transfer in (transfer out)	410	10,861	329,260	8,556	-	(349,087)	
Disposal of investment in a subsidiary	-	(63,526)	(16,880)	(3,019)	-		(83,425)
As at 31 December 2022	704,260	985,735	8,757,516	1,166,801	3,997,085	276,050	15,887,447
Additions	3,197	20,584	65,651	15,113	100,639	195,066	400,250
Disposals/written off	(3,974)	(657)	(74,647)	(84,482)	(82,962)	-	(246,722)
Transfer in (transfer out)	3,431	5,679	148,970	11,618	-	(169,698)	-
As at 31 December 2023	706,914	1,011,341	8,897,490	1,109,050	4,014,762	301,418	16,040,975

(Unit: Thousand Baht)

(Unit: Thousand Baht)

	Consolidated financial statements							Total
	Land and land improvement	Buildings, building improvements and complements	Machinery, tools and equipment	Furniture, office equipment and vehicles	Vessels	Construction in progress and equipment under installation		
Accumulated depreciation								
As at 1 January 2022	329,509	575,480	4,436,988	785,772	1,421,562	-	-	7,549,311
Depreciation for the year	10,877	34,621	509,763	126,887	212,688	-	-	894,836
Accumulated depreciation on disposals/written off	(127)	(37,195)	(40,507)	(135,318)	(119,591)	-	-	(332,738)
Disposal of investment in a subsidiary	-	(16,330)	(5,202)	(510)	-	-	-	(22,042)
As at 31 December 2022	340,259	556,576	4,901,042	776,831	1,514,659	-	-	8,089,367
Depreciation for the year	11,352	33,203	509,115	106,524	212,580	-	-	872,774
Accumulated depreciation on disposals/written off	(3,974)	(561)	(55,993)	(76,886)	(78,962)	-	-	(216,376)
As at 31 December 2023	347,637	589,218	5,354,164	806,469	1,648,277	-	-	8,745,765
Allowance for impairment loss								
As at 1 January 2022	1,183	50,769	34,064	2,066	-	5,049	-	93,131
Increase during the year	-	-	-	-	196,119	3,823	-	199,942
Decrease during the year	-	(50,769)	(34,064)	(2,066)	-	(5,049)	-	(91,948)
As at 31 December 2022	1,183	-	-	-	196,119	3,823	-	201,125
Decrease during the year	-	-	-	-	-	(625)	-	(625)
As at 31 December 2023	1,183	-	-	-	196,119	3,198	-	200,500

(Unit: Thousand Baht)

	Consolidated financial statements						Total
	Land and land improvement	Buildings, building improvements and complements	Machinery, tools and equipment	Furniture, office equipment and vehicles	Vessels	Construction in progress and equipment under installation	
Translation adjustments							
As at 1 January 2022	-	21,723	(24,816)	(16,825)	(40,077)	(28,626)	(88,621)
Translation adjustments during the year	-	(15,155)	39,977	(1,998)	41,082	14,596	78,502
As at 31 December 2022	-	6,568	15,161	(18,823)	1,005	(14,030)	(10,119)
Translation adjustments during the year	-	(8,683)	(61,750)	(1,722)	(10,648)	(517)	(83,320)
As at 31 December 2023	-	(2,115)	(46,589)	(20,545)	(9,643)	(14,547)	(93,439)
Net book value							
As at 31 December 2022	362,818	435,727	3,871,635	371,147	2,287,312	258,197	7,586,836
As at 31 December 2023	358,094	420,008	3,496,737	282,036	2,160,723	283,673	7,001,271
Depreciation for the year							
2022 (Baht 820 million included in manufacturing cost, and the balance in selling expenses and administrative expenses)							894,836
2023 (Baht 774 million included in manufacturing cost, and the balance in selling expenses and administrative expenses)							872,774

In 2022, the Group recognised an impairment loss for a vessel amounting to Baht 196 million and presented it under the caption of impairment loss on property, plant and equipment in the consolidated statement of comprehensive income, to reduce the carrying amount of the asset to its recoverable amount. The Group's management determined the recoverable amount based on value in use, using cash flow projections based on financial estimates of remaining useful lives of the vessel and discounted to present value. The fair value hierarchy level was classified as level 3.

(Unit: Thousand Baht)

	Separate financial statements					Total
	Land and land improvement	Buildings, building improvements and complements	Machinery, tools and equipment	Furniture, office equipment and vehicles	Construction in progress and equipment under installation	
Cost						
As at 1 January 2022	511,139	384,801	742,779	643,200	10,509	2,292,428
Additions	4,054	2,786	7,483	2,227	7,440	23,990
Disposals/written off	(198)	(609)	(21,303)	(109,097)	-	(131,207)
Transfer in (transfer out)	51	177	5,359	-	(5,587)	-
As at 31 December 2022	515,046	387,155	734,318	536,330	12,362	2,185,211
Additions	3,171	11,850	11,399	2,039	15,140	43,599
Disposals/written off	(3,974)	(386)	(13,908)	(33,948)	-	(52,216)
Transfer in (transfer out)	3,431	5,207	870	-	(9,508)	-
As at 31 December 2023	517,674	403,826	732,679	504,421	17,994	2,176,594
Accumulated depreciation						
As at 1 January 2022	258,736	215,224	525,406	439,367	-	1,438,733
Depreciation for the year	4,395	11,296	44,901	53,043	-	113,635
Accumulated depreciation on disposal/written off	(127)	(224)	(15,013)	(102,765)	-	(118,129)
As at 31 December 2022	263,004	226,296	555,294	389,645	-	1,434,239
Depreciation for the year	4,731	11,686	39,811	39,186	-	95,414
Accumulated depreciation on disposal/written off	(3,974)	(289)	(13,627)	(33,911)	-	(51,801)
As at 31 December 2023	263,761	237,693	581,478	394,920	-	1,477,852

(Unit: Thousand Baht)

	Separate financial statements					Total
	Land and land improvement	Buildings, building improvements and complements	Machinery, tools and equipment	Furniture, office equipment and vehicles	Construction in progress and equipment under installation	
Allowance for impairment loss						
As at 1 January 2022	1,183	-	6,273	-	-	7,456
Increase during the year	-	-	-	-	3,823	3,823
Decrease during the year	-	-	(6,273)	-	-	(6,273)
As at 31 December 2022	1,183	-	-	-	3,823	5,006
Decrease during the year	-	-	-	-	(625)	(625)
As at 31 December 2023	1,183	-	-	-	3,198	4,381
Net book value						
As at 31 December 2022	250,859	160,859	179,024	146,685	8,539	745,966
As at 31 December 2023	252,730	166,133	151,201	109,501	14,796	694,361
Depreciation for the year						
2022 (Baht 93 million included in manufacturing cost, and the balance in selling expenses and administrative expenses)						113,635
2023 (Baht 78 million included in manufacturing cost, and the balance in selling expenses and administrative expenses)						95,414

As at 31 December 2023, certain items of plant and equipment items had been fully depreciated but were still in use. The original cost of those assets amounted to approximately Baht 3,812 million (2022: Baht 3,387 million) (The Company only: Baht 1,252 million (2022: Baht 1,011 million)).

15. Intangible assets

	Consolidated financial statements					Separate financial statements			(Unit: Thousand Baht)
	Computer software	Customer relationship	Non-competition clause	Backlog	Computer software under installation	Total	Computer software	Computer under installation	
As at 31 December 2023:									
Cost	215,343	224,112	11,724	129,386	2,734	583,299	169,579	2,734	172,313
Less: Accumulated amortisation	(192,940)	(125,651)	(10,725)	(127,666)	-	(456,982)	(153,644)	-	(153,644)
Translation adjustments	2,096	-	(999)	-	-	1,097	-	-	-
Net book value	24,499	98,461	-	1,720	2,734	127,414	15,935	2,734	18,669
As at 31 December 2022:									
Cost	212,057	224,112	11,724	129,386	5,659	582,938	165,698	5,659	171,357
Less: Accumulated amortisation	(190,023)	(108,290)	(10,725)	(83,894)	-	(392,932)	(151,643)	-	(151,643)
Translation adjustments	2,099	-	(999)	-	-	1,100	-	-	-
Net book value	24,133	115,822	-	45,492	5,659	191,106	14,055	5,659	19,714

A reconciliation of the net book value of intangible assets for the years 2023 and 2022 is presented below.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Net book value at beginning of year	191,106	266,384	19,714	32,205
Acquisition of computer software	6,741	7,902	5,539	6,327
Amortisation	(70,387)	(83,171)	(6,584)	(18,818)
Disposal	(45)	-	-	-
Disposal of investment in a subsidiary	-	(62)	-	-
Translation adjustments	(1)	53	-	-
Net book value at end of year	<u>127,414</u>	<u>191,106</u>	<u>18,669</u>	<u>19,714</u>

16. Short-term loans from financial institutions

	(Unit: Thousand Baht)					
	Interest rates		Consolidated		Separate	
	(% per annum)		financial statements		financial statements	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Loans in Thai Baht	2.47 - 7.05	1.45 - 2.75	2,068,810	3,037,905	1,731,696	2,908,320
Loans in Indonesia Rupiah	8.50 - 10.10	6.40 - 7.90	95,748	192,644	-	-
Total			<u>2,164,558</u>	<u>3,230,549</u>	<u>1,731,696</u>	<u>2,908,320</u>

17. Trade and other payables

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Trade payables - related parties (Note 6)	158,178	175,296	2,095,955	2,306,060
Trade payables - unrelated parties	1,567,456	2,408,645	925,049	1,536,774
Unbilled payables - related parties (Note 6)	150,508	131,549	-	-
Retention payables - unrelated parties	140,033	60,440	4,838	1,774
Accounts payable from commodity forward contracts	24,046	53,000	24,046	53,000
Other payables - related parties (Note 6)	108,601	95,031	65,476	61,885
Other payables and accrued expenses - unrelated parties	699,280	808,404	181,127	243,870
Total trade and other payables	<u>2,848,102</u>	<u>3,732,365</u>	<u>3,296,491</u>	<u>4,203,363</u>

18. Credit facilities

The credit facilities of the Group granted by financial institutions are secured by the following collaterals:

- a) The guarantees of the Company, its subsidiaries and a shareholder of a subsidiary
- b) The prohibition from creating lien over assets of the Group
- c) Financial support letters provided by the Group to banks
- d) The Company allows its subsidiaries to use its facilities obtained from banks, with the Company responsible to the banks for the amounts drawn down by the subsidiaries

19. Leases

The Group has lease contracts for various items of property, plant, and equipment used in its operations. Leases generally have lease terms between 1 - 50 years.

a) Right-of-use assets

Movement of right-of-use assets for the years ended 31 December 2023 and 2022 are summarised below:

(Unit: Thousand Baht)

	Consolidated financial statements				
	Land and buildings	Machinery and equipment	Office equipment	Motor vehicles	Total
1 January 2022	529,498	123,546	998	74,608	728,650
Additions	31,431	57,846	6,719	19,324	115,320
Lease modification	6,523	-	-	-	6,523
Depreciation	(59,164)	(27,105)	(1,096)	(32,234)	(119,599)
Written off	(1,154)	-	-	(341)	(1,495)
Translation adjustments	5,440	4,717	-	-	10,157
31 December 2022	512,574	159,004	6,621	61,357	739,556
Additions	54,466	63,764	-	29,672	147,902
Depreciation	(61,865)	(30,814)	(1,805)	(26,545)	(121,029)
Written off	-	(6,338)	-	(547)	(6,885)
Translation adjustments	(5,894)	77	-	-	(5,817)
31 December 2023	499,281	185,693	4,816	63,937	753,727

(Unit: Thousand Baht)

	Separate financial statements			
	Land and buildings	Office equipment	Motor vehicles	Total
1 January 2022	62,878	-	39,871	102,749
Additions	-	6,719	9,865	16,584
Lease modification	(2,250)	-	-	(2,250)
Depreciation	(9,967)	(560)	(16,804)	(27,331)
31 December 2022	50,661	6,159	32,932	89,752
Additions	11,171	-	21,092	32,263
Depreciation	(10,429)	(1,344)	(14,156)	(25,929)
31 December 2023	51,403	4,815	39,868	96,086

b) Lease liabilities

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Lease payments	523,145	512,247	103,102	97,883
Less: Deferred interest expenses	(80,594)	(88,252)	(5,333)	(6,414)
Total	442,551	423,995	97,769	91,469
Less: Portion due within one year	(114,425)	(101,791)	(28,190)	(22,698)
Lease liabilities - net of current portion	328,126	322,204	69,579	68,771

A maturity analysis of lease payments is disclosed in Note 30.2 to the consolidated financial statements under the liquidity risk.

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

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Depreciation expense of right-of-use assets	121,030	119,599	25,929	27,331
Interest expense on lease liabilities	20,666	19,244	2,548	2,788
Expense relating to short-term leases	4,473	6,183	311	157
Expense relating to leases of low-value assets	9,262	9,632	4,388	4,487

d) Others

The Group has total cash outflows for leases for the year ended 31 December 2023 of Baht 158 million (2022: Baht 143 million) (the Company only: Baht 33 million, 2022: Baht 30 million), including the cash outflow related to short-term lease and leases of low-value assets.

20. Provision for long-term employee benefits

Provision for long-term employee benefits, which is compensations on employees' retirement and long service award, are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Provision for long-term employee benefits				
at beginning of year	246,786	246,882	135,104	145,856
Included in profit or loss:				
Defined benefit plans				
Current service cost	22,420	22,349	11,667	12,851
Past service cost	-	(263)	-	(99)
Interest cost	7,621	5,429	3,748	2,784
Long service award	1,643	4,869	629	703
Included in other comprehensive income:				
Actuarial (gain) loss arising from				
Financial assumptions changes	(20)	(11,266)	-	(5,729)
Experience adjustments	(754)	6,508	-	(7,250)
Benefits paid during the year	(38,206)	(25,945)	(20,120)	(14,012)
Translation adjustments	(19)	(1,777)	-	-
Provision for long-term employee benefits				
at end of year	<u>239,471</u>	<u>246,786</u>	<u>131,028</u>	<u>135,104</u>

The Group expects to pay Baht 72 million of long-term employee benefits during the next year (2022: Baht 45 million) (the Company only: Baht 43 million, 2022: Baht 26 million).

As at 31 December 2023, the weighted average duration of the liabilities for long-term employee benefit was between 6 - 13 years (2022: 6 - 15 years) (the Company only: 6 years, 2022: 6 years).

Key actuarial assumptions used for the valuation are as follows:

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
	(% per annum)	(% per annum)	(% per annum)	(% per annum)
Discount rate	2.9 - 7.0	2.9 - 7.0	2.9	2.9
Future salary increase rate	4.0 - 7.0	4.0 - 7.0	4.0	4.0
Staff turnover rate (depending on age of employee)	0.0 - 25.0	0.0 - 25.0	0.0 - 15.0	0.0 - 15.0

The results of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at 31 December 2023 and 2022 are summarised below:

(Unit: Million Baht)

As at 31 December 2023

	Consolidated		Separate	
	financial statements		financial statements	
	<u>Increase 1%</u>	<u>Decrease 1%</u>	<u>Increase 1%</u>	<u>Decrease 1%</u>
Discount rate	(12)	14	(6)	7
Salary increase rate	12	(11)	6	(5)

(Unit: Million Baht)

As at 31 December 2022

	Consolidated		Separate	
	financial statements		financial statements	
	<u>Increase 1%</u>	<u>Decrease 1%</u>	<u>Increase 1%</u>	<u>Decrease 1%</u>
Discount rate	(13)	14	(6)	7
Salary increase rate	12	(11)	6	(6)

21. 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 income 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.

22. Expenses by nature

Significant expenses by nature are as follows:

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Salary, wages and other employee benefits	1,404	1,429	504	512
Depreciation and maintenance expenses	1,046	1,111	158	192
Costs related to production of goods and services (excluding of staff cost, depreciation and maintenance expenses)	25,506	26,812	20,475	21,914

23. Income tax

Income tax expenses for the years ended 31 December 2023 and 2022 are made up as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Current income tax:				
Current income tax charge	(728,355)	(727,684)	(449,221)	(531,753)
Adjustment in respect of income tax of previous year	1,290	(2,287)	2,466	(2,219)
Deferred tax:				
Relating to origination and reversal of temporary differences	143,862	(7,581)	5,995	(39,037)
Income tax reported in the profit or loss	<u>(583,203)</u>	<u>(737,552)</u>	<u>(440,760)</u>	<u>(573,009)</u>

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2023 and 2022 are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Deferred tax on actuarial gains and losses	(170)	(1,054)	-	(2,596)
Deferred tax on change in fair value of hedging instruments of cash flow hedges	18,993	(37,813)	18,993	(37,813)
Income tax reported in other comprehensive income	18,823	(38,867)	18,993	(40,409)

Reconciliation between income tax expenses and the product of accounting profit multiplied by the applicable tax rates for the years ended 31 December 2023 and 2022 are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Accounting profit before tax	2,908,674	3,120,263	2,312,255	3,306,553
Income tax at Thai corporate income tax rate of 20%	(581,735)	(624,053)	(462,451)	(661,311)
Adjustment in respect of income tax of previous year	1,290	(2,287)	2,466	(2,219)
Utilisation of previously unrecognised tax losses and capital allowance	1,174	1,061	-	-
Unused tax loss and unutilised investment tax allowances of current year which has not recognised as deferred tax assets	(58,375)	(44,723)	-	-
Difference of tax rates in group companies	13,997	(4,455)	-	-
Adjustment of previous deferred tax assets/ liabilities	41	(40,921)	-	(40,189)
Effects of:				
Non-taxable income/expenses	(48,708)	(68,813)	(38,026)	10,729
Additional expenses deductions allowed	1,018	777	461	175
Exemption of income	11,358	6,277	52,190	116,984
Promotional privileges (Note 24)	1,442	6,579	-	-
Tax privilege (Note 25)	50,674	23,102	4,600	2,822
Share of profit from investment in joint ventures and associates	15,522	13,985	-	-
Others	9,099	(4,081)	-	-
Total	40,405	(22,174)	19,225	130,710
Income tax expenses reported in profit or loss	(583,203)	(737,552)	(440,760)	(573,009)

The tax rates enacted at the end of the reporting period of the Group are 0% to 25% (2022: 0% to 25%).

The components of deferred tax assets and deferred tax liabilities are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statement	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Deferred tax assets				
Allowance for doubtful accounts	118,956	83,843	48,963	33,288
Reduction of cost of inventories to net realisable value	11,728	2,078	5,952	389
Fair value of commodity forward contracts	2,742	39	2,742	39
Allowance for asset impairment	65,735	65,863	18,250	18,378
Provision for long-term employee benefits	51,929	50,588	26,206	27,021
Effect on elimination of intercompany transaction	6,258	8,579	-	-
Unutilised tax loss and capital allowance	9,838	14,240	4,433	7,972
Lease liabilities	2,254	-	626	-
Others	9,788	12,789	1,294	550
Total	<u>279,228</u>	<u>238,019</u>	<u>108,466</u>	<u>87,637</u>
Deferred tax liabilities				
Difference depreciation for tax purpose	(222,454)	(321,728)	(29,803)	(28,457)
Fair value of commodity forward contracts	(20,104)	(25,752)	(20,104)	(25,752)
Fair value of forward exchange contracts	(4,546)	(4,403)	(4,546)	(4,403)
Share of profit from investment in an associate	(65,466)	(58,640)	-	-
Fair value adjustment of assets from business combination	(66,432)	(89,955)	-	-
Total	<u>(379,002)</u>	<u>(500,478)</u>	<u>(54,453)</u>	<u>(58,612)</u>
Presented as follows:				
Deferred tax assets	153,079	107,256	54,013	29,025
Deferred tax liabilities	252,853	369,715	-	-

As at 31 December 2023 and 2022, the subsidiaries had deductible temporary differences on capital allowance and unused tax losses on which deferred tax assets have not been recognised as these subsidiaries believed that future taxable profits may not be sufficient to allow utilisation of the temporary differences and unused tax losses, as follows:

	<u>2023</u> (Million)	<u>2022</u> (Million)
Baht	-	3
Malaysian Ringgit	219	200

24. Promotional privileges

Bitumen Marine Company Limited was granted investment promotional privileges by the Board of Investment for mass transit systems and transportation of bulk goods. Important tax privileges is exemption of corporate income tax not exceeding of the stipulated amount for 8 years commencing from 29 October 2015 onwards. During the year, this promotion certificate was expired.

25. Tax privileges

Tax privileges for maritime commerce

The subsidiaries in Thailand which are engaged in marine transportation business, are entitled to withholding income tax privileges under the Revenue Department Instruction No. Por 110/2545 since they are international marine transportation business operators, whereby income from vessel rental is subject to withholding tax at a rate of 1%. Moreover, the subsidiaries are exempted from corporate income tax on their income from international marine transportation under Announcement of the Director-General of the Revenue Department No. 72.

Tax privilege for an International Business Center (“IBC”)

The Company was granted approval from the Revenue Department to be an International Business Center, providing managerial or technical services, supporting services or to be an international trading center. Under this tax privilege, the corporate income tax rate of IBC activity is reduced for 15 accounting periods, from 1 June 2019 to 31 December 2033.

Tax privilege from the stipulated investment

Kemaman Bitumen Company Sdn Bhd were granted tax privilege for a corporate income tax reduction from the stipulated investment amount.

26. 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.

The following table sets forth the computation of basic earnings per share:

Consolidated financial statements						
Profit for the year		Weighted average number of ordinary shares		Earnings per share		
<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	
(Thousand Baht)	(Thousand Baht)	(Thousand shares)	(Thousand shares)	(Baht)	(Baht)	
Basic earnings per share						
Profit attributable to equity holders of the Company						
2,305,518	2,366,511	1,578,362	1,578,362	1.46	1.50	
Separate financial statements						
Profit for the year		Weighted average number of ordinary shares		Earnings per share		
<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	
(Thousand Baht)	(Thousand Baht)	(Thousand shares)	(Thousand shares)	(Baht)	(Baht)	
Basic earnings per share						
Profit attributable to equity holders of the Company						
1,871,495	2,733,543	1,578,362	1,578,362	1.19	1.73	

27. Segment information

The Group considers to organise into business groups based on types of products and services. The major segments of the Group are as follows:

Manufacturing and trading

The Group conducts manufacturing and trading of asphalt, petroleum oil products and asphalt concrete in both domestic and overseas markets. Whereas, the marine logistic business complements the manufacturing and trading of asphalt and petroleum oil products.

Construction business

The Group conducts construction service related to highway construction and road rehabilitation in Thailand.

Operating segment information is reported in a manner consistent with the internal reports that are regularly reviewed by the chief operating decision maker in order to make decisions about the allocation of resources to the segment and assess its performance.

The chief operating decision maker monitors the operating results of the business units separately for the purpose of making decisions about resource allocation and assessing performance. Segment performance is measured based on operating profit or loss and total assets and on a basis consistent with that used to measure operating profit or loss and total assets in the financial statements.

The basis of accounting for any transactions between reportable segments is consistent with that for third party transactions.

Revenue and profit information regarding the Group's operating segments for the years ended 31 December 2023 and 2022 are as follows:

	For the year ended 31 December						(Unit: Million Baht)		
	Manufacturing and trading segment		Construction segment		Eliminated transactions			Consolidated financial statements	
	2023	2022	2023	2022	2023	2022		2023	2022
Revenues from external customers	27,605	30,025	3,501	3,376	-	-	31,106	33,401	
Inter-segment revenues	599	566	-	-	(599)	(566)	-	-	
Total revenues	28,204	30,591	3,501	3,376	(599)	(566)	31,106	33,401	
Segment profit	3,976	4,215	162	146	-	-	4,138	4,361	
Unallocated income and expenses							(1,229)	(1,241)	
Profit before income tax							2,909	3,120	

Non-current assets (other than deferred tax assets)

	(Unit: Million Baht)				
	Geographic segment located in Thailand		Geographic segment located in overseas		Total
	2023	2022	2023	2022	
Non-current assets	3,518	3,759	5,613	5,884	9,131
					9,643

Transfer prices between the segments are as set out in Note 6 to the consolidated financial statements.

Revenue from external customers based on locations of the customers is as follows:

	(Unit: Million Baht)	
	<u>2023</u>	<u>2022</u>
Thailand	15,063	15,753
Overseas	16,043	17,648
Total	<u>31,106</u>	<u>33,401</u>

28. Dividend

Dividends	Approved by	Total dividends (Million Baht)	Dividend per share (Baht per share)
Final dividends for 2021	Annual General Meeting of the shareholders on 8 April 2022	1,262.5	0.80
Interim dividends for 2022	Board of Directors' Meeting on 9 November 2022	394.6	0.25
Total for 2022		<u>1,657.1</u>	<u>1.05</u>
Final dividends for 2022	Annual General Meeting of the shareholders on 5 April 2023	1,578.3	1.00
Interim dividends for 2023	Board of Directors' Meeting on 10 August 2023	394.6	0.25
Total for 2023		<u>1,972.9</u>	<u>1.25</u>

29. Commitments and contingent liabilities

29.1 Capital commitment

As at 31 December 2023 and 2022, the Group had outstanding capital commitments relating to the purchase of machinery, equipment, vehicles, computer software and construction of building, as follows:

Foreign currency	Consolidated financial statements		Separate financial statements	
	<u>2023</u> (Million)	<u>2022</u> (Million)	<u>2023</u> (Million)	<u>2022</u> (Million)
Baht	18	12	15	12
Malaysian Ringgit	3	8	-	-
Vietnam Dong	30,501	11,337	-	-

29.2 Long-term service commitments

The Group has entered into service agreements. The terms of the agreements are generally between 1 and 5 years.

Future minimum service fees payable under these agreements as at 31 December 2023 and 2022 are as follows:

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Within 1 year	48	54	36	41
Over 1 and up to 5 years	19	27	15	20
Total	67	81	51	61

29.3 Long-term service agreement

The Group entered into service agreements with a related company related to management and marketing services, technical assistance in the manufacture of premium grade asphalt and construction project management. Those agreements have terms 2 - 5 years for which the Group is to pay fees at the rates stipulated in the agreements. The Group has fees for 2023 and 2022 amounting to approximately Baht 47 million and Baht 44 million, respectively (the Company only: Baht 31 million and Baht 27 million, respectively).

29.4 Project construction cost commitments

As at 31 December 2023, the Group had commitments related to agreements of project construction costs of Baht 1,569 million (2022: 2,839 million). The Group will make payment of these commitments upon delivery of the relevant goods or services.

29.5 Bank guarantees

As at 31 December 2023 and 2022, there were outstanding bank guarantees issued by the banks on behalf of the Group in respect of advance received, contractual performance and certain performance bonds as required in the normal course of business which are summarised below.

Foreign currency	Consolidated financial statements		Separate financial statements	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
	(Million)	(Million)	(Million)	(Million)
Baht	1,911	2,056	2	2
Malaysian Ringgit	8	10	-	-

30. Financial instruments

30.1 Derivatives and hedge accounting

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Derivative assets				
<i>Not designated as hedging instruments</i>				
Commodity forward contracts	38,738	-	38,738	-
Forward exchange contracts	22,822	22,035	22,729	22,013
<i>Designated as hedging instruments</i>				
Commodity forward contracts	61,783	128,762	61,783	128,762
Total derivative assets	123,343	150,797	123,250	150,775
Derivative liabilities				
<i>Not designated as hedging instruments</i>				
Commodity forward contracts	13,594	198	13,594	198
Forward exchange contracts	6,604	2,822	6,454	2,751
<i>Designated as hedging instruments</i>				
Commodity forward contracts	115	-	115	-
Total derivative liabilities	20,313	3,020	20,163	2,949

All derivatives are measured at fair value in level 2.

Derivatives not designated as hedging instruments

The Group enters into commodity forward contracts and forward exchange contracts to manage risk against fluctuations in commodity prices and foreign exchange rates, respectively. The contracts are entered into for the periods consistent with the underlying transactions, generally from one to twelve months.

Derivatives designated as hedging instruments

Cash flow hedges on commodity prices

The Group sells petroleum products produced from refining of crude oil and bitumen derived from crude oil distillation. The Group enters into commodity forward contracts to hedge against risks of petroleum price volatility in products expected to be sold in the future under risk management strategies established by the Group's Commodity Hedging Committee.

There is an economic relationship between the hedging instruments and the hedged items as the significant terms of the commodity forward contracts, i.e. notional amount and expected payment date, match those of the forecast sales (the expected highly probable forecast transactions). The Group has established a hedge ratio of 0.91:1 for the hedging relationships.

Hedge ineffectiveness can arise from:

- Differences in the timing of the cash flows of hedged items and hedging instruments
- Differences in commodity indexes of hedged items and hedging instruments
- Changes to the forecasted amount of cash flows of hedged items or hedging instruments

Derivatives held by the Group as hedging instruments as at 31 December 2023 are to mature within one year and at an average hedge rate of USD 101.4 per barrels (2022: USD 120.9 per barrels).

The impact of hedged items on the statement of financial position as at 31 December 2023 and 2022 is as follows:

(Unit: Thousand Baht)

	Change in		Cash flow hedge reserve			
	fair value used for		Continuing hedges		Discontinued hedges	
	measuring					
	ineffectiveness					
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Highly probable forecast sales	(71,391)	(159,592)	(59,591)	(154,555)	(11,800)	(5,037)

The impact of the hedging instruments on the statement of financial position as at 31 December 2023 and 2022 and the effect of the cash flow hedge in the statement of comprehensive income for the years ended 31 December 2023 and 2022 are, as follows:

(Unit: Million Baht)

	Consolidated and separate financial statements											
	Notional amounts		Carrying amount*		Changes in fair value used for measuring ineffectiveness		Effectiveness recognised in other comprehensive income		Ineffectiveness recognised in profit or loss**		Amount of cash flow hedge reserve reclassified to profit or loss***	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Commodity forward contracts												
- hedge the risk arising from petroleum products sales	1,117	1,717	62	129	66	155	60	155	-	-	44	(749)

* Presented in statement of financial position as derivative - commodity forward contracts.

** Presented in profit or loss as (gain) loss from commodity forward contracts.

*** Presented in profit or loss as deducted from sales and service income.

30.2 Financial risk management objectives and policies

The Group's financial instruments principally comprise cash and cash equivalents, trade and other receivables, trade and other payables, loans to and loans from related parties and financial institutions. The financial risks associated with these financial instruments and how they are managed is described below.

Credit risk

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

Trade receivables

The Group 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. 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.

Financial instruments and cash deposits

The credit risk on debt instruments and derivatives is limited because the Group have a policy to consider and approve credit limits assigned to each counterparty by the Group's Board of Directors. The counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

Market risk

There are three types of market risk comprising interest rate risk, currency risk and commodity price risk. The Group enters into a variety of derivatives to manage its risk exposure, including:

- Forward exchange contracts to hedge the foreign currency risk arising on the export or import of goods
- Commodity forward contracts to hedge the commodity price risk arising on sales of products

Foreign currency risk

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

As at 31 December 2023 and 2022, the balances of financial assets and liabilities of the Group denominated in foreign currencies were summarised below.

Foreign currency	Consolidated financial statements					
	Financial assets		Financial liabilities		Average exchange rate	
	as at 31 December		as at 31 December		as at 31 December	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	
US Dollar	16	57	16	28	34.2	34.6
Euro	8	8	9	8	38.0	36.8
Yen	-	-	24	8	0.2	0.3
Ringgit	9	14	17	17	7.4	7.8

Foreign currency	Separate financial statements					
	Financial assets		Financial liabilities		Average exchange rate	
	as at 31 December		as at 31 December		as at 31 December	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	
US Dollar	59	102	33	50	34.2	34.6
Singapore Dollar	-	-	10	12	26.0	25.7
Euro	8	8	9	8	38.0	36.8
Ringgit	-	-	9	5	7.4	7.8

The Group outstanding forward exchange contracts which maturity date within one year are summarised below.

As at 31 December 2023						
Foreign currency	Consolidated		Separate		Contractual exchange rate	
	financial statements		financial statements		Sold	Bought
	Sold	Bought	Sold	Bought		
amount	amount	amount	amount	(Per 1 foreign currency unit)		
	(Million)	(Million)	(Million)	(Million)		
US Dollar	22	10	22	9	34.3 - 36.6 Baht	34.5 - 36.1 Baht
US Dollar	-	10	-	-	-	24,185 - 24,425 Vietnam Dong
US Dollar	-	10	-	-	-	15,438 - 15,813 Indonesia Rupiah

As at 31 December 2022						
Foreign currency	Consolidated		Separate		Contractual exchange rate	
	financial statements		financial statements		Sold	Bought
	Sold	Bought	Sold	Bought		
amount	amount	amount	amount	(Per 1 foreign currency unit)		
	(Million)	(Million)	(Million)	(Million)		
US Dollar	31	13	31	13	34.3 - 37.7 Baht	34.5 - 35.5 Baht
US Dollar	-	10	-	-	-	23,703 - 23,781 Vietnam Dong
US Dollar	-	12	-	-	-	15,502 - 15,763 Indonesia Rupiah

In addition, the Group exposes to foreign exchange risk on its investments in overseas subsidiaries, joint ventures and associates, loans to overseas subsidiaries and loan from financial institution. These investments and loans are currently not hedged by derivative financial instruments.

The following tables demonstrate the sensitivity of the Group's profit before tax to a reasonably possible change in US dollar exchange rate, with all other variables held constant. The impact on the Group's profit before tax is due to changes in the fair value of monetary assets and liabilities including non-designated foreign currency derivatives as at 31 December 2023 and 2022. The Group's exposure to foreign currency changes for all other currencies is not material.

Currency	2023		2022	
	Change in FX rate	Effect on profit before tax (Thousand Baht)	Change in FX rate	Effect on profit before tax (Thousand Baht)
US dollar	+1%	1,484	+1%	8,534
	-1%	(1,484)	-1%	(8,534)

Interest rate risk

The Group exposure to interest rate risk relates primarily to its cash at banks, loans to and loans from related parties and financial institutions. However, since most of the Group's financial assets and liabilities bear fixed interest rates which are close to the market rate, the interest rate risk is expected to be minimal.

The following table demonstrates the sensitivity of the Group's profit before tax to a reasonably possible change in interest rates on loans from financial institutions affected as at 31 December 2023 and 2022.

	2023		2022	
	Increase/decrease	Effect on profit before tax (Thousand Baht)	Increase/decrease	Effect on profit before tax (Thousand Baht)
Interest rate	+1%	(957)	+1%	(1,926)
	-1%	957	-1%	1,926

Commodity price risk

The Group is exposed to risk from fluctuations in the price of raw materials and finished goods. To manage these risks, the Group has entered into commodity forward contracts to hedge the risk from fluctuation in such prices.

The Group's Commodity Hedging Committee has developed and enacted a risk management strategy for commodity price risk and its mitigation. Based on a 12-month forecast sales, the Group hedges the selling price using commodity forward contracts. The forward contracts do not result in physical delivery of commodity products, but hedge the risk from fluctuation in commodity prices to offset the effect of price changes in commodity.

Forward contracts with a physical delivery that qualify for normal purchase, sale or usage are therefore not recognised as derivatives.

Commodity price sensitivity

The following table demonstrates the sensitivity of the Group's profit before tax and equity to a reasonably possible change in commodity price, with all other variables held constant. The impact on the Group's profit before tax is due to changes in the fair value of commodity forward contracts are as follow:

	2023			2022		
	Increase/ decrease	Effect on profit before tax	Effect on equity	Increase/ decrease	Effect on profit before tax	Effect on equity
		(Thousand Baht)	(Thousand Baht)		(Thousand Baht)	(Thousand Baht)
Petroleum price	+1%	(3,140)	(9,747)	+1%	(965)	(15,887)
	-1%	3,140	9,747	-1%	965	15,887

Liquidity risk

The Group implements liquidity risk management procedures through the use of loans from financial institutions and leases. The Group assesses the risk relating to its ability to repay as low since the Group has access to sufficient and varied sources of funding and ability to request an extension to the repayment period for debts due within 12 months.

The table below summarises the maturity profile of the Group's non-derivative financial liabilities and derivative financial instruments as at 31 December 2023 based on contractual undiscounted cash flows:

(Unit: Thousand Baht)

	Consolidated financial statements			
	Less than 1	1 to 5	Over	Total
	year	years	5 years	
Non-derivatives				
Short-term loans from financial institutions	2,176,290	-	-	2,176,290
Trade and other payables	2,848,104	-	-	2,848,104
Lease liabilities	134,678	267,219	121,248	523,145
Short-term loans from related parties	132,603	-	-	132,603
Total non-derivatives	5,291,675	267,219	121,248	5,680,142
Derivatives				
Derivative liabilities - Commodity forward contracts	13,709	-	-	13,709
Derivative liabilities - Forward exchange contracts	6,604	-	-	6,604
Total derivatives	20,313	-	-	20,313

(Unit: Thousand Baht)

	Separate financial statements			
	Less than	1 to 5	Over	Total
	1 year	years	5 years	
Non-derivatives				
Short-term loans from financial institutions	1,740,935	-	-	1,740,935
Trade and other payables	3,296,491	-	-	3,296,491
Lease liabilities	30,380	72,722	-	103,102
Short-term loans from related parties	60,600	-	-	60,600
Total non-derivatives	5,128,406	72,722	-	5,201,128
Derivatives				
Derivative liabilities - Commodity forward contracts	13,709	-	-	13,709
Derivative liabilities - Forward exchange contracts	6,454	-	-	6,454
Total derivatives	20,163	-	-	20,163

30.3 Fair value of financial instruments

Since the majority of the Group's financial instruments are short-term in nature or carrying interest at rates close to the market interest rates, their fair value is not expected to be materially different from the amounts presented in statement of financial position. For derivatives, fair value is generally derived from quoted market prices, or based on generally accepted pricing models when no market price is available.

31. Capital management

The primary objective of the capital management of the Group is to ensure that they have an appropriate financial structure and preserve the ability to continue their business as a going concern.

The Group manages its capital position with reference to financial ratio. As at 31 December 2023 and 2022, these financial ratios were as follow:

Financial Ratio	Consolidated		Separate	
	financial statements		financial statements	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Interest Bearing Short-term Debt-to-Equity Ratio	0.135 : 1	0.199 : 1	0.148 : 1	0.245 : 1

32. Approval of financial statements

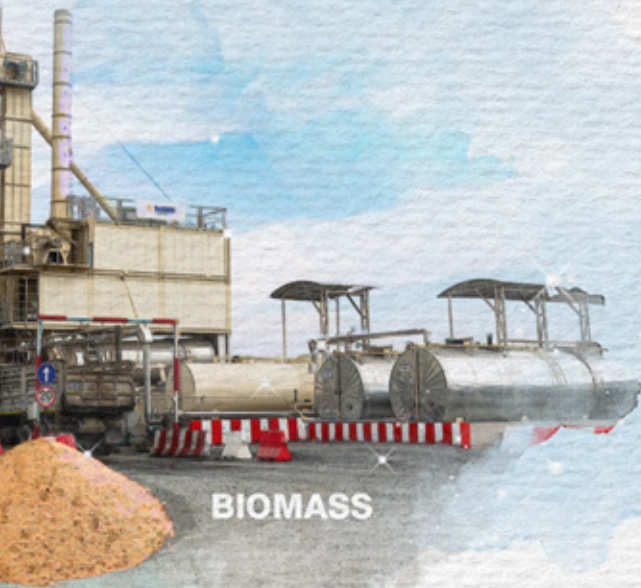
These financial statements were authorised for issue by the Company's authorised directors on 9 February 2024.



SOLAR FARM

ELECTR
BOILER

EV
ASPHALT
TRUCK



BIOMASS

ATTACHMENT 1-5

- **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
- **Attachment 2** : Details of the directors of subsidiaries
- **Attachment 3** : Details of the Heads of the Internal Audit and Compliance Units
- **Attachment 4** : Assets for business undertaking and details of asset appraisal
- **Attachment 5** : Unabridged policy and guidelines on corporate governance and unabridged code of businessconduct prepared by the Company

1 Attachment

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.

MR. CHAINOI PUANKOSOOM

Chairman

Independent Director

Age 73

Starting date of Directorship 13 August 2015

Education

- | | | |
|--|-----------------------|--|
| <ul style="list-style-type: none"> • Master of Management (MM), Sasin Graduate Institute of Business Administration, Chulalongkorn University • Bachelor of Higher Accounting, California College of Commerce, USA | <p>2016 - Present</p> | <p>Independent Director, Chairman of the Audit Committee, Member of Nomination and Remuneration Committee, Prima Marine Plc. (Type of business : Providing Marine Transportation and Services)</p> |
|--|-----------------------|--|

Training

- | | | |
|--|--|---|
| <ul style="list-style-type: none"> • 2021 Chairman Forum 1/2021 "Chairing a Virtual Board Meeting" • 2017 The Role of Chairman in Leading Strategic Risk Oversight • 2014 The Role of the Chairman Program (RCP), Class 33/2014 • 2011 Financial Institutions Governance Program (FGP), Class 3/2011 • 2007 Director Accreditation Program (DAP), Class 63/2007 | <p>2015 - Present</p> <p>2016 - 2017
2013 - 2014</p> <p>2008 - 2010</p> <p>2008 - 2010</p> | <p>Independent Director, Tipco Asphalt Plc.</p> <p>Chairman, Tipco Asphalt Plc.</p> <p>IRPC Public Company Limited - Chairman of the Board of Directors (Type of business : Oil and gas)</p> <p>PTT Aromatics & Refining Plc. - President & CEO</p> <p>PTT Plc. - Senior Executive Vice President</p> |
|--|--|---|

Shareholding in Company

Director : -none-	2007 - 2008	PTT Aromatics & Refining Plc. - President
Spouse/Minor child : -none-		

Family Relationship with Other Directors and

Executives -none-	2004 - 2007	PTT Plc. - Executive Vice President
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Related Experience

Listed Companies

2020 - Present	Chairman, Independent Director Tipco Asphalt Plc.	1984 - 2004	Thai Oil Plc. - Deputy Managing Director
2018 - 2020	Vice Chairman, Tipco Asphalt Plc.		(Type of business : Oil and gas)
2017 - Present	Chairman of the Board, Independent Director, Member of Audit Committee, Chairman of Sustainability and Risk Management Committee Fraser's Property (Thailand) Plc. (Type of business : Industrial Factory and Warehouse Development for Sale and Lease)	2021 - Present 2017 - Present	<p>Non-Listed Companies</p> <p>Director, the Education & Public Welfare Foundation (Type of business : Nonprofit Organization)</p> <p>Chairman of the Board of Directors, TRA Land Development Co., Ltd. (Type of business : Property Development)</p>

2010 - Present	Director, Member of Executive Committee, Member of Risk Management Committee and Member of Business Restructuring Subcommittee, National Power Supply Plc. (Type of business : Electricity and Steam Generation and Sale)	2017 - 2022	Independent Director, Chairman of the Audit Committee, Sapthip Company Limited. (Type of business : Producing Ethanol)
		2011 - 2018	The Energy Fund Administration Institute (Public Organization), Ministry of Energy - Director
		2009 - 2018	Petroleum Institute of Thailand - Director

MR. KOH BAN HENG**Vice Chairman****Independent Director****Member of the Nomination and Remuneration Committee**

Age 75

Starting date of Directorship 1 July 2011**Education**

- Post-Graduate Diploma in Business Administration, University of Singapore
- Bachelor of Applied Chemistry, University of Singapore

Training

- 2019 SMU-SID Executive Certificate in Directorship program
- 2019 Leaders Insights with Economist Intelligence Unit
- 2019 Grow Beyond Talk 2019 on August 23, 2019
- 2018 Cybersecurity Governance, KCL Group
- 2017 Leaders Insights - "Outlook for the Global Economies" by The Economist Intelligence Unit
- 2017 SID's AC Chapter - Pit Stop Series on "The Critical Role of ACs in Valuation and Impairment of Assets"
- 2017 Governance, Risk, Compliance and Safety Program
- 2017 Seminar on audit committee, ACRA, SGX and Singapore Institutes of Directors
- 2016 Building a High Impact Board, Singapore Institutes of Directors
- 2016 Cybersecurity for Directors, Singapore Institutes of Directors
- 2016 Competition Law and Corporate Governance, KCL GRC
- 1992 Executive Strategic Development Course, London Business School

Shareholding in Company

Director : -none-

Spouse/Minor child : -none-

Family Relationship with Other Directors and Executives -none-**Related Experience****Listed Company**

2016 - 2017,	Vice Chairman,
2020 – Present	Tipco Asphalt Plc.
2011 - Present	Independent Director, Tipco Asphalt Plc.
1974 - 2011	Chief Executive Officer (last position), Singapore Petroleum Company (SPC) (Type of business : Oil and gas company)

Non-Listed Company

2021 - Present	Independent Director, Dialog Systems Asian Pte Ltd (Type of business : Downstream, Midstream & Upstream Oil & Gas company)
2014 - Present	Director, Chung Cheng High School Ltd. (Type of business : Education)
2011 - Present	Consultant, Malaysian KLSE listed company Dialog Group Bhd. (Type of business : Downstream, Midstream & Upstream Oil & Gas company)

2015 - 2021	Independent Director and Non-Executive Chairman and Member of Audit Committee, Keppel Infrastructure Fund Management Pte Ltd (Type of business : Trustee manager)	2015 - 2018	Committee, Keppel Infrastructure Holdings Pte. Ltd. (Type of business Investment holding company) Independent Director and Chairman of Audit Committee, Cue Energy Resources Limited (Type of business : Oil and Gas exploration and production)
2013 - 2019	Independent Director and Chairman of Audit		

MR. PHIRASILP SUBHAPHOLSIRI

Independent Director

Chairman of the Audit Committee

Chairman of the Sustainable Development and Corporate Governance Committee

Age 70

Starting date of Directorship 14 May 2013

Education

- Bachelor of Business Administration, Yokohama National University, Japan

Training

- 2005 Director Accreditation Program (DAP)

Shareholding in Company

Director : -none-

Spouse/Minor child : -none-

Family Relationship with Other Directors and

Executives -none-

Related Experience

Listed Company

2013 - Present	Independent Director, Tipco Asphalt Plc.
2009 - Present	Chairman, Food and Drinks Plc. (Type of business : Manufacturer of food and beverages)

1998 - 2008 President, BankThai PLC (Type of business : Banking)

1993 - 1998 President, Krungthai Thanakit PLC (KTT) (Type of business : Banking)

Non-Listed Company

2019 - Present	Director, HMC Polymers Co., Ltd. (Type of business : Manufacturer of Polypropylene)
2010 - Present	Chairman, Kaizen Consulting Co., Ltd. (Type of business : Consulting services)
1989 - Present	Chairman, Subhadhana Co., Ltd. (Type of business : Office for rent)

MR. NOPPORN THEPSITHAR**Independent Director****Member of the Audit Committee****Chairman of the Nomination and Remuneration Committee**

Age 69

Starting date of Directorship 27 April 2012**Education**

- | | | |
|--|----------------|---|
| • Ph.D (Honorable) in Logistics and Supply Chain Management, Sripatum University | 2018 - Present | Chairman, Mena Transport Plc.
(Type of business : Logistics) |
| • Bachelor of Electrical Engineering, Chulalongkorn University | 2011 - 2022 | Independent Director, Member of Audit Committee and Chairman of Risk Management Committee, Ananda Development Plc.
(Type of business : Property development) |

Training

- | | | |
|---|-------------|---|
| • 2021 Advanced Audit Committee Program (AACP 41/2021) | | |
| • 2021 Ethical Leadership Program (ELP 22/2021) | | |
| • 2021 AC seminar FY2021 | 2005 - 2018 | Independent Director and Chairman of Audit Committee, Union Petrochemical Plc.
(Type of business : Importer and distributor of petrochemical products) |
| • 2020 Risk Management Program for Corporate Leaders (RCL 21/2020) | | |
| • 2020 Strategic Board Master Class (SBM 9/2020) | | |
| • 2020 Board Nomination and Compensation Program (BNCP 10/2020) | | |
| • 2020 IT Governance and Cyber Resilience Program (ITG 15/2020) | 2004 - 2011 | Member of Executive Committee and Senior Vice President - Logistics Siam City Cement Plc.
Type of business : Producer and distributor of cement) |
| • 2018 Corporate Governance for Director and Top Executive of State-owned Enterprise and Public Organization, Class 19 King Prajadhipok's Institute | | |

Non-Listed Company

- | | | |
|--|----------------|---|
| • 2018 Congko Business Dinner Talk, King Mongkut's Institute of Technology, Ladkrabang | 2018 - Present | Advisor, Thai National Shippers' Council (TNSC) |
| • 2018 Sale Credit Skills Development Senior Credit, EXIM Bank and Omega Performance Corporation | 2014 - 2019 | Director and Chairman of the Board of Executive Committee, Export-Import Bank of Thailand (EXIM Thailand)
(Type of business : Import and export service) |
| • 2012 Audit Committee Effectiveness Seminar | | |
| • 2005 Director Accreditation Program (DAP) | | |
| Director : -none-
Spouse/Minor child : -none- | 2013 - 2017 | Chairman of the Thai National Shippers' Council (TNSC) |

Family Relationship with Other Directors and**Executives** –none–**Related Experience****Listed Company**

- | | |
|----------------|---|
| 2012 - Present | Independent Director,
Tipco Asphalt Plc. |
|----------------|---|

MR. JEAN –MARIE VERBRUGGHE

Independent Director

Age 73

Starting date of Directorship 7 April 2020

Education

- Engineer at Solvay Business School
- Brussels, Belgium

2018 - 2022

Non-Executive Director of
Bouygues -Thai Ltd.

(Type of business : Building
Construction)

Training

- 2021 Director Certification Program
(DCP 313/2021)

2016 - 2018

Non-Executive Director of BYMA
(Myanmar)

(Type of business : Building
Construction)

Shareholding in Company

Director : -none-

Spouse/Minor child : -none-

Family Relationship with Other Directors and Executives -none-

1994 - 2018

Managing Director

Bouygues-Thai Ltd.

(Type of business : Building
Construction)

Related Experience

Listed Company

2020 - Present Independent Director Tipco
Asphalt Plc.

1992 - 1994

General Manager

Bouygues-Thai Ltd.

(Type of business : Building
Construction)

Non-Listed Company

2018 - Present Advisor to Bouygues-Thai Board
(Type of business : Building
Construction)

MR. NIPHON SUTHIMAI

Independent Director

Member of the Audit Committee

Member of the Sustainable Development and Corporate Governance Committee

Age 65

Starting date of Directorship 16 February 2006

Education

- Master of Operational Research, London
School of Economics, UK
- Licence de Droit (Law), Universite de Droit,
Lyon, France

Training

- 2020 Board Nomination and Compensation
Program (BNCP 10/2020)
- 2017 Updated COSO Enterprise Risk
Management: Integrating with Strategy and
Performance
- 2015 CG Forum 3/2015 Risk Oversight:
High Priority Roles of the Board
- 2006 Audit Committee Program (ACP)
- 2006 Director Accreditation Program (DAP)

Shareholding in Company

Director : -none-

Spouse/Minor child : -none-

Family Relationship with Other Directors and Executives -none-

Related Experience

Listed Company

2006 - Present Independent Director,
Tipco Asphalt Plc.

2017 - 2018

Vice President Corporate Affairs
and Corporate Risk Management,
Acting Cargo Sales Director,
Nok Airlines Plc.

(Type of business : Airline service)

2016 - 2017	Vice President - Customer Services, Nok Airlines Plc. (Type of business: Airline service)	2007 - 2013	Managing Partner, CLY International Limited (Type of business : Human resources consulting service)
2012 - 2015	Vice President - People, Nok Airlines Plc. (Type of business : Airline service)	2005 - 2008	Consultant, Thai Air Cargo Co., Ltd. (Type of business: Air freight service)
2006 - 2016	Chairman of Audit Committee, Tipco Asphalt Plc.		
Non-Listed Company			
1999 - 2019	Associate Director, Geodis Overseas Co., Ltd. (Type of business : Logistics service)		

MR. PIERRE VANSTOFLEGATTE**Director**

Age 55

Starting date of Directorship 13 November 2023**Education**

- Executive MBA : CPA (Centre Perfectionnement aux affaires)
- Graduate Engineer from Ecole Des Mines de Paris- Mining Engineer
- Graduate Engineer from Ecole Polytechnique

Training -**Shareholding in Company**

Director : -none-

Spouse/Minor child : -none-

Family Relationship with Other Directors and**Executives** -none-**Related Experience****Listed Companies**

2019 - 2023	CEO of Energies et Services E&S division for Bouygues Group (Type of Business : Building Construction)
2016 - 2018	Chairman of RUBIX France, RUBIX Group, Paris (Type of Business : Industrial Supplies)
2012 - 2016	Chairman of Schindler France and CEO Roux Combaluzier, Schindler Group, Paris (Type of Business : Elevator Manufacturer)

2010 - 2012	Chairman of SPIE UK, Supervisory to the Board of Director of SPIE Netherland, and Chairman of SPIE Belgium (Type of Business : Energy and Communication)
2007 - 2012	Managing Director of SPIE Northen Europe, SPIE Group, London (Type of Business : Energy and Communication)
2007 - 2010	CEO and administrator SPIE Sud-Ouest – Administrator SPIE Spain - Chairman SPIE Portugal (Type of Business : Energy and Communication)
2000 - 2007	Director, SPIE Group, Toulouse (Type of Business : Energy and Communication)

Non-Listed Companies

2023 - Present	CEO of Colas Group, Bouygues Group, Paris (Type of Business : Building Construction)
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MR. SOMCHIT SERTTHIN

Authorized Director

Member of the Nomination and Remuneration Committee

Age 72

Starting date of Directorship 29 April 1994

Education

- Bachelor of Business Administration, Babson College, Massachusetts, MA, USA

Training

- 2014 National Director Conference
- 2014 Anti – Corruption for Executive Program (ACEP)
- 2013 Director Certification Program (DCP)
- 2003 Director Accreditation Program (DAP)

Shareholding in Company

Director : 31,000,000 shares (1.96%)

Spouse/Minor child : 12,000,000 shares (0.76%)

Family Relationship with Other Directors and

Executives -none-

Related Experience

Listed Company

1994 - Present	Director, Tipco Asphalt Plc.
2005 - 2019	Director, Tipco Foods Plc. (Type of business : manufacturer and exporter of canned pineapple and fruit juices)
1986 - 2019	Chief Executive Officer, Tipco Asphalt Plc.

Non-Listed Company

1980 - 1986	Vice President & Country Corporate Manager Chase Manhattan Bank, N.A., Taipei Branch (Type of business : Banking)
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Please see list of directorship in non-listed companies on Attachment 2 of the 2023 56-1 One-report

MR. JACQUES PASTOR

Authorized Director

Age 69

Starting date of Directorship 1 August 2000

Education

- Advanced Management Program (AMP), Harvard Business School, MA, USA
- Ecole Nationale Supérieure d' Arts et Metiers, Paris, France

Training

- 2013 Director Accreditation Program (DAP)
- 2013 Director Certification Program (DCP)

Shareholding in Company

Director : 1,200,000 shares (0.07%)

Spouse/Minor child : -none-

Family Relationship with Other Directors and

Executives -none-

Related Experience

Listed Company

2022 - Present	Director Tipco Asphalt Plc.
2000 - 2022	Executive Director Tipco Asphalt Plc.

Non-Listed Company

2020 - 2022	Chief Executive Officer Colas Asia, Pacific, South America and Bitumen Group (Type of business : Road Construction)
1993 - 2019	Chief Executive Officer Colas Asia and Pacific (Type of business : Road Construction)
1989 - 1992	Managing Director Colas AJMC, Mauritius Island (Type of business : Road Construction)
1986 - 1989	Managing Director Colas Mayotte, Comoro Island (Type of business : Road Construction)

MR. CHAIWAT SRIVALWAT**Authorized Executive Director****Member of the Executive Committee****Member of the Sustainable Development and Corporate Governance Committee****Chief Executive Officer**

Age 63

Starting date of Directorship 13 February 2002**Education**

- Bachelor of Engineering, Liverpool University, England

Training

- 2023 National Director Conference : Delivering “Net Zero” together
- 2022 CEO Club 2022 : Opportunity and Challenge in Financial System and Thai Capital Market
- 2021 IOD Director Forum 1/2021 “GRC Through the Perfect Storm”
- 2019 CEO Club 2019 : “Global and Corporate Sustainability & ESG: the Next Phase of Growth”
- 2017 Sustainability Strategy : Key Blueprint for Business Growth
- 2014 National Director Conference
- 2014 Anti-Corruption for Executive Program (ACEP)
- 2003 Director Certification Program (DCP)

Shareholding in Company

Director : 3,000,000 shares (0.190%)

Spouse/Minor child : -none-

Family Relationship with Other Directors and Executives -none-**Related Experience****Listed Company**

2019 - Present	Chief Executive Officer, Tipco Asphalt Plc.
2002 - 2019	Managing Director, Tipco Asphalt Plc.
1999 - 2002	Marketing Director, Tipco Asphalt Plc.
1983 - 1999	Operations Director, Tipco Asphalt Plc.

Non-Listed Company

Please see list of directorship in non-listed companies on Attachment 2 of the 2023 56-1 One-report

MR. FREDERIC ROUSSEL

Authorized Executive Director

Vice Chairman of the Executive Committee

Member of Sustainable Development and Corporate Governance Committee

Member of Nomination and Remuneration Committee

Age 56

Starting date of Directorship 11 August 2022

Education

- Master of Engineering, Ecole Centrale de Lille, France

Training

- 2023 Director Certification Program (DCP)

Shareholding in Company

Director : -none-

Spouse/Minor child : -none-

Family Relationship with Other Directors and

Executives -none-

Related Experience

Listed Company

2022 - Present Director, Tipco Asphalt Plc.

2022 - 2023 Acting Deputy Chief Executive Officer - International Business and Construction Group, Tipco Asphalt Plc.

2022 - Present General Manager, Asia Pacific, Colas SA
(Type of business : Asphalt Consulting Service)

2020 - 2022 General Manager, Canada, Colas SA
(Type of business : Asphalt Consulting Service)

2015 - 2020 Deputy General Manager, Canada, Colas SA
(Type of business : Asphalt Consulting Service)

Non-Listed Company

Please see list of directorship in non-listed companies on Attachment 2 of 2023 56-1 One report

EXECUTIVE OFFICER

MR. TANAWAT TANGUDOMLERT

Acting Chief Financial Officer

The person assigned to take the highest responsibility in Accounting and Finance

Age 39

Education

- Bachelor of Accounting, Faculty of Business Administration Kasetsart University

Training

2023

- CFO Orientation for New IPOs by the Stock Exchange of Thailand
- Course “Accounting information” (CPD 5 hours) by Department of Business Development
- Course “Financial statement analysis” (CPD 5 hours) by Department of Business Development
- Course “Accounting standards related to PPE” (CPD 6 hours) by Department of Business Development
- Course “Income, the difference between accounting and taxation” (CPD 6.5 hours) by Department of Business Development
- Course “Code of Ethics for professional accountants” (CPD 1 hours) by Department of Business Development

2022

- Course “Overall tax related to manufacturing and distribution, international business center (IBC), marine transportation and construction business” (CPD 13 hours) by EY Corporate Services Limited
- Course “Delve into NPAEs regarding income and assets along with receiving guidelines and tax benefits” (CPD 7 hours) by Sanpakornsarn (Unit under the Revenue Department)
- Course “Training program on code of ethics for professional accountants exclusive to certified public accountants No. 4 (CPD 2 hours) by Federation of Accounting Professions Under The Royal Patronage of His Majesty The King

2021

- Course “Cash flow statements” (CPD 7 hours) by Department of Business Development
- Course “Ethics and Thai Financial Reporting Standard for Non-Publicly Accountable Entities” (CPD 7 hours) by Department of Business Development
- Course “Accounting information 1” (CPD 6 hours) by Department of Business Development
- Course “Accounting information 2” (CPD 9 hours) by Department of Business Development
- Course “IFRS 9 Financial Instruments - Impairment (Simplified approach)” (CPD 3.5 hours) by EY Corporate Services Limited

Shareholding in Company

Executive Officer : -none-

Spouse/Minor child : -none-

Family Relationship with Other Directors and

Executives -none-

Related Experience

Listed Company

2023 - Present	Acting Chief Financial Officer, Tipco Asphalt Plc.
2022 - 2023	Director - Corporate Finance and Accounting, Tipco Asphalt Plc.
2018 - 2022	Senior Manager - Management Accounting, Tipco Asphalt plc.
2015 - 2018	Group Manager - Corporate Accounting, Tipco Asphalt Plc.

Non-Listed Company

2013 - 2015	Manager EY Office Limited (Type of business : Audit Services)
2007 - 2013	Audit Assistant EY Office Limited (Type of business : Audit Services)

MR. THIERRY ALAIN SIMON DEFRENE
Deputy Chief Executive Officer - Logistics,
Procurement and Overseas Trading

Age 53

Education

- Bachelor of Engineering (Civil Engineering), ALES Mining School, France

Shareholding in Company

Executive Officer : 150,000 shares (0.01%)
 Spouse/Minor child : -none-

Family Relationship with Other Directors and Executives -none-

Related Experience

Listed Company

2023 - Present	Deputy Chief Executive Officer - Logistics, Procurement and Overseas Trading, Tipco Asphalt Plc.
2019 - 2023	Chief Operating Officer - Logistics and Procurement, Tipco Asphalt Plc.
2017 - 2019	Chief Operating Officer - International Trading and Business Development, Tipco Asphalt Plc.

2005 - 2011 International Sales & Marketing Director, Tipco Asphalt Plc.

Non-Listed Company

Please see list of directorship in non-listed companies on Attachment 2 of 2023 One-Report

2012 - 2017	Chief Executive Officer, COLAS Australia Group (Pty) Ltd. - Australia (Type of business : Road construction services)
2000 - 2004	Managing Director, COLAS South Africa (Pty) Ltd. - South Africa (Type of business : Road construction services)
1998 - 1999	Managing Director, COLAS East Africa Ltd. – Kenya (Type of business : Road construction services)

MR. CHRISTOPHE BERNARD VOY
Member of the Executive Committee
Chief Operating Officer - International Business
 Age 57

Education

- Institute of Management Bouygues (IMB), HEC, France
- Bachelor of Business Administration, SDSU, USA

Training

- 2014 Director Certification Program (DCP)

Shareholding in Company

Executive Officer : -none-
 Spouse/Minor child : -none-

Family Relationship with Other Directors and Executives -none-

Related Experiences

Listed Company

2020 - Present	Chief Operating Officer - International Business, Tipco Asphalt Plc.
2016 - 2019	Chief Operating Officer - International Retail, Tipco Asphalt Plc.

Non-Listed Company

Please see list of directorship in non-listed companies on Attachment 2 of 2023 One report

2007 - 2015	President Director, Colas Companies in Indonesia, Vietnam & Singapore (Type of business : Road construction service)
2005 - 2006	Marketing Director, North & Central Europe, Shell International (Type of business : Oil and Gas)
2001 - 2004	Marketing Director, specialties, Asia Pacific, Shell Oil Products (Type of business : Oil and Gas)
1997 - 2000	General Director, Shell Bitumen Vietnam (Type of business : Oil & gas)
1995 - 1996	Business Development Manager, Shell Vietnam (Downstream) (Type of business : Oil and Gas)

MR. SORANARD NANTAMONTRY

Member of the Executive Committee
Chief Operating Officer - Thailand Business
 Age 50

Education

- | | | |
|--|-------------|---|
| • Master of Business Administration, Saint Louis University, Missouri, USA | 2012 - 2013 | Senior Manager – Domestic Asphalt Product Sales, Tipco Asphalt Plc. |
| • Bachelor of Engineering (Civil Engineering), Chulalongkorn University | 2010 - 2012 | Group Manager – International Sales and Marketing, Tipco Asphalt Plc. |

Training

- | | | |
|---|-------------|--|
| • 2023 National Director Conference : Delivering “Net Zero” together | 2001 - 2004 | Senior Technical Officer, Tipco Asphalt Plc. |
| • 2021 Executive Development Program (EDP 2021) Thai Listed Companies Association | | |
| • 2019 Director Certification Program (DCP 283/2019) | | |

Shareholding in Company

Management : 428,500 shares (0.027%)
 Spouse/Minor child : -none-

Family Relationship with Other Directors and Executives -none-**Related Experience**

2019 - 2021	Deputy Managing Director - Commercial and Support Thanomwongse Service Co., Ltd and Thai Slurry Seal Co., Ltd. (Type of business : Road Construction and maintenance Service)
-------------	---

Listed Companies

2021 - Present	Chief Operating Officer - Thailand Business, Tipco Asphalt Plc.
2015 - 2021	Director – International Sales & Marketing, Tipco Asphalt Plc.
2014	Plant Manager – Nakornratchasima, Tipco Asphalt Plc.

Non-Listed Companies

Please see list of directorship in non-listed companies on Attachment 2 of the 56-1 One report

2021 - Present	Managing Director - Commercial and Support
----------------	--

Thanomwongse Service Co., Ltd (Type of business : Road Construction and Maintenance Service)

Deputy Managing Director - Commercial and Support Thanomwongse Service Co., Ltd and Thai Slurry Seal Co., Ltd. (Type of business : Road Construction and maintenance Service)

MRS. UDOMPORN PUNPATCH

Chief People Officer

Age 62

Education

- Master of Human Resources Management, College of Management, Mahidol University
- Mini - Master of Business Administration, Thammasat University
- Bachelor of Industrial Psychology, Chiangmai University

Training

- Asia Women's forum during 18-20 September 2019

Shareholding in Company

Management : 1,135,900 shares (0.072%)
Spouse/Minor child : 23,100 shares (0.0015%)

Family Relationship with Other Directors and Executives -none-

Related Experience

Listed Companies

2021 - Present	Chief People Officer - Tipco Asphalt Plc.
2011 - 2021	Director - Human Capital Management, Tipco Asphalt Plc.
2007 - 2010	Senior Manager - Human Resources, Tipco Asphalt Plc.
2000 - 2006	Group Manager - Human Resources, Tipco Asphalt Plc.

Non-Listed Companies -none-

MS. NATTAMON INGKAPRADIT

Senior Manager - Financial Accounting

Qualified bookkeeper and the conditions of being an accountant according to the criteria specified in the announcement of the Department of Business Development

Age 41

Education

- Master of Business Administration Faculty of Commerce and Accountancy, Thammasat University
- Bachelor of Accounting, Faculty of Commerce and Accountancy, Chulalongkorn University

Training

- **2023**
 - Course "Conceptual Framework for Financial Reporting" (CPD 2 hours) by Department of Business Development
 - Course "Financial Statement Analysis" (CPD 5 hours) by Department of Business Development
 - Course "Tax mapping techniques to reduce tax errors" (CPD 6 hours) by Dharmniti Seminar and Training Co., Ltd.
- **2022**
 - Course "Thai Financial Reporting Standard relate to property, plant and equipment" (CPD 6 hours) by Department of Business Development
 - Course "Overall tax relate to manufacturing and distribution, international business center, marine transportation and construction business" (CPD 13 hours) by EY Corporate Services Limited
 - Summary of TFRS that have been changed and effective in 2023 by The Stock Exchange of Thailand
- **2021**
 - Course "Cash Flow" (CPD 6 hours) by Department of Business Development
 - TFRS 9 Financial Instruments - Impairment (Simplified approach)" (CPD 3.5 hours) by EY Office Limited

- Summary key point to be aware for TFRS for PAEs and changes in 2021 by The Stock Exchange of Thailand
- Trends, direction of doing M&A, important issues to consider and M&A strategy by The Stock Exchange of Thailand
- **2020**
 - Disclosure form and transfer pricing criteria (CPD 7 hours) by Sanpakornsarn (Unit under the Revenue Department)
 - "Update overall TFRS 9 and TFRS 16" (CPD 6 hours) by Federation of Accounting Professions Under The Royal Patronage of His Majesty The King
- **2019**
 - Draft Conceptual framework for financial reporting - Revised Edition (CPD 3 hours)
 - Thai Financial Reporting Standards Revised 2019 (BV 2019) with Revised/Added Principles

- (8 editions) (CPD 6 hours) by Federation of Accounting Professions Under The Royal Patronage of His Majesty The King
- "The new financial reporting standards to be used in 2019 and 2020" (CPD 6 hours) by Federation of Accounting Professions Under The Royal Patronage of His Majesty The King

Shareholding in Company - none –

Family Relationship with Other Directors and Executives - none -

Related Experience

- | | |
|----------------|--|
| 2018 - Present | Senior Manager - Financial Accounting, Tipco Asphalt Plc. |
| 2017 - 2018 | Senior Manager, EY Office limited (Type of business : Audit Service) |
| 2011 - 2017 | Manager, EY Office limited (Type of business : Audit Service) |

MR. THANAPOL LAOSIRIPONG

Company Secretary

Age 39

Education

- MBA Program, Sasin Graduate Institute of Business Administration of Chulalongkorn University
- Bachelor of Engineering, King Mongkut's Institute of Technology, Ladkrabang

Training

- 2023 Climate Change impact on business by Thai Investor Association
- 2023 Conflict of Interest declaration and insider trading
- 2022 CGR Workshop 2022
- 2022 Integrating ESG into Business Strategy
- 2022 PDPA for Company Secretary
- 2021 ESG Showcase: "ESG integration for sustainability" Thai Listed Companies Association (TLCA)
- 2021 IR Sharing 3/2021
- 2021 IR Sharing 2/2021
- 2020 CGR workshop 2/2020, Thai Institute of Directors (IOD)
- 2020 CAC Open House - Checklist 4.0, Thai Institute of Directors (IOD)

- 2020 IR Role Thai Listed Companies Association (TLCA)
- 2020 Smart Disclosure Program (SDP) No.1/2020
- 2019 CGR Workshop 2019, Thai Institute of Directors
- 2018 Inaugural Corporate Governance Conference 2018, Bangkok
- 2017 Sustainable Investment: Opportunity of Long Term Growth for Businesses and Investors
- 2016 Anti-corruption: The Practical Guide (ACPG)
- 2015 CG Forum 3/2015 "Risk Oversight"
- 2014 Company Secretary Program (CSP)

Shareholding in Company - none -

Family Relationship with Other Directors and Executives - none -

Related Experience

Listed Companies

- | | |
|----------------|--|
| 2023 - Present | Senior Manager - Corporate Governance and Compliance and Sustainable Development, Tipco Asphalt Plc. |
|----------------|--|

2015 - 2023	Manager - Corporate Governance Affairs and Planning, and Compliance, Tipco Asphalt Plc.
2014 - 2015	Senior Officer - Corporate Affairs and Strategy, Tipco Asphalt Plc.
2012 - 2014	Senior Officer - Strategist for International Business Siam Commercial Bank (Type of business: Banking)

Non-Listed Companies -None-

ROLES OF THE COMPANY SECRETARY

The Company Secretary has the following important roles:

- Act as a consultant and secretary to the Board of Directors and other committees;
- Act as a corporate governance and compliance Officer;
- Act as a corporate communication officer by being the center of communication among the Company's directors, management and stakeholders;
- Act as a controller of management functions in following up on all the resolutions of the board of directors into practice; and

- Act as a coordinator with the Stock Exchange of Thailand, The Securities and Exchange Commission, and other relevant organizations

DUTIES OF THE COMPANY SECRETARY:

- To adhere to good corporate governance;
- To plan meetings and propose relevant agendas;
- To manage the Board of Directors' meetings and coordinate with the minutes recorder in conducting the meetings in a proper manner and in line with the Company's regulations;
- To administer the Shareholders' meetings in line within the legal framework;
- To give advices on legal matters, the Public Companies Act and all other rules and regulations of listed companies, and the Company's affidavits aiming at full compliance with relevant laws;
- To make sure that the resolutions of the Board of Directors are adhered to;
- To be a point of contact providing information to Directors and third parties; and
- To maintain the safekeeping of all matters concerning the Company's registrar and related document

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Attachment

POSITIONS IN SUBSIDIARIES, JOINT VENTURE AND ASSOCIATED COMPANIES

Board of Directors members and top management holds management and authorized positions in subsidiaries, joint ventures associated companies or other related companies are as follows:

Name	SUBSIDIARIES		JOINT VENTURES			
Mr. Chainoi Puankosoom	*	TASCO (TIPCO ASPHALT PLC.)				CS (COLASIE CO., LTD.)
Mr. Koh Ban Heng	✓	KBC (KEMAMAN BITUMEN COMPANY SDN. BHD.)				NILA (NILA SOLUTIONS CO., LTD.)
Mr. Phirasip Subnapholisiri	✓	KBT (KBC TRADING SDN. BHD.)				BASB (BORNEO ASPHALT SDN. BHD.)
Mr. Nopporn Thepsithar	✓	KOC (KEMAMAN OIL CORPORATION SDN. BHD.)				ABT (ASIA BITUMEN TRADING PTE. LTD.)
Mr. Niphon Suthimai	✓	HRT (HIGHWAY RESOURCES TRADING PTE.LTD.)				PAPI (PHOENIX ASPHALT PHILIPPINES, INC.)
Mr. Jean-Marie Verbrugghe	✓	TIH (TASCO INTERNATIONAL (HONG KONG) LTD.)				IDC (INDRACHIT HOLDING CO., LTD.)
Mr. Pierre Vanstoflegatte	✓	HRT (HIGHWAY RESOURCES TRADING PTE.LTD.)				TWS (THANAOMWONGSE SERVICE CO., LTD.)
Mr. Somchit Serthhin	✓	KOC (KEMAMAN OIL CORPORATION SDN. BHD.)				TSS (THAI SLURRY SEAL CO., LTD.)
Mr. Jacques Pastor	✓	KBT (KBC TRADING SDN. BHD.)				RTL (RETA LINK PTE. LTD.)
Mr. Chaiwat Srivalwat	✓	KOC (KEMAMAN OIL CORPORATION SDN. BHD.)				ADS (AD SHIPPING PTE. LTD.)
Mr. Frederic Roussel	✓	KOC (KEMAMAN OIL CORPORATION SDN. BHD.)				PBS (PACIFIC BITUMEN SHIPPING PTE. LTD.)
Mr. Christophe Voy	✓	KOC (KEMAMAN OIL CORPORATION SDN. BHD.)				TS (TASCO SHIPPING CO., LTD.)
Mr. Thierry Defrene	✓	KOC (KEMAMAN OIL CORPORATION SDN. BHD.)				BMC (BITUMEN MARINE CO., LTD.)
Mr. Soranard Nantamonry	✓	KOC (KEMAMAN OIL CORPORATION SDN. BHD.)				AMC (ALPHA MARITIME CO., LTD.)
	✓	KOC (KEMAMAN OIL CORPORATION SDN. BHD.)				RV (RAVANA 1020 CO., LTD.)
	✓	KOC (KEMAMAN OIL CORPORATION SDN. BHD.)				TMC (TIPCO MARITIME CO., LTD.)
	✓	KOC (KEMAMAN OIL CORPORATION SDN. BHD.)				ABS (PT ASPHALT BANGUN SARANA)
	✓	KOC (KEMAMAN OIL CORPORATION SDN. BHD.)				HR (HIGHWAY RESOURCES PTE. LTD.)
	✓	KOC (KEMAMAN OIL CORPORATION SDN. BHD.)				ADCO (ASPHALT DISTRIBUTION CO., LTD.)
	✓	KOC (KEMAMAN OIL CORPORATION SDN. BHD.)				SR (PT SARANARAYA REKA CIPTA)
	✓	KOC (KEMAMAN OIL CORPORATION SDN. BHD.)				TS (TASCO SHIPPING CO., LTD.)
	✓	KOC (KEMAMAN OIL CORPORATION SDN. BHD.)				TAL (TIPCO ASPHALT LAO CO., LTD.)
	✓	KOC (KEMAMAN OIL CORPORATION SDN. BHD.)				TAC (TIPCO ASPHALT (CAMBODIA) CO., LTD.)
	✓	KOC (KEMAMAN OIL CORPORATION SDN. BHD.)				TBC (THAI BITUMEN CO., LTD.)
	✓	KOC (KEMAMAN OIL CORPORATION SDN. BHD.)				RY (RAYCOL ASPHALT CO., LTD.)
	✓	KOC (KEMAMAN OIL CORPORATION SDN. BHD.)				ADCO (ASPHALT DISTRIBUTION CO., LTD.)
	✓	KOC (KEMAMAN OIL CORPORATION SDN. BHD.)				HR (HIGHWAY RESOURCES PTE. LTD.)
	✓	KOC (KEMAMAN OIL CORPORATION SDN. BHD.)				SR (PT SARANARAYA REKA CIPTA)
	✓	KOC (KEMAMAN OIL CORPORATION SDN. BHD.)				ABS (PT ASPHALT BANGUN SARANA)
	✓	KOC (KEMAMAN OIL CORPORATION SDN. BHD.)				TMC (TIPCO MARITIME CO., LTD.)
	✓	KOC (KEMAMAN OIL CORPORATION SDN. BHD.)				RV (RAVANA 1020 CO., LTD.)
	✓	KOC (KEMAMAN OIL CORPORATION SDN. BHD.)				AMC (ALPHA MARITIME CO., LTD.)
	✓	KOC (KEMAMAN OIL CORPORATION SDN. BHD.)				BMC (BITUMEN MARINE CO., LTD.)
	✓	KOC (KEMAMAN OIL CORPORATION SDN. BHD.)				TS (TASCO SHIPPING CO., LTD.)
	✓	KOC (KEMAMAN OIL CORPORATION SDN. BHD.)				PBS (PACIFIC BITUMEN SHIPPING PTE. LTD.)
	✓	KOC (KEMAMAN OIL CORPORATION SDN. BHD.)				ADS (AD SHIPPING PTE. LTD.)
	✓	KOC (KEMAMAN OIL CORPORATION SDN. BHD.)				RTL (RETA LINK PTE. LTD.)
	✓	KOC (KEMAMAN OIL CORPORATION SDN. BHD.)				TSS (THAI SLURRY SEAL CO., LTD.)
	✓	KOC (KEMAMAN OIL CORPORATION SDN. BHD.)				TWS (THANAOMWONGSE SERVICE CO., LTD.)
	✓	KOC (KEMAMAN OIL CORPORATION SDN. BHD.)				IDC (INDRACHIT HOLDING CO., LTD.)
	✓	KOC (KEMAMAN OIL CORPORATION SDN. BHD.)				PAPI (PHOENIX ASPHALT PHILIPPINES, INC.)
	✓	KOC (KEMAMAN OIL CORPORATION SDN. BHD.)				ABT (ASIA BITUMEN TRADING PTE. LTD.)
	✓	KOC (KEMAMAN OIL CORPORATION SDN. BHD.)				BASB (BORNEO ASPHALT SDN. BHD.)
	✓	KOC (KEMAMAN OIL CORPORATION SDN. BHD.)				NILA (NILA SOLUTIONS CO., LTD.)
	✓	KOC (KEMAMAN OIL CORPORATION SDN. BHD.)				CS (COLASIE CO., LTD.)



Attachment

Details of the Head of Internal Audit

Mr. Joseph Mugilen Soosay Manickam
Senior Manager - Internal Audit Department
 Age 51

Professional Qualifications

2000	Chartered Management Accountant (from the Chartered Institute of Management Accountants, United Kingdom)
2002	Certified Internal Auditor (from the Institute of Internal Auditors, United States of America)

Related Experience

2012 - Present	Senior Manager - Internal Audit Department, Tipco Asphalt Plc.
2008 - 2012	Associate Director - Advisory Services, Pricewaterhouse Coopers FAS Ltd.

4 Attachment

Assets used in the business operation

Fixed asset of the Company and subsidiaries as of 31 December 2023

Type of asset	Net Book value (THB million)	Ownership	Mortgaged
Land including:	254.65		
- Nakhon Ratchasima plant (Area: 31 Rai-71 Sq.wa)	34.70	Company	None
- Phitsanulok plant (Area: 29 Rai-14 Sq.wa)	9.43	Company	None
- Phra pradaeng plant (Area: 13 Rai-2 Ngan-5 Sq.wa)	143.76	Company	None
- Suratthani plant (Area: 48 Rai-1 Ngan-78.4 Sq.wa)	51.54	Company	None
- Rayong plant (Area: 22 Rai- 2 Ngan-38.6 Sq.wa)	15.22	Subsidiary	None
Land development	103.44		None
Building and property	420.01	Company and subsidiaries	None
Machinery and equipment	3,496.74		None
Furniture, office equipment and vehicle	282.04		None
Vessels	2,160.72	Subsidiaries	None
Sub-total	6,717.60		
Property under construction	283.67	Company and subsidiaries	None
Total	7,001.27		

Intangible Assets

Intangible asset of the Company and subsidiaries include:

	Net Book value (THB thousand)	Remark
Computer software	27,233	Straight Line Depreciation: 3-5 years
Customer relationship	98,461	Straight Line Depreciation: 8-29 years
Backlog	1,720	Straight Line Depreciation: 3-4 years

Lease

The Company and subsidiaries have lease contracts for use in operation. Lease term is between 1-50 years.

Investment policies on the subsidiaries and associated companies

Investment policy take into account various factors including objective of the investment which shall be in line with Vision and Mission of the Group on good corporate governance manner.

5 Attachment

Unabridged policy and guidelines on corporate governance and unabridged code of business conduct

1. The Company has defined the corporate governance policy for the Board of Directors, all executives and employees to adhere to as a guiding principle in their work.
 - Corporate Governance Policy:
<https://www.tipcoasphalt.com/corporate-governance/?lang=en>
 - Code of Ethics:
<https://www.tipcoasphalt.com/corporate-governance/code-of-ethics/?lang=en>
2. Role and responsibilities of the Board of Directors and sub committees
 - Board of Directors
<https://www.tipcoasphalt.com/about-tipco-asphalt/board-of-directors-and-sub-committee/?lang=en>
 - Audit Committee
<https://www.tipcoasphalt.com/about-tipco-asphalt/board-of-directors-and-sub-committee/audit-committee/?lang=en>
 - Sustainable Development and Corporate Governance Committee
<https://www.tipcoasphalt.com/about-tipco-asphalt/board-of-directors-and-sub-committee/corporate-governance-committee/?lang=en>
 - Nomination and Remuneration Committee
<https://www.tipcoasphalt.com/about-tipco-asphalt/board-of-directors-and-sub-committee/nomination-remuneration-committee/?lang=en>
 - Executive Committee
<https://www.tipcoasphalt.com/about-tipco-asphalt/board-of-directors-and-sub-committee/executive-committee/?lang=en>



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