STRENGTHEN CORE BUSINESS

FOR EXCELLENCE AND SUSTAINABILITY

IRPC Public Company Limited

MEMBER OF Dow Jones Sustainability Indices In Collaboration with RobecoSAM

ROBECOSAM Sustainability Award Bronze Class 2015

ROBECOSAM Sustainability Award Industry Mover 2015

2014 Annual Report
IRPC Public Company Limited

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Vision

Leading Integrated Petrochemical Complex
in Asia by 2020

Mission

Operational Excellence
High Performance Organization
Corporate Social Responsibility
Value Creation
Innovation & Create New Business

Values

Aim High
Deliver
Work and Live Happily Together

Message from the Chairman

Dear Shareholders

Policy and Strategy, as determined by IRPC Public Company Limited's Board of Directors for the Company to carry out in 2014 in order to achieve the goal of "being a leader in leading Petrochemical industry in Asia within 2020", has contributed to the Company's success. The Company is able to achieve its goal and even higher than that. In particular; IRPC is one of 14 companies, from 91 leading companies globally in Oil and Gas Producer Group, which is ranked in Dow Jones Sustainability Indices (DJSI) for Emerging Market's membership for the first year. This positively enhances confidence of current investors who focus on an investment in a sustainable organization. Moreover, RobecoSAM Yearbook 2015 has ranked IRPC in the Bronze Class and IRPC has also been awarded with the Industry Improver award which is the highest one among the Industry group. In 2014, the Company was able to end more than 100 cases of dispute with its former shareholders. This reduces legal expenses and gains benefits related to the assets.

Mr. Pailin Chuchottaworn
Chairman

The Board of Directors reviews the policy and business strategy annually. In 2014, the Company has approved Five Year Business Plan (2015 – 2019) and the Company's growth is accord with Dow Jones Sustainability Indices (DJSI) in all aspects such as economic, society and environment. For the economic, the Company has its investment projects under Phoenix Project and other projects. The company also prepares its productivity, inventions, personnel, and management systems in order to grow and become the leading Petrochemical Company. Its organizational structure is improved to be compact in order to enhance its operational efficiency, potentiality, transparency and dedication to excellence according to the universal standards.

The Company has been certified as a member of Private Sector Collective Action Coalition against Corruption in April 4th, 2014. The Board of Directors promotes the anti-corruption action in the whole organization, improves to strengthen the Good Corporate Governance regulations, and emphasizes on strict internal control. As the result, the Company benefits from the absolute utilization of assets and resources.

For the society, the Company does not only conduct its business responsibly, but also continuously provides social benefits through a project that adds value to the Company's stakeholders according to the policy and strategy as determined by the Board of Directors in 2014. Moreover, the Company develops and expands collaboration with local and external social and stakeholder networks to utilize existing knowledge and potential such as fund, science and technology, education and management. It helps to create sustainable and equal opportunity and future for Thai society.

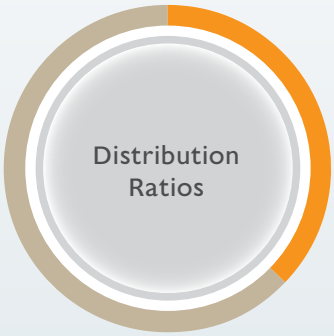
For the environment, it becomes a model of Eco industry which is selected by Department of Industrial Works, Ministry of Industry to be Thailand's representative for the development collaboration project with Kitakyushu, Japan which is outstanding at waste management through recycling. This reflects the Company's success in industry and industrial estate business conduct through social and environmental responsibilities, and effective utilization of resource and energy. Importantly, it shows the Company's determination to become the leader of Eco industry that is a solution for the management that focuses on the environmental excellence and sustainable growth.

Moreover, the Board of Directors are confident that the Management team has performed the business for the highest efficiency, including creating internal and external transparent society, providing safety, intelligence and good quality of life, placing importance on Human Rights and growing with various stakeholders steadily.

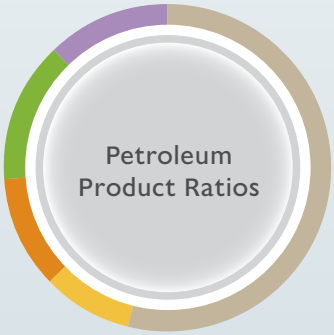
On behalf of the Board of Directors of IRPC Public Company Limited, I would like to thank you all for your confidence, support and collaboration with the Company, including the shareholders, customers, government organizations, academics, financial institutions, community, the management team and the staff of the Company and its subsidiaries. Their determination and hard-working contribute to the Company's success and help the Company to overcome all the difficulties and solve all the problems. According to the turnover in 2014, although the company has experienced a loss because of the serious drop of crude oil price in the fourth quarter and the Company has faced the loss of 5,000 million Baht, the Company has continuously been well-prepared. After the major projects are successfully completed and the global economy grows in a positive direction, I believe that the Company will become strong, have unstoppable growth and make good business profits. Ultimately, the profits will certainly return to its shareholders.

Key Performance

- 75% Petroleum Product
- 24% Petrochemical Product
- 1% Others



- 63% Domestic
- 37% Export

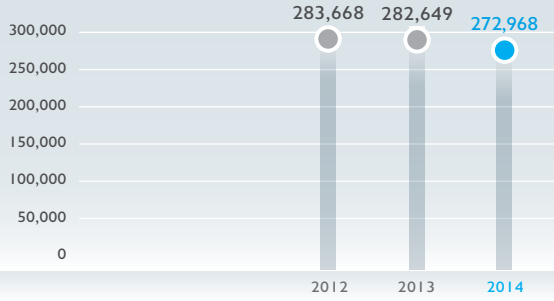


- 54% Diesel Gasoline
- 9% Benzine Gasoline
- 11% Fuel Oil
- 14% Lubricant Oil and Asphalt
- 12% Others

- 15% Aromatic
- 55% Olefins and Poly-Olefins
- 29% Stryrenics
- 1% Polyurethane

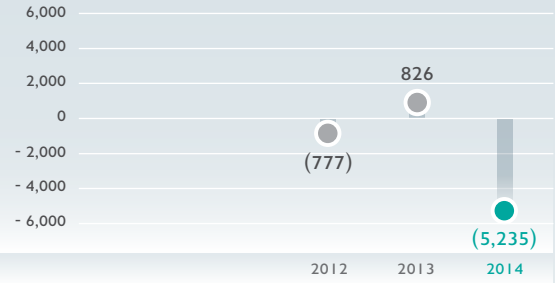
Gross Revenue

(Unit: Million Baht)



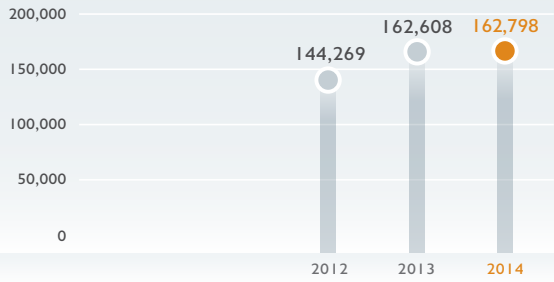
Net Profit

(Unit: Million Baht)



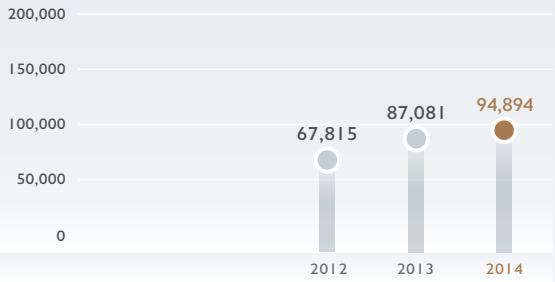
Total Assets

(Unit: Million Baht)



Total Liabilities

(Unit: Million Baht)



Financial Highlights

(Unit: Million Baht)

	(1) 2012	2013	2014
Financial Status			
Current Assets	54,971	63,772	44,142
Total Assets	144,296	162,608	162,798
Current Liabilities	22,352	49,530	46,829
Total Liabilities	67,815	87,081	94,894
Shareholders' Equity	76,480	75,527	67,904
Authorized Capital	20,475	20,475	20,475
Paid-up Stock	20,434	20,434	20,434
Operating Performances			
Sales Revenue	292,430	292,593	281,589
Gross Sales Revenue (2)	283,668	287,649	272,968
Cost of Sales	289,770	287,695	287,930
Gross earnings	2,661	4,897	(6,341)
EBITDA (3)	4,125	7,489	(1,402)
Net Profit/Loss	(777)	826	(5,235)
Financial Ratio			
Net profit Ratio	N/A	0.28%	N/A
Return of Assets	N/A	0.54%	N/A
Return of Equity	N/A	1.09%	N/A
Debt to Equity Ratio (4)	0.49	0.50	0.87
Dividend/Share (Baht)	0.08	0.10	(5) 0.08
Dividend Payout (6)	N/A	247%	N/A
Book value per share (Baht)	3.74	3.69	3.32
Earnings per share (Baht)	(0.04)	0.04	(0.26)

Remark:
(1) Revised Financial Report 2012.
(2) Net gross profit, tariff tax excluded.
(3) EBITDA is net income with interest, taxes, depreciation and amortization added back to it.
(4) Net Debt is sum of short term debt with interests, cash and temporary current investments.
(5) According to the Board of Director Meeting dated 10 February 2015, it is approved to pay out the dividend for fiscal year 2014 at 0.08 Baht per share. The dividend payout will be presented at the Annual Shareholders' General Meeting 2015 for approval.
(6) Dividend Payout is calculated from dividend per share divided by net profit per share (the amount of common stocks for net profit calculation is gathered from issued and paid common stocks deducted by stocks which is being held by corporate companies).

Milestones 2014

January

- Her Royal Highness Princess Sirindhorn bestowed an Honor emblem to IRPC for Thai Heritage Conservative Day to IRPC Public Co.,Ltd. in occasion of IRPC was considered to be a Nation Cultural Operation supporter of the year 2013

- The company has increased distribution channels for Styrene by trucks which increased more profit per unit and boosted shipping quantity to 1,000 tons monthly.

- IRPC participate in The World Economic Forum (WEF), a Swiss nonprofit foundation, based in Cologny, Geneva.

February

- Started the expansion of Wharf3 port in Capacity Improvement Project to extend and facilitate better transporting efficiency and to support the Upstream Project for Hygiene and Value Added Products (UHV) and other projects in the future.

March

- Polypropylene Plant, IRPC PLC., receive 2013 Thailand Quality Class (TQC) award from Thailand Quality Award National Committee of Thailand Productivity Institute.

April

- The Thermoplastics Factory (EPS) has brought the Averis Technology into the production process to enhance production and to reduce chemical utility. We can produce better quality and more stable products.

- The company has joined the Project Call to Action: Anti-Corruption and the Global Development Agenda established by UN Global Compact (UNGC), aiming to collaborate and voluntarily create human well beings and continue so forth.

THE GLOBAL COMPACT
WE SUPPORT

- The Company was accredited as a member in private sector collective action Coalition Against Corruption (CAC) from Anti-Corruption Organization Thailand on April 4, 2014 to certify of having its Anti-Corruption policies and implementations as required by CAC.

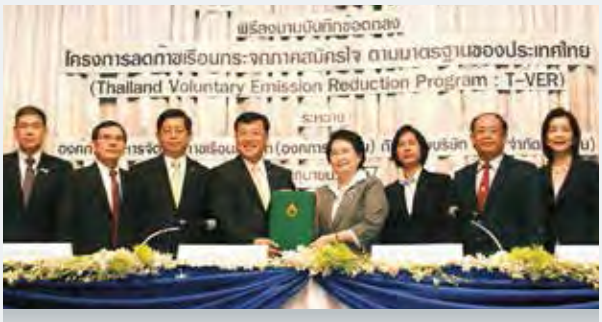
May

- Trade agreement signed with Shell International Eastern Trading Company (SIETCO) to buy standard lubricant oil.

- The Company signed an agreement to expand their cooperation in TDAE sales with Ban Hon Specialty Oil Company limited which has become its business partner since 2005. They will together develop the non-toxic oil market in Asia.

June

- Trade agreement signed with Horizon Petroleum Company to buy their asphalts. It is an annual renewal agreement of special product of IRPC.
- Trade agreement signed with Vitoria International Petroleum Company, whose main market is in China, to buy Rubber Process Oil.



- Joined with PTT in signing for a collaboration project to reduce Greenhouse gases voluntarily according to Thailand standard (T-VER), it is to exchange innovation, knowledge management of carbon credit measurement and verification from Thailand Greenhouse Gas Management Organization (TGO) and draw the guideline for a Sustainable Reforest Project.

- IRPC gained more market share in China by delivering 40 tons of TDAE products to a Tire factory in China by ISO tank for PTT (Public) Company and created new collaboration business within PTT enterprises.

July

- Issued new unsubordinated and unsecured bonds with indicated name in the amount of 15 billion Baht, money will be used to pay due bonds and the rest will be used as current assets.

- Opened a NANO Chemical Factory in the IRPC Industrial Zone and its first product is an antibacterial chemical substance which can kill 99% bacteria according to Japan standard (JIS Z 2801)

- Expand the production ability of the Lubricant Oil Factory in Phra-Pradeang, Samutprakarn province (Lube Blending Business Improvement) by increasing the lubricant oil 72 million liters per year in order to support the increasing demand in domestic and for AEC.

September

- The company and Leophairatana Group had signed to seize all lawsuits. So the company can restructure and manage all assets more efficiently and to administrate the business more sustainably.

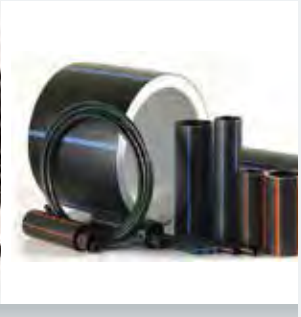
- Signed a trade agreement with Lube Base Oil Company and CPC Corporation Taiwan.

- Production process has been improvised according to The Technical Services Agreement (TSA) by Licensor Novolen in Polypropylene plant which decreased cost of production and will introduce new and better products into the market such as special grade for diaper product.

October

- In collaboration with Picnic Industrial Limited, the company has launched a new Thermoplastics product with Natural Color Compound for the first time in Thailand. It will be used for food packaging, safe, heat proof, and eco-friendly and can be used with other Plastics product in the future.

- The Company is evaluated and certified at the 4th level of Anti-corruption Progress Indicator by The Securities and Exchange Commission-SEC and Thai Pat Organization.



- Improved production process in Polyethylene factory from PE natural to PE-Pipe grade and increased it to 45,416 tons/year in 2014 and 120,000 ton/year in 2015.

November

MEMBER OF
Dow Jones Sustainability Indices
In Collaboration with RobecoSAM

ROBECOSAM Sustainability Award Bronze Class 2015

ROBECOSAM Sustainability Award Industry Mover 2015

- The company was elected to become a member of DJSI, which is the most accepted sustainability indices in the world, in the category of Emerging Market in 2014 of Oil and Gas Industry.
- Moreover, we are awarded Bronze Class by RobecoSAM Yearbook 2015 which is the runner up award from all the Industry Leader.
- IRPC Public Company Limited received the Industry Mover distinction in the Oil and Gas Industry from RobecoSAM.

December

- Established the NOx Reduction Project to reduce releasing of Nitrogen dioxide gas by changing complete 6 burners of which we had already finished 3 installations in Combined Heat & Power Plant (CHP I).

- Signed for an Inter-Company Borrowing and Lending loan with PTT (Public) Ltd. for 1 year to maintain the most efficient liquidity.

- Signed for a Memorandum of Understanding with the Department of Industrial Works of Thailand and Department of Industrial Works in Kita, Kyoshu, Japan, it is to develop Eco-Industry and will use IRPC industrial zone as the model.

Awards and Recognition 2014

Best Industry Awards 2014
Presented by Ministry of Industry

Quality Persons of the Year 2014 : Sector Petrochemical and Chemical product
Presented by The Foundation of Sciences and Technology of Thailand

Asia Pacific Entrepreneurship Awards 2014
Presented by Enterprise Asia

Thailand Top Company Awards 2014
Presented by Business Plus magazine

CSR Excellence Award
Presented by Ministry of Social Development and Human Security

Best Investor Relations by Company in 2014
Presented by Corporate Governance Asia

Golden Peacock Global Award for Excellence in Corporate Governance 2014
Presented by Institute of Directors (IOD), India

2014 Sustainability Report Award
Presented by Thai Listed Company Association (CRS Club)

Certificate of Collective Action Coalition Against Corruption (CAC)
Presented by Anticorruption Organization of Thailand

ISO/IEC 27001:2005 Certificate
Presented by Bureau Veritas Certification (Thailand) Ltd.

CSR Recognition 2014: Most Improved CSR
Stock Exchange of Thailand

Corporate Governance Asia Recognition Awards 2014:Outstanding Companies on Corporate Governance
Presented by Corporate Governance Asia magazine

Company Secretary Awards
Presented by Corporate Governance Asia HK

Best Calendar Awards: "Suriya Sasithorn" Awards in 2014
Presented by Thailand Public Relations Association

Joint of steam and electricity Project

Petroleum Pipeline Construction Project

Wharf3 Harbour Project

EIA Monitoring Awards 2014
Presented by Ministry of Natural Resources and Environment

ICT Best Practice Awards 2014 (Energy Sector)
Presented by CAT Telecom Public Company Limited

Thailand ICT Excellence Awards 2013
Presented by Thailand Management Association

CHANNEL NEWSASIA

Top 20 of Asia Leading Companies with sustainable management
Presented by Channel NewsAsia

ESG100 2015
Environmental • Social • Governance

In 2014, IRPC was ranking by Thaipat Institute in a top 100 ESG of sustainability development on their environmental, social and governance
Presented by ESG

BOARD RESPONSIBILITY

Board of Directors

Executives

Report of the Audit Committee

Internal Controls

Report of the Chairman of Corporate Governance Committee

Corporate Good Governance Report

Board of Directors

Mr. Cherdpong Siriwit
Independent Director / Chairman of Audit Committee

Mr. Pailin Chuchottaworn
Chairman

Mr. Woothisarn Tanchai
Independent Director / Member of Risk Management Committee / Chairman of Nomination and Remuneration Committee

Mr. Sarun Rungkasiri
Director /
Chairman of Risk
Management Committee

Mr. Surong Bulakul
Director / Member of
Nomination and
Remuneration
Committee

Mr. Sombat Narawutthichai
Director

Mr. Prasit Suebchana
Director

Mr.Watcharakiti Watcharothai
Independent Director /
Chairman of Corporate
Governance Committee

Mr.Kritsda Udyanin
Independent Director /
Member of Audit
Committee

**Lieutenant General
Sasin Thongpakdee**
Independent Director /
Member of Corporate
Governance Committee

Mr.Songpope Polachan
Independent Director /
Member of Nomination
and Remuneration
Committee

Mr. Trumph Jalichandra
Independent Director / Member of Audit Committee

Mr. Pramoul Chanpong
Director / Member of Corporate Governance committee

Mr. Somnuk Bomrungsalee
Director

Mr. Sukrit Surabotsopon
Director/ Member of Risk Management Committee / President /Secretary of the Board of Directors

Board of Directors

Mr. Pailin Chuchottaworn

Chairman
No. of share 10,000 (%) Share Possession : 0.00005
Age: 59

(Position Starting Date: 1 September 2014)

Education/Training

- Bachelor of Engineering in Chemical Engineering with 1st Class Honor, Chulalongkorn University
- Master of Engineering in Chemical Engineering Tokyo Institute of Technology, Japan
- Doctor of Engineering in Chemical Engineering Tokyo Institute of Technology, Japan
- Diploma, The Joint State-Private Sector Course National Defence College, Class 22 (2009-2010)
- Energy Leadership Program Class 1, Thailand Energy Academy
- The 7th "Corporate Governance for Directors and Top Executives of State Enterprises and Public Organizations", Year 2011 King Prajadhipok's Institute
- Capital Market Academy Leadership Program Capital Market Academy (CMA), Class 8
- Top Executive Program in Commerce and Trade (TEPCOT) Year 1, University of the Thai Chamber of Commerce
- Director Accreditation Program (DAP), Thai Institute of Directors (IOD) Class 24/2004
- Director Certification Program (DCP), Thai Institute of Directors (IOD) Class 51/2004
- Finance for Non-Finance Directors (FND), Thai Institute of Directors (IOD) Class 14/2004
- Anti-Corruption for Executive Program (ACEP), Thai Institute of Directors (IOD) Class 4/2012

Experience

- 2013 — Director, PTT Global Chemical Public Company Limited
- 2011 - 2013 — Director, National Science and Technology Development Agency (NSTDA), Ministry of Science and Technology
- 2011 — Chief Operating Officer, Upstream Petroleum and Gas Business Group, PTT Public Company Limited
- 2010 - 2012 — Chairman, Petroleum Refining Industrial Club, The Federation of Thai Industries
- 2010 - 2011 — Director and Advisor to President, The Federation of Thai Industries
- 2010 — Selection Sub-committee for the Director of National Metal and Materials Technology Center (MTEC)
- 2009 - 2013 — Director, IRPC Public Company Limited
- 2009 - 2011 — President, IRPC Public Company Limited
- 2009 — Director, National Nanotechnology Center (NANOTEC)

Current Position

Current Position in Public Companies

- 2014 - Present — Chairman, IRPC Public Company Limited
- 2011 - Present — President & Chief Executive Officer, PTT Public Company Limited
- 2011 - Present — Director, PTT Exploration and Production Public Company Limited

Current Position in Limited Companies and Others

- 2014 - Present — Director, Promote cooperation in social Committee, Princess Maha Chakri Award Foundation
- 2014 - Present — Consultant, Alternative Energy Institute of Thailand Foundation.
- 2014 - Present — Advisor to President, The Federation of Thai Industries
- 2013 - Present — Consultant, Thailand Industrial Biomedical Engineering Consortium Committee, Ministry of Science and Technology
- 2011 - Present — Director, Thai Listed Companies Association
- 2011 - Present — Vice President, Chulalongkorn University Alumni Association
- 2010 - Present — Consultant, Thai – Japanese Association
- 2010 - Present — Advisory committee, Chulalongkorn University's Faculty of Engineering Alumni Association
- 2009 - Present — Director, Petroleum Institute of Thailand
- 2009 - Present — Committee, Thailand Environment Institute

Mr. Cherdpong Siriwit

Independent Director / Chairman of Audit Committee
(%) Share Possession : None
Age: 69

(Position Starting Date: 8 April 2009)

Education/Training

- B.A. Economics, (Honor), Thammasat University
- M.A. Economics, Georgetown University, USA
- Diploma, The Joint State-Private Sector Course, National Defence College, Class 40
- Advanced Certificate Course in Politics and Governance in Democratic System for Executives, King Prajadhipok's Institute, Class 5
- The Civil Service Executive Development Program I, The Civil Service Training Institute, Class 13/1993
- Capital Market Academy Leadership Program, Capital Market Academy (CMA), Class 5
- Director Accreditation Program (DAP), Thai Institute of Directors (IOD) Class 8/2004
- Role of the Chairman Program (RCP), Thai Institute of Directors (IOD) Class 10/2004
- Finance for Non-Finance Directors (FND), Thai Institute of Directors (IOD) Class 13/2004
- Director Certification Program (DCP), Thai Institute of Directors (IOD) Class 104/2008
- Audit Committee Program (ACP), Thai Institute of Directors (IOD) Class 27/2009

Experience

- Nov 2011 - Oct 2014 Chairman of Corporate Governance Committee, IRPC Public Company Limited
- 2006 - 2008 Independent Director / Audit Committee / Remuneration Director, PTT Chemical Public Company Limited
- 2005 - 2007 Chairman, Rayong Refinery Public Company Limited
- 2004 - 2008 Chairman, PTT Exploration and Production Public Company Limited
- 2004 - 2008 Chairman, Thai Oil Public Company Limited
- 2003 - 2007 Chairman, PTT Public Company Limited
- 2003 - 2007 Chairman, Ratchaburi Electricity Generating Holding Public Company Limited
- 2003 - 2004 Chairman, Electricity Generating Authority of Thailand (EGAT)
- 2002 - 2006 Permanent Secretary, Ministry of Energy

Current Position

Current Position in Public Companies

- May 2009 - Present Chairman of Audit Committee, IRPC Public Company Limited
- Apr 2009 - Present Independent Director, IRPC Public Company Limited
- 2013 - Present Independent Director / Audit Committee / Risk Management Committee, Thoresen Thai Agencies Public Company Limited
- 2010 - Present Chairman, Solartron Public Company Limited
- 2009 - Present Chairman and Audit Committee, Advance Finance Public Company Limited

Current Position in Limited Companies and Others

- 2012 - Present Chairman, Thai Sugar Millers Corporation Limited
- 2011 - Present Chairman, Vithai Biopower Company Limited
- 2009 - Present Director, Ever Green Plus Company Limited

Mr. Woothisarn Tanchai

Independent Director / Member of Risk Management Committee / Chairman of Nomination and Remuneration Committee
(%) Share Possession: None Age: 57

(Position Starting Date: 8 April 2009)

Education/Training

- Bachelor of Science, Khon Kaen University
- Master of Public Administration, National Institute of Development Administration (NIDA)
- Master of Policy Science (M.P.S.) International Programme, Saitama University, Japan
- Public Law Certificate, Faculty of Law, Thammasat University
- Public Director Certification Program, King Prajadhipok's Institute, Class 1

Experience

- 2012 Member of Audit Committee, IRPC Public Company Limited

Current Position

Current Position in Public Companies

- Apr 2013 - Present Chairman of Nomination and Remuneration Committee, IRPC Public Company Limited
- Oct 2014 - Present Member of Risk Management Committee, IRPC Public Company Limited
- Apr 2009 - Present Independent Director, IRPC Public Company Limited

Current Position in Limited Companies and Others

- Dec 2014 - Present Deputy Secretary General, King Prajadhipok's Institute
- Present Associate Professor at the Faculty of Social Administration, Thammasat University
- Present Member of the National Reform Council
- Present Constitution Drafting Committee 2014
- Present Member, Nakhon Ratchasima Rajabhat University Council
- Present Member of the National Culture Commission
- Present Advisor, National Decentralization Committee
- Present Sub-Committee, the Public Sector Development Commission Office of the Public Sector Development Commission
- Present Member of the Office of the Basic Education Commission

Mr. Sarun Rungkasiri

Director / Chairman of Risk Management Committee
(%) Share Possession: None Age: 58

(Position Starting Date: 15 October 2013)

Education/Training

- B.Eng. (Industrial Engineering), Chulalongkorn University
- M.S. Management, Polytechnic Institute of New York, USA
- NIDA-Wharton Executive Leadership Program 2009, The Wharton School of the University of Pennsylvania, USA
- The Joint State - Private Sector Course, National Defense College, (Class 23)
- Top Executive in Industrial Development and Investment, Class 1, Institute of Business and Industrial Development (IBID)
- The Executive Program in Energy Literacy for a Sustainable Future, Class 5, Thailand Energy Academy (TEA)
- Company Secretary Program (CSP), Thai Institute of Directors (IOD), Class 8/2004
- Director Certification Program (DCP), Thai Institute of Directors (IOD), Class 61/2005
- Finance for Non-Finance Directors Program (FND), Thai Institute of Directors (IOD), Class 19/2005

Experience

- 2011 - Sep 2013 Senior Executive Vice President, Oil Business Group, PTT Public Company Limited
- 2011 - Sep 2013 Chairman, PTT Retail Business Company Limited (PTTRB)
- 2011 - Sep 2013 Chairman, PTT Retail Management Company Limited (PTTRM)
- 2011 - Sep 2013 Chairman, Thai Petroleum Pipeline Company Limited (Thappline)
- 2010 - 2011 Executive Vice President, Retail Marketing, PTT Public Company Limited
- 2009 - 2010 Executive Vice President, Commercial & International Marketing, PTT Public Company Limited
- 2008 - 2009 Executive Vice President, Corporate Communication & Social Responsibility, PTT Public Company Limited

Current Position

Current Position in Public Companies

- Oct 2014 - Present Director / Chairman of Risk Management Committee, IRPC Public Company Limited
- Oct 2013 - Present Director IRPC Public Company Limited
- Oct 2013 - Present Chief Operating Officer, Downstream Petroleum Business Group, PTT Public Company Limited
- Oct 2013 - Present Director/Member of Nomination and Remuneration Committee/ Member of Corporate Governance Committee, PTT Global Chemical Public Company Limited

Current Position in Limited Companies and Others

- May 2014 - Present Chairman, PTT Polymer Marketing Company Limited

Mr. Surong Bulakul

Director / Member of Nomination and Remuneration Committee
No. of share 35,000 (%) Share Possession : 0.00017
Age: 60

(Position Starting Date: 21 May 2013)

Education/Training

- Bachelor of Science in Industrial Engineering and Operations Research, Syracuse University, New York, USA
- Master of Engineering in Operations Research, Cornell University, New York, USA
- Master of Business Administration, Cornell University, New York, USA
- PMD, Harvard University, Boston, USA
- Democratic Politics and Governance for High-Level Administrators Program, King Prajadhipok's Institute, Class 8
- The Joint State-Private Sector Course, National Defense College, Class 4919
- Capital Market Academy Leadership Program, Class 10
- The Program for Senior Executives on Criminal Justice Administration, National Justice Academy, Class 15
- Thai Intelligent Investors Program, Thai Investors Academy, Class 1
- Executive Program, Thailand Energy Academy, Class 2
- Director Certification Program (DCP), Thai Institute of Directors (IOD), Class121/2009

Experience

- May 2013 - 2014 Executive Director, IRPC Public Company Limited
- 2012 - 2014 Chief Financial Officer, PTT Public Company Limited
- 2009 - 2012 Managing Director, Thai Oil Public Company Limited
- 2008 - 2009 Senior Executive Vice President, International Trading, PTT Public Company Limited

Current Position

Current Position in Public Companies

- Oct 2013 - Present Member of the Nomination and Remuneration Committee, IRPC Public Company Limited
- May 2013 - Present Director, IRPC Public Company Limited
- 2014 - Present Chief Operating Officer Infrastructure, PTT Public Company Limited

Current Position in Limited Companies and Others

- 2014 - Present Director / Executive Director, Provincial Electricity Authority
- 2014 - Present Chairman, Sakari Resources Limited
- 2013 - Present Chairman, Global Power Synergy Company Limited
- 2013 - Present Chairman, Thai Listed Companies Association, The Stock Exchange of Thailand
- 2013 - Present Committee, The Thai Chamber of Commerce
- 2013 - Present Committee, The Federation of Thai Industries
- 2013 - Present President, Thailand-Malaysia Business Council, The Federation of Thai Industries

Mr. Sombat Narawutthichai

Director
(%) Share Possession: None
Age: 55

(Position Starting Date: 29 January 2014)

Education/Training

- Bachelor of Business Administration, Kasetsart University
- Master of Business Administration (Finance), Kasetsart University
- Capital Market Leader Program, Capital Market Academy, Class 2/2006
- Banking and Credit Analysis Training, Kasikorn Bank 1983
- Securities Investment Analyst License No. 4976
- Director Certification Program (DCP), Thai Institute of Directors (IOD), Class 15/2002

Experience

- 2014 Ad hoc Committee on the Government Bill for the Resumption of Right Execution under the Civil Servant Pension Act B.E. 2494, B.E. 2557 (A.D. 2014)
- 2006 - 2011, 2014 Sub-Committee, Board of the Year Project, Thai Institute of Directors (IOD)
- 2012 - 2013 Investment Consultant Curriculum Standard Setting Committee, The Stock Exchange of Thailand
- 2011 - 2013 Sub-Committee of Directors' Discipline, Securities and Exchange Commission
- 2011 - 2013 Honorable Advisor, The Federation of Savings and Credit Cooperatives of Thailand Limited
- 2011 - 2013 Director, Steering Committee of Corporate Governance Report of Thai Listed Companies (2011-2013), Thai Institute of Directors (IOD)
- 2010 - 2013 Secretary General, Investment Analysts Association
- 2006 - 2009 Senior Vice President, The Stock Exchange of Thailand
- 2005 - 2006 Senior Executive Vice President, Asia Credit Securities Public Company Limited
- 2000 - 2005 Senior Executive Vice President, Ayudhya Securities Public Company Limited

Current Position

Current Position in Public Companies

- Jan 2014 - Present Director, IRPC Public Company Limited

Current Position in Limited Companies and Others

- Present Secretary General, Government Pension Fund
- Present Director, Investment Analysts Association
- Present Expert Advisor, The Federation of Thai Capital Market Organization

Mr. Watcharakiti Watcharothai

Independent Director / Chairman of Corporate Governance Committee No. of share: 260,250
(%) Share Possession: 0.00127 Age: 55

(Position Starting Date: 5 April 2011)

Education/Training

- Bachelor of Arts (Political Science), Kasetsart University
- M.P.A. (Master of Public Administration), Roosevelt University, IL., USA
- Honorary Degree of Doctor of philosophy, Department of Administration, Ramkhamhaeng University
- Diploma, The State Private Political Sector Course, National Defence College, Class 4/2006
- Capital Market Academy Leadership Program, Capital Market Academy (CMA), Class 9/2009
- Public Director Certification Program, Public Director Institute (PDI), Class 5/2010
- The Program for Senior Executive on Justice, Administration Batch, National Justice Academy, 15/2010
- Top Executive Program in Commerce and Trade (TEPCoT) Commerce Academy, Class 5
- Energy Literacy for Sustainable Future class 1/2011
- Power of the Kingdom, Chulalongkorn University Executive Program class 1/2012
- Diploma, Top Executive Program in industrial development and investment (IBID), Institute of Business and Industrial Development, Class 1
- The Urban Development and Administration Training Course for the executive administrators, Mahanakorn, Class 3
- Director Certification Program (DCP), Thai Institute of Directors (IOD), Class 121/2009

Experience

- 2001 - 2007 Assistant of Lord Chamberlain, Bureau of the Royal Household

Current Position

Current Position in Public Companies

- Oct 2014 - Present Chairman of Corporate Governance Committee, IRPC Public Company Limited
- Aug 2014 - Present Independent Director, IRPC Public Company Limited
- Apr 2011 - Present Director, IRPC Public Company Limited
- Present Independent Director / Member of Corporate Governance Committee, PTT Public Company Limited

Current Position in Limited Companies and Others

- Present Grand Chamberlain, Bureau of the Royal Household
- Present Committee Member of The Red Cross Fair, Thai Red Cross
- Present Chairman of Parents & Teachers Association, Rachavinit Prathom School
- Present Member of the Board of Directors, Suan Sunanda Rajabhat University
- Present Member of the Board of Directors, Suan Dusit Rajabhat University

Mr. Prasit Suebchana

Director
(%) Share Possession: None
Age: 58

(Position Starting Date: 18 November 2014)

Education/Training

- Bachelor of Law, Ramkhamhaeng University
- Master of Public Administration, National Institute of Development Administration (NIDA)
- Strategic for Improving Director' Effectiveness Program, Kellogg School of Management, U.S.A
- National Defence of the State, Private Sectors and Political Sectors Course, The National Defence College
- Chief Information Officer (CIO) (Class 10), Human Resources Institute, Thammasat University
- People for HR Executive (Class 2), Human Resources Institute, Thammasat University
- Mini MBA, Thammasat University
- Top Executive Development Program, Office of The Civil Service Commission
- Corporate Governance Program for Directors and Top Executive of State Enterprises and Public Organizations 2010 (Class 5), Public Director Institute (PDI), King Prajadhipok's Institute
- The Programme for Senior Executives on Justice Administration, (Class 15)
- Top Executive Program in Commerce and Trade (TEPCoT) (Class 5)
- The Training Course on Administrative Justice for Executives, Administrative Justice Development Institute, Class 5
- Director Certificate Program (DCP) 90/2007, Thai Institute of Directors (IOD)
- Audit Committee Program (ACP) 20/2007, Thai Institute of Directors (IOD)

Experience

- 2012 - 2014 Director, Don Muang Tollway Public Company Limited
- 2011 - 2014 Chairman of the Board of Directors, Government Housing Bank
- 2010 - 2014 Inspector General
- 2010 - 2012 Director, N.C.C. Management and Development Company Limited
- 2010 Director, PEA ENCOM International Company Limited
- 2009 - 2011 Chairman of Audit Committee, National Housing Authority
- 2009 - 2011 Director of National Housing Authority
- 2008 - 2010 Property Valuation Development Advisor, The Treasury Department
- 2008 - 2010 Director, Dhippaya Insurance Public Company Limited
- 2007 - 2008 Director, Bangpra Golf International Company Limited
- 2006 - 2008 Deputy Director General, The Treasury Department

Current Position

Current Position in Public Companies

- 2014 - Present Director, IRPC Public Company Limited

Current Position in Limited Companies and Others

- 2014 - Present Deputy Permanent Secretary, Ministry of Finance
- 2014 - Present Director Disciplinary Budgeting and Monetary, Office of the Auditor General
- 2014 - Present Director, Government Savings Bank
- 2014 - Present Director, Provincial Electricity Authority
- 2013 - Present Director, Judicial Service Officers
- 2011 - Present Vice Chairman, Dhanarak Asset Development Company Limited
- 2007 - Present Advisor, The Administrative Court

Mr. Kritsda Udyanin

Independent Director / Member of the Audit Committee
(%) Share Possession: None
Age: 55

(Position Starting Date: 15 December 2011)

Education/Training

- B.A. (Economics), Chulalongkorn University
- M.A. (Economics), Thammasat University
- MSc. (Fiscal Studies), University of Bath, UK
- The Civil Service Executive Development Program, The Civil Service Training Institute, Class 45/2005
- Top Executive Program in Commerce and Trade (TEPCoT), Commerce Academy, Class 4
- Capital Market Academy Leadership Program, Capital Market Academy (CMA), Class 6
- Diploma, The Joint State-Private Sector Course, National Defence College, Class 51/2008
- Public Director Certification Program, Public Director Institute (PDI), Class 7/2010
- Director Accreditation Program (DAP), Thai Institute of Directors (IOD), Class 50/2006
- Director Certification Program (DCP), Thai Institute of Directors (IOD), Class 75/2006

Experience

- Oct 2013 - Jul 2014 Director, Small and Medium Enterprise Development Bank of Thailand
- Apr 2011 - Sep 2014 Inspector General, Ministry of Finance
- Sep 2007 Financial Policy Advisor, (Economist Advisory Level) Fiscal Policy Office, Ministry of Finance
- Oct 2005 Deputy Director-General, Fiscal Policy Office, Ministry of Finance

Current Position

Current Position in Public Companies

- Oct 2014 - Present Member of Audit Committee, IRPC Public Company Limited
- Aug 2014 - Present Independent Director, IRPC Public Company Limited
- Dec 2011 - Present Director, IRPC Public Company Limited

Current Position in Limited Companies and Others

- Oct 2014 - Present Director-General, Public Debt Management Office, Ministry of Finance
- Present Director, Port Authority of Thailand
- Present Director, National Research Council of Thailand (NRCT)

Lieutenant General Sasin Thongpakdee

Independent Director / Member of Corporate Governance Committee
(%) Share Possession: None Age: 57

(Position Starting Date: 1 September 2014)

Education/Training

- Armed Forces Academy Preparatory School
- Chulachomklao Royal Military Academy
- Royal Thai Army Command and General Staff College, Class 68/1989
- Joint Services Staff College, Thailand, Class 40/1998
- National Defence College, The Joint State - Private Sector Course, Class 24/2011
- Armour Officer Advance Course, Class 7/87, FT.KNOX, KY, USA
- Junior Maintenance Officer Course, FT.KNOX, KY, USA (1988)

Experience

- 2007 Deputy Director-General, Directorate of Operations, RTA
- 2003 Director, Directorate of Operations, RTA
- 2000 Staff Officer Attached to Directorate of Operations, RTA
- 1997 Deputy Director, Directorate of Operations, RTA

Current Position

Current Position in Public Companies

- Oct 2014 - Present Member of Corporate Governance Committee, IRPC Public Company Limited
- Sep 2014 - Present Independent Director, IRPC Public Company Limited

Current Position in Limited Companies and Others

- 2012 - Present Director-General, Directorate of Operations

Mr. Songpope Polachan

Independent Director / Member of Nomination and Remuneration Committee
(%) Share Possession: None Age: 61

(Position Starting Date: 5 April 2013)

Education/Training

- Bachelor of Science (Geology), Chiangmai University
- Ph.D. (Petroleum Geology), Royal Holloway and Bedford New College, University of London, U.K.
- Top Executive Program in Administrative Justice Development, Administrative Justice Development Institute, Class 3
- Executive Program, Energy Literacy for a Sustainable Future (TEA.), Thailand Energy Academy, Class 2
- Diploma, National Defence College, Class 50
- Advanced Executive Program, Kellogg School of Management, Northwestern University, USA
- ASEAN Executive Program, New York, USA
- Senior Executive Service Course, Office of the Civil Service Commission, Class 42
- Director Accreditation Program (DAP), Thai Institute of Directors (IOD), Class 23/2004
- Finance for Non-Finance Directors Program (FND) Thai Institute of Directors (IOD), Class 9/2004

Experience

- 2014 Inspector General, Ministry of Energy
- 2010 - 2014 Director General, Department of Mineral Fuels, Ministry of Energy
- 2006 - 2010 Deputy Director-General, Department of Mineral Fuels, Ministry of Energy
- 2002 - 2006 Director of Policy and Strategy Coordination, Office of the Permanent Secretary, Ministry of Energy
- 2000 Head of Policy and Planning, Mineral Fuel Division, Department of Mineral Resources
- 1996 Deputy Chief Executive Office, the Malaysia-Thailand Joint Authority (MTJA)

Current Position

Current Position in Public Companies

- Oct 2014 - Present Independent Director, IRPC Public Company Limited
- Apr 2013 - Present Director / Member of Nomination and Remuneration Committee, IRPC Public Company Limited

Current Position in Limited Companies and Others

- 2014 Advisor to the Ministry of Energy

Mr. Trumph Jalichandra

Independent Director / Member of Audit Committee
(%) Share Possession: None
Age: 57

(Position Starting Date: 22 May 2012)

Education/Training

- Bachelor of Law, Ramkamhaeng University
- Barrister at law
- Master of Law, Bristol University, England
- Diploma, The Joint State-Private Sector Course, National Defence College, Class 54
- Capital Market Academy Leader Program, Capital Market Academy, Class 16

Experience

- 2011 - 2012 Corporation for Small Enterprise Funding
- 2003 - 2004 Advisor, Software Industry Promotion Agency (Public Organization)
- 2002 - 2011 Debt Restructuring Committee, Thai Assets Management Corporation-TAMC

Current Position

Current Position in Public Companies

- Apr 2012 - Present Independent Director, IRPC Public Company Limited
- Jul 2012 - Present Member of Audit Committee, IRPC Public Company Limited

Current Position in Limited Companies and Others

- 2013 - Present Senior Expert Public Prosecutor, Department of Legal Counsel Office of the Attorney General
- 2002 - Present Debt Restructuring Committee, Sukhumvit Asset Management Corporation
- 2002 - Present Legal Advisor, Government Housing Bank

Mr. Pramoul Chanpong

Director / Member of Corporate Governance committee
(%) Share Possession: None
Age: 60
(Position Starting Date: 1 April 2014)

Education/Training

- Bachelor degree in Electrical Power from Rajamangala Institute of Technology (RIT at Deves Campus, presently is RMUT, Rajamangala University of Technology), 1979
- Master of Arts in Political Science from Kasetsart University, 2003
- Certificate of Rational Use of Energy, Asian Institute of Technology (AIT)
- Professional Engineer
- Diploma, The State Private Political Sector Course, National Defence College, Class 6
- Senior Executive Training Course, The Civil Service Training Institute, Office of the Civil Service Commission, Batch 45
- Energy Executive Course, Ministry of Energy, Class 2
- The Course for Middle Executive Officer, Ministry of Science and Technology

Experience

- 2013 - 2014 Director-General, Dept. Of Alternative Energy Development and Efficiency
- 1997 - 2001 Subcommittee and Secretary to Consider Machineries and Equipment for Energy Efficiency and Environmental Conservation, Ministry of Science and Technology
- 1997 - 2001 and 2009 - 2010 Director, committee to Consider Machineries and Equipment for Energy Efficiency and Environmental Conservation, Ministry of Science and Technology
- 1994 - 2006 Lecturer, Faculty of Engineering, Chiang Mai University / King Mongkut's University of Technology North Bangkok / Ramkhamhaeng University

Current Position

Current Position in Public Companies

- Oct 2014 - Present Member of Corporate Governance Committee, IRPC Public Company Limited
- Apr 2014 - Present Director, IRPC Public Company Limited

Current Position in Limited Companies and Others

- 2014 - Present Inspector General, Ministry of Energy

Mr. Somnuk Bomrungsalee

Director
(%) Share Possession: None
Age: 58
(Position Starting Date: 9 April 2014)

Education/Training

- Bachelor of Engineering (Civil Engineering), King Mongkut's University of Technology Thonburi (Kmutt)
- Master of Public and Private Management, The National Institute of Development Administration (NIDA)
- Energy Executive Course, Ministry of Energy, Class 2/2008
- Executive Training Course, Office of the Civil Service Commission, Class 65/2009
- Course in Politics and Governance in Democratic Systems for Executives, King Prajadhipok's Institute, Class 16/2012
- Executive Training Course 2, Office of the Civil Service Commission, Class 5/2013
- Executive Program on Energy Literacy for a sustainable Future (TEA), Class 5/2014

Experience

- 2013 - 2014 Director-General, Department of Energy Business, Ministry of Energy
- 2011 - 2013 Deputy Director General, Department of Energy Business
- 2006 - 2011 Director, Bureau of Fuel Business Safety, Department of Energy Business

Current Position

Current Position in Public Companies

- Apr 2014 - Present Director, IRPC Public Company Limited

Current Position in Limited Companies and Others

- Jul 2014 - Present Inspector General, Ministry of Energy

Mr. Sukrit Surabotsopon

Director / Member of Risk Management Committee / President / Secretary of the Board of Directors
No. of share 6,000,000
(%) Share Possession: 0.02936 Age: 57
(Position Starting Date: 1 October 2013)

Education/Training

- Bachelor of Engineering in Chemical Engineering with 2nd Class Honor, Chulalongkorn University
- TLCA Executive Development Program (EDP) Class 3/2009 Thai Listed Company Association
- Politics and Governance in Democratic Systems for Executives Course, King Prajadhipok's Institute, Class 15/2012
- Capital Market Academy Leader Program, Capital Market Academy, Class 16/2013
- The Joint State-Private Sector Course, National Defense College, Class 26/2013
- Director Certification Program (DCP), Thai Institute of Directors (IOD), Class 132/2010
- Audit Committee Program (ACP), Thai Institute of Directors (IOD), Class 38/2012
- Monitoring the System of Internal Control & Risk Management (MIR), Thai Institute of Directors (IOD), Class 12/2012

Experience

- Oct 2013 - 2014 Executive Director / Secretary of Executive Committee, IRPC Public Company Limited
- Jan 2012 - Oct 2013 Director, PTT International Company Limited
- Oct 2011 - Sep 2013 Director, PTT Global Chemical Public Company Limited
- 2010 - Sep 2013 Senior Executive Vice President, Petrochemicals & Refining Business Unit, PTT Public Company Limited
- Mar 2009 - Oct 2013 Director, Star Petroleum Refining Public Company Limited
- 2009 - 2010 Executive Vice President, Subsidiary Planning & Management, Petrochemicals & Refining Business Unit, PTT Public Company Limited
- 2008 - 2009 Assistant Managing Director, Strategic Planning and Business Development, Thai Oil Public Company Limited
- 2007 - 2008 Assistant Managing Director, Business, Thai Oil Public Company Limited

Current Position

Current Position in Public Companies

- Oct 2013 - Present Director / President / Secretary of the Board of Directors, IRPC Public Company Limited
- Oct 2014 - Present Member of Risk Management Committee, IRPC Public Company Limited)
- Oct 2013 - Present Senior Executive Vice President, Downstream Petroleum Business Group, PTT Public Company Limited
- Nov 2013 - Present Director, UBE Chemicals (Asia) Public Company Limited

Current Position in Limited Companies and Others

- Aug 2014 - Present Chairman, IRPC Oil Company Limited
- Aug 2014 - Present Chairman, Thai ABS Company Limited
- Aug 2014 - Present Chairman, IRPC Polyol Company Limited
- Nov 2013 - Present Chairman, IRPC A&L Company Limited
- Nov 2013 - Present Director, PTT Polymer Marketing Company Limited

The Directors who resigned / retired during the year 2014

1.	Mr. Chainoi Puankosoom	Tendered his resignation	With effect from 17 June 2014
2.	Mr. Witchit Plangsrisakul	Tendered his resignation	With effect from 1 February 2014
3.	Lt.Gen. Preecha Wanarat	Tendered his resignation	With effect from 1 February 2014
4.	Gen. Udomdej Sitabutr	Tendered his resignation	With effect from 1 July 2014
5.	Mr. Narongkorn Chawalsantati	Tendered his resignation	With effect from 31 August 2014
6.	Mr. Jade Thanawat	Tendered his resignation	With effect from 31 August 2014
7.	Mr. Worawit Chailimpmontri	Tendered his resignation	With effect from 31 August 2014

EXECUTIVES

Mr. Peerapong Atchariyacheevin
Senior Executive Vice President
Petrochemical & Refinery
Business Unit

Mr. Sukrit Surabotsopon
President

Miss Duangkamol Settanung
Senior Executive Vice President
Corporate Accounting & Finance

Mr. Manit Suthaporn
Advisor Acting Senior
Executive Vice President
Position ending on
31 December 2014 and
being Consultant since
2 January 2015

Ms. Oravan Leelarasamee
Senior Executive Vice President,
Corporate Human Resources &
Administration
Position ending on
1 November 2014

Mr. Wittawat Svasti-Xuto
Senior Executive Vice President,
Corporate Strategy & Planning
Position ending on
1 August 2014

Mr. Chansin Treenuchagron
Senior Executive Vice President,
Corporate Strategy & Planning
Position ending on
1 October 2014

Executives

Mr. Sukrit Surabotsopon

President
IRPC No. of shares 6,000,000 with Share Possession (%) : 0.02936
Age: 57

Education/Training

- Bachelor of Engineering in Chemical Engineering with (2nd Class Honour), Chulalongkorn University
- TLCA Executive Development Program (EDP) Class 3/2009, Thai Listed Company Association
- Politics and Governance in Democratic Systems for Executives Course, King Prajadhipok's Institute, Class 15/2012
- Capital Market Academy Leader Program, Capital Market Academy, Class 16/2013
- The Joint State – Private Sector Course, National Defence College, Class 26/2013
- Director Certification Program (DCP), Thai Institute of Directors (IOD), Class 132/2010
- Audit Committee Program (ACP), Thai Institute of Directors (IOD), Class 38/2012
- Monitoring the System of Internal Control & Risk Management (MIR), Thai Institute of Directors (IOD), Class 12/2012

Working Experience

- Oct 2013 - 2014 Executive Director / Secretary of the Executive Committee, IRPC Public Company Limited
- Jan 2012 - Oct 2013 Director, PTT International Company Limited
- Oct 2011 - Sep 2013 Director, PTT Global Chemical Public Company Limited
- 2010 - Sep 2013 Senior Executive Vice President, Petrochemicals & Refining Business Unit, PTT Public Company Limited
- Mar 2009 - Oct 2013 Director, Star Petroleum Refining Public Company Limited
- 2009 - 2010 Executive Vice President, Subsidiary Planning & Management, Petrochemicals & Refining Business Unit, PTT Public Company Limited
- 2008 - 2009 Assistant Managing Director, Strategic Planning and Business Development, Thai Oil Public Company Limited
- 2007 - 2008 Assistant Managing Director, Business, Thai Oil Public Company Limited

Current Position

Position in Public Company Limited

- Oct 2013 - Present Director/President/Secretary of the Board of Directors, IRPC Public Company Limited
- Oct 2014 - Present Member of Risk Management Committee, IRPC Public Company Limited
- Oct 2013 - Present Senior Executive Vice President, Downstream Petroleum Business Group, PTT Public Company Limited
- Nov 2013 - Present Director, UBE Chemicals (Asia) Public Company Limited

Position in Company Limited

- Aug 2014 - Present Chairman, IRPC Oil Company Limited
- Aug 2014 - Present Chairman, Thai ABS Company Limited
- Aug 2014 - Present Chairman, IRPC Polyol Company Limited
- Nov 2013 - Present Chairman, IRPC A&L Company Limited
- Nov 2013 - Present Director, PTT Polymer Marketing Company Limited

Mr. Peerapong Atchariyacheevin

Senior Executive Vice President, Petrochemical & Refinery Business Unit
No. of share: 1,340,000
(%) Share Possession: 0.00656
Age: 63

Education/Training

- Bachelor Degree of Engineering in Electrical Power Technology, Faculty of Engineering, King Mongkut's University of Technology Thonburi
- MBA, Burapha University
- Senior Executive Program (SEP-20), Sasin Graduate Institute of Business Administration of Chulalongkorn University
- Executive Leadership Program, NIDA-Wharton Aresty Institute of Executive Education, The Wharton School, University of Pennsylvania, USA
- Advanced Certificate Course in Politics and in Democratic Systems, King Prajadhipok's Institute, class 6
- Director Certification Program (DCP), Thai Institute of Directors (IOD) Class 80/2006
- Understanding the Fundamental of Financial Statements (UFS), Thai Institute of Directors (IOD) Class 2/2006

Experience

- Jan 2014 - Oct 2014 Acting Senior Executive Vice President, Port & Asset Management Business Unit IRPC Public Company Limited
- Dec 2012 - Nov 2013 Director, Business Service Alliance Company Limited
- Jul 2011 - Jan 2013 Chairman, PTT Utility Company Limited
- Oct 2011 - Sep 2012 Senior Executive Vice President, Gas Business Unit, PTT Public Company Limited
- Jul 2009 - Sep 2011 Executive Vice President, Natural Gas Transmission, PTT Public Company Limited
- Sep 2003 - Jun 2009 Executive Vice President, Natural Gas Progressing, PTT Public Company Limited
- Jul 2001 - Aug 2003 Vice President, Natural Gas Distribution, PTT Public Company Limited

Current Position

Current Position in Public Companies

- Mar 2013 - Present Senior Executive Vice President, Petrochemical & Refinery Business Unit, IRPC Public Company Limited
- 2012 - Present Director, Scan Inter Public Company Limited

Current Position in Limited Companies and Others

- April 2014 - Present Director, IRPC A&L Company Limited
- June 2013 - Present Director, IRPC Clean Power Company Limited
- May 2013 - Present Director, PTT Energy Solution Company Limited (PTTES)
- April 2012 - Present Chairman, PTT Natural Gas Distribution Company Limited
- April 2012 - Present Director, PTT Energy Resources Company Limited

Miss Duangkamol Settanung

Senior Executive Vice President,
Corporate Accounting & Finance
(%) Share Possession: None
Age: 56

Education/Training

- Bachelor of Science in Statistics with 1st Class Honors, Kasetsart University
- Master of Business Administration, Thammasat University
- PTT Executive Program, GE CROTONVILLE, USA
- PTT Leadership Development Program III
- Director Certification Program (DCP), Thai Institute of Directors (IOD) class of 155/2012

Experience

- Feb 2011 - Oct 2011 Executive Vice President - Finance and Accounting, PTT Aromatics and Refining Public Company Limited
- Oct 2010 - Jan 2011 Senior Vice President - Internal Control System, PTT Aromatics and Refining Public Company Limited
- 2008 - 2011 Director, PTT ICT Solutions Company Limited
- Dec 2007 - Sep 2010 Vice President, Corporate Strategy, PTT Aromatics and Refining Public Company Limited
- 2001 - 2007 Vice President, Finance & Accounting, The Aromatics (Thailand) Public Company Limited
- 1995 - 2001 Manager - Feedstock and Production Planning Division, The Aromatics (Thailand) Public Company Limited
- 1995 - 2001 Manager - Feedstock and Product Management Division, The Aromatics (Thailand) Public Company Limited
- 1985 - 1994 Supply Planning Section Manager, The Bangchak Petroleum Public Company Limited
- 1985 - 1994 Financial Economics Section Manager, The Bangchak Petroleum Public Company Limited
- 1982 - 1985 Analyst, Petroleum Authority of Thailand

Current Position

Current Position in Public Companies

- Nov 2011 - Present Senior Executive Vice President, Corporate Accounting & Finance, IRPC Public Company Limited
- Nov 2011 - Present Executive Vice President, Corporate Finance & Accounting, PTT Public Company Limited
- Dec 2012 - Present Director UBE Chemical (Asia) Public Company Limited

Current Position in Limited Companies and Others

- Nov 2014 - Present Director, PTT Polymer Marketing Company Limited
- Jun 2013 - Present Director, IRPC Clean Power Company Limited
- Feb 2012 - Present Director, IRPC Energy Company Limited
- Dec 2011 - Present Director, IRPC A&L Company Limited
- Nov 2011 - Present Director, Thai ABS Company Limited
- Nov 2011 - Present Director, IRPC Oil Company Limited
- Nov 2011 - Present Director, IRPC Polyol Company Limited

Mr. Manit Suthaporn

Advisor Acting Senior Executive Vice President, Corporate Legal
No. of share: 50
(%) Share Possession: 0.00000 Age: 61
(Vacating the office as Senior Executive Vice President, Corporate Legal and appointed as Advisor on 2 January 2015)

Education/Training

- Master of Laws, Chulalongkorn University
- The National Defense College Program batch 399
- Office of the Civil Service Commission Leadership Development Program
- Advanced Security Management Program of the Association National Defense College of Thailand under the Royal Patronage of His Majesty the King batch 2
- Thammasat Leadership Program batch 1
- Thailand Energy Academy Leadership Program batch 5
- Director Certification Program (DCP), Thai Institute of Directors Association batch 134/2010

Experience

- Oct 2014 - Dec 2014 Advisor, Officiate as Senior Executive Vice President Corporate Legal, IRPC Public Company Limited
- Mar 2013 - Sep 2014 Senior Executive Vice President Corporate Legal, IRPC Public Company Limited
- May 2012 - Feb 2013 Advisor, Officiate as Senior Executive Vice President, Litigation, IRPC Public Company Limited
- Apr 2012 - Dec 2014 Chairman of Technology IRPC Company Limited
- Feb 2012 - Dec 2014 Director of Thai ABS Company Limited
- Feb 2012 - Dec 2014 Director of IRPC Oil Company Limited
- Feb 2012 - Dec 2014 Director of IRPC Polyol Company Limited
- Feb 2012 - Dec 2014 Director of Thai Polyurethane Industry Company Limited
- Feb 2012 - Dec 2014 Director of IRPC Energy Company Limited
- Jun 2009 - Feb 2013 Acting Senior Executive Vice President Corporate Human Resources & Administration, IRPC Public Company Limited
- Mar 2008 - May 2012 Advisor, Officiate as Senior Executive Vice President Corporate Legal, IRPC Public Company Limited
- Sep 2007 - Mar 2008 Legal Advisor, IRPC Public Company Limited

Current Position

Current Position in Public Companies

- Jan 2015 - Present Legal Advisor, IRPC Public Company Limited

Current Position in Limited Companies and Others

None

Ms. Oravan Leelarasamee

Senior Executive Vice President, Corporate Human Resources & Administration
(%) Share Possession: None
Age: 59
(Until 1 November 2014)

Education

- Bachelor of Accountancy, Chulalongkorn University
- Master of Commerce, Chulalongkorn University

Experience

- Mar 2013 - Aug 2014 Senior Executive Vice President, Corporate Human Resources & Administration, IRPC Public Company Limited
- Jan 2009 - Feb 2012 Executive Vice President, Corporate Accounting, IRPC Public Company Limited
- 2003 - 2008 Vice President, Accounting, PTT Public Company Limited

Current Position

- 2013 - Present Executive Vice President, Petrochemicals and Refining Business Unit, PTT Public Company Limited

Mr. Chansin Treenuchagron

Senior Executive Vice President, Corporate Commercial and Marketing
No. of share: 200,000
(%) Share Possession: 0.00098
Age: 55
(Until 1 October 2014)

Education/Training

- Bachelor Degree of Economic, Thammasat University
- Master Degree of Economic, Chulalongkorn University
- Air War College, Class 35/2006
- Senior Executive Program (SEP-20), Sasin Graduate Institute of Business Administration of Chulalongkorn University, Class 20
- Executive Development Relation, Directorate of Civil Affairs, Class 1
- PTT Executive Leadership, General Electric, GE, New York, USA
- Advance Senior Executive Program (ASEP-5), KELLOGG & SASIN, Chicago, USA, Class 5
- Advanced Certificate Course in Public Economics Management for Executives, King Prajadhipok's Institute, Class 10
- Leadership Excellence through Awareness and Practice (LEAP), INSEAD 2013
- Leadership Development Program III (LDP III), PLLI, PTT Public Company Limited Class 1/2014
- Director Certification Program (DCP), Thai Institute of Directors (IOD) Class 85/2007
- Director Accreditation Program (DAP), Thai Institute of Directors (IOD) Class 93/2011
- Financial Statements for Directors (FSD), Thai Institute of Directors (IOD) Class 12/2011

Experience

- Mar 2013 - Sep 2014 Senior Executive Vice President Corporate Commercial and Marketing, IRPC Public Company Limited
- Nov 2012 - Sep 2014 Director, PTT Polymer Marketing Company Limited
- Oct 2012 - Feb 2013 Acting Senior Executive Vice President Corporate Commercial and Marketing, IRPC Public Company Limited
- Jun 2012 - Sep 2014 Director, UBE Chemical (Asia) Public Company Limited
- Jun 2012 - Sep 2014 Director, PTT Polymer & Logistics Company Limited
- Jun 2012 - Sep 2014 Director, PTT Green Energy Company Limited
- Feb 2012 - 2014 Director, Rayong Acetylene Company Limited
- Dec 2011 - Jun 2014 Director, Technology IRPC Company Limited
- Nov 2011 - Sep 2014 Director, IRPC Polyol Company Limited
- Nov 2011 - Aug 2014 Chairman, Rak Pa Sak Company Limited
- Oct 2011 - Feb 2013 Senior Executive Vice President Corporate Port and Asset Management Business Unit, IRPC Public Company Limited
- Oct 2011 - Sep 2012 Acting Senior Executive Vice President Corporate Strategy and Planning, IRPC Public Company Limited
- Aug 2011 - Sep 2014 Director, Thai ABS Company Limited
- Aug 2011 - Sep 2014 Director, IRPC Oil Company Limited
- Mar 2011 - Sep 2014 Director, IRPC A&L Company Limited
- Nov 2010 - Nov 2012 President, Thai ABS Company Limited
- Nov 2010 - Jul 2012 President, IRPC Oil Company Limited
- Jun 2009 - Sep 2014 Executive Vice President Petrochemical and Refining Unit, PTT Public Company Limited
- Jun 2009 - Oct 2011 Executive Vice President Corporate Planning, IRPC Public Company Limited
- Aug 2008 - May 2009 Director / Acting Managing Director, PTT Green Energy Pte., Ltd.
- Apr 2007 - Jun 2008 Vice President Retail Business, PTT Public Company Limited
- 2005 - 2007 Director, Subic Bay Energy Company Limited
- 2004 - 2007 Director, FST Company Limited
- Jul 2001 - Mar 2007 Vice President Aviation & Marine Marketing, PTT Public Company Limited

Current Position

- Oct 2014 - Present Senior Executive Vice President, Corporate Strategy, PTT Public Company Limited

Mr. Wittawat Svasti-Xuto

Senior Executive Vice President,
Corporate Strategy & Planning
No. of share: 4,779 (%) Share Possession: 0.00002
Age: 54
(Until 1 August 2014)

Education/Training

- Bachelor's Degree of Engineering (Chemical), Chulalongkorn University
- Master of Science (Industrial Engineering) The University of Rhode Island, USA
- Senior Executive Program, Sasin Graduate Institute of Business Administration of Chulalongkorn University
- Senior Executive Program, London Business School
- Director Certification Program (DCP), Thai Institute of Directors (IOD), Class 146/2011
- Financial Statements for Directors Program (FSD), Thai Institute of Directors (IOD), Class 12/2011

Experience

- 2013 - 2014 Director, IRPC Clean Power Company Limited
- 2012 - 2014 Senior Executive Vice President, Corporate Strategy & Planning, IRPC Public Company Limited
- 2012 - 2014 Director, IRPC Oil Company Limited
- 2012 - 2014 Director, IRPC A&L Company Limited
- 2011 - 2012 Executive Vice President, Trading Operations, PTT Public Company Limited
- 2008 - 2010 Vice President, Price Risk Management & International Market Analysis Department, PTT Public Company Limited
- 2004 - 2008 Vice President, Petroleum Product & LPG Trading Department, PTT Public Company Limited

Current Position

- 2014 - Present Executive Vice President Downstream Business Group Alignment, PTT Public Company Limited

List of Executives names are in accordance with the announcement from SEC Regulator Tor. Jor. 23/2551 and Management's securities holding (dated on 2 January 2014)

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Report of Audit Committee

To the Shareholders

The Board of Directors appointed the Audit Committee comprising the three qualified Independent Directors with many years of experience in Economics, Law, Petroleum Industry, Petroleum Chemical Industry and in Energy Sectors with an ability to audit and examine the financial report that meets the criteria stipulated by the Security and Exchange Commission and the Stock Exchange of Thailand. Having Mr. Cherdpong Siriwit as Chairman of the Audit Committee, Mr. Trumph Jalichandra and Mr. Kritsda Udyanin as members, For the financial year of 2014, meeting had been convened of 12 times where all members have fully attended and hereby summarizes the tasks performed as follows:

1. Review of Financial Reports The Audit Committee has examined essential information of the quarterly financial report and the annual report of the year 2014 to ascertain that the financial reports have been accurately prepared in compliance with the Thai Financial Reporting Standard – TFRS, which also in accordance to the international accounting standard where the information were adequately disclosed, complete and sufficient. Furthermore, the committee has listened to the clarifications given by the Finance and Accounting Executives group, as will as the Vice President of the Corporate Internal Audit office, and hearing the report from the External Auditor where the financial report has been certified without any conditions. These processes includes the meeting with auditor without any management inference to fully adhere the opinions of the auditor, acknowledge the auditing plan resulted that the audit report has no concerning issues and no suspicious circumstances.

2. Review of Corporate Governance Practice The Audit Committee has the best interest for IRPC to conduct its business with good ethics. By having so, the committee made an inspection with connected affiliates where IRPC has a business transactions with to prevent any conflict of interests and to comply with the good business etiquette for the maximum benefits of IRPC. All the way to ensure a complete disclosure of Company's information in accordance with the SET's requirements.

3. Review of Risk Management The Audit Committee has examined and monitored on the risk management plan by reviewing its implementation and results of the risk management continuously. In which, throughout the year 2014, the Committee has audited and hearing the results of the risk management constantly, emphasising to the responsible unit to give importance, to inspect and to maintain the heavy machineries and equipment at all times to guarantee safeties and sufficiency of the operations. Also, the Committee has to point out importance to managing well the potential risk that could arise to the environment and to the communities.

4. Review the Law Compliance The Audit Committee has examined the business operation processes to be in accordance to the legislation of the Stock Exchange of Thailand and legislation of the Securities and Exchange Commission and with its requirements from the Board of Directors of SET and SEC. Including, law and legislation of the Industrial and Environmental, all the way to its related business laws of IRPC. The Committee also found that IRPC has continuously and effectively implementing the anti-corruption policy scheme and its progressions.

5. Review and Oversight Internal Controls The Audit Committee has examined and with due regards, support and drives the development of the Internal Control operations system to its excellence. By inspecting and examining internal control system and providing advising roles, building an understanding and acceptance from within the audited units continuously. Creating perspective and motivation to executive and employees on how it is important to maintain its internal control system. In this year, IRPC has developed new channel of sending complaints and appeal cases via post mail by setting an independent inspection committee to accept the appeal cases and follow up the result and progress accordingly. This is to create confidence to the case owner and moreover, to inspect with related parties on the risk of having any interests to the case. For example, Procurement, to inspect its business ethics in relation to their responsibilities, and to advice preventive actions for the avoidance of the conflict of interest.

6. Selection and appointment of the External Auditor for the Year 2014 The Audit Committee has examined and considered the qualifications, abilities, and past performances associating with the auditor's fees and the suitability of its role and therefore proposed to appoint PricewaterhouseCooper ABAS Limited to act as External Auditor for the financial report of IRPC Public Company Limited for consideration and approval within the next shareholder's meeting.

In Summary, The Audit Committee has accomplished its duties independently with prudence and care, in consideration within the boundary of its authority given by IRPC's Board of Directors. Wherein, follows the SEC regulations to ensure that the financial report of IRPC are transparent information, transparent materials and with credibility. The working operation of the employees and the executives are with efficiencies, compliance to law legislation, systemized risk management and effective and efficient internal control system to best served IRPC's utmost interests and its continuing sustainable growth.

(Mr. Cherdpong Siriwit)
Chairman, Audit Committe

Internal Controls

Summary of the Board's views regarding internal control system

With reference to the Board of Directors meeting No. 2/2558 on the 10 February 2558 by having Independent Director and Audit Committee attended the meeting. The Board of Director have evaluated the internal control system of the company by interviewing on getting information from the Executive and department of Internal Audit Office, including taking into consideration the management surveys. It can be concluded that, from the evaluation of the Company 5 core elements comprising of control environment, risk assessment, control activities, information and communications system and monitoring activities, the committee members comprehends that the internal control system of the company is adequately sufficient and reasonable. The Company had also arrange sufficient staffs to perform the operation in accordance to the laid out system with efficiency, including internal control system focusing on monitoring its internal business operations and of the subsidiaries companies. With this, the Company is able to protect their own and its Sub-Company's assets from the Directors or the Executives in using any assets without authorization and approvals as well as on dealing any transactions with other entities where there maybe possibilities of create conflict of interest or connections and that the committee sees fit and sufficient protocol. As for other internal control points, the committee sees that the company has necessary actions and system appropriately either.

In the year 2014, The Board found that the IRPC has executed improvements as follows:

1. Control Environment

Currently, there are 4 sub-committees such as the Audit Committee, Risk Management Committee, Nomination and Remuneration Committee and Corporate Good Governance Committee, all perform and operate its duties and in parallel improve and restructuring the organization to result in more efficiency and effectiveness to better achieve the organization objectives.

2. Risk Assessment

On the month of October 2014, IRPC has appointed Risk Management Committee at the Directors level and into introduce new risk management standard ISO-31000:2009 which is the latest standard of risk management and is well accepted internationally to adapt it with the company. Also, to appoint the roles and responsibilities of Directors, Executives, Employees and other division in managing and clarifying risk of each level and additionally add functional risk management process. Improving and adding the level of severe risk, refining risk register

to align with the equipment being use and preparing Risk Assessment Matrix (RAM) to use as an evaluation risk in organizational level for the year 2015 by operating on the principle of "Good Prioritization for Resource Optimization"

3. Control Activities

IRPC has given importance to the internal control system and operational internal control system to decrease any possible risk only up to the level of acceptance continuously. Having additional channel of appeal cases and towards the awarding ceremonies for the division who has the best internal control. This was intentionally to sponsor and create motivations to the managements and to employees in realizing the importance of having continuously upright internal control system.

4. Information and communications system

IRPC focuses on the quality of communication and safeties of the information by bringing in the system of stability and safety of information technology in accordance with ISO/IEC 27001 to be implemented and stressing the importance of information technologies and communications to be carried continuously. As seen in the past of 2014, there were several unexpected circumstances during the year, even so, the Company's' information technologies and communication system has been able to carry on the business operation without major interruptions.

5. Monitoring activities

IRPC has given significance in monitoring and evaluating activities internally. The Company has ensure that the internal control system is being carried out completely and reasonably. With monitoring and tracking activities of the Company and the Sub-Company from protecting and preventing any unauthorized and unapproved usage of Company's assets. Also, including having to deal any transactions with other parties who may have a conflict of interest with the company. Seemingly, the preventive action and the system is well implemented. IRPC has also follows the Anti-Corruption policy scheme and joining forces with Thai private sectors to resist any corrupt business continuously.

(Mr. Pailin Chuchottaworn)
Chairman of the Board

Message from the Chairman of Corporate Governance Committee

To the Shareholders

In its emphasis on corporate excellence, The Board of Directors of IRPC Public Company Limited remains firm in its intention to conduct business with sustainability and maximum efficiency in the production practices on the basis of Corporate Governance and Vision. Several measures are planned to be put in place to prevent, control, improve and minimize the impact on the communities and environment surrounding the facilities. The Board also intends to promote cooperation among the stakeholders, which it believes to be a major contributor to the growth and well-being of the society.

In 2014, the Corporate Governance Committee has fulfilled the Board's aforementioned intention with the proposal for the Corporate Governance Strategies 2014, which consists of corporate governance, anti-corruption, environmental governance and social responsibility tasks. The committee also ensured that company implemented the plans and goals approved by the Board and provided reports on its performance on a quarterly basis. Compliance with principles for corporate governance, including regulations and standards generally accepted within the industrial and international level, was also monitored in order to create a strong circle of trust and balance of benefits for all stakeholders.

Furthermore, the committee requested the Board's approval for processes and practices to raise the standard of the corporate governance for management and employees of the Company and subsidiaries. In 2014, the Board has approved revisions of several regulations for the corporate governance to meet with those of Thai Institute of Directors (IOD), the Securities and Exchange Commission (SEC) and ASEAN CG Scorecard, along with many other regulations that are compatible with IRPC's and beneficial to the stakeholders. These regulations include anti-corruption, directors' responsibilities, risk management, community and society assistance, all detailed in the Corporate Governance Report on page 45-67.

Thanks to its corporate governance practices, in 2014 IRPC has received various certifications and more than 10 awards both locally and internationally, a testimony to its excellent corporate governance. The key award includes being selected for inclusion in the Dow Jones Sustainability Indices (DJSI) Emerging Markets 2014 in the category of Oil & Gas Producer. The assessment criteria consist of 3 dimensions – Economic Dimension, Social Dimension and Environmental Dimension. For the aspect of corporate governance assessed under the Economic Dimension – comprising corporate governance, risk and crisis management and codes of conduct/compliance/anti-corruption – IRPC has earned a score of up to 93 out of 100.

IRPC has also been certified as a member of Collective Action Coalition against Corruption (CAC) by Anti-Corruption Organization of Thailand on April 4, 2014. The Company also won a Golden Peacock Global Award for Excellence in Corporate Governance 2014 and its score landed among the highest in the ASEAN CG Scorecard conducted by Thai Institute of Directors Association (IOD). Channel News Asia and CSR Asia have ranked IRPC as one of 20 leading companies in Asia with the most sustainable development, while the SEC has awarded the Company the Most Improved CSR in CSR Recognition Awards 2014.

The Corporate Governance Committee pledged to maintain IRPC's high standard of corporate governance and continue to make further improvements for long-term success, while ensuring the benefits of all shareholders and stakeholders, as well as the progress and sustainable growth of the Company.

(Mr. Watcharakiti Watcharothai)
Chairman, Corporate Governance Committee

Corporate Good Governance Report

The Board of Directors by Corporate Governance Committee governs to ensure that the business is properly conducted according to national and international standards and regulations. They also govern the business conduct to be in accord with Corporate Governance and Code of Conduct.

Achievements in 2014 that reflects the Company's Best Practice are as followed;

International Level

- For the first year, IRPC has been selected to be a member of Dow Jones Sustainability Indices (DJSI), in category of Emerging Markets 2014 of Oil & Gas Producer.
- IRPC received a Golden Peacock Global Award for Excellence in Corporate Governance 2014 for the second time since 2012.
- IRPC was enhanced from Active to Advanced by UN Global Compact on Communication on Progress, which is the highest level of the report.
- IRPC made Sustainability Report 2014 to be in accord with GRI G4 for thorough and extensive report.

ASEAN level

- IRPC was evaluated by ASEAN CG Scorecard from Thai Institute of Directors Association (IOD). The Company is one of 17 registered company that is in the highest score group (above 90 points) in the project of Corporate Governance Report of Thai Listed Companies (CGR) based on ASEAN CG Scorecard of 2013/2014.
- IRPC received Corporate Governance Asia Recognition Awards 2014 in category of Outstanding Companies on Corporate Governance and Company Secretary of the Year Award 2014 from Corporate Governance Asia Magazine, Hong Kong.

National Level

- IRPC was rated in the project of Corporate Governance Report of Thai Listed Companies (CGR) 2014 as Excellence (5 star level) by Thai Institute of Directors Association (IOD) for 6 consecutive years (2009 – 2014). In 2014, IOD improved and strengthened the criteria to be in accord with ASEAN CG Scorecard.
- IRPC received a Member Certificate of Collective Action Coalition against Corruption (CAC) from Anti-corruption Organization (Thailand) in April 4, 2014. It's certified that the Company has complete and full Anti-corruption policy and procedure as determined by CAC.
- IRPC was rated by Anti-Corruption Progress Indicator as Level 4 (Certified) from the Office of the Securities and Exchange Commission (SEC) in October 15, 2014.

Corporate Governance

IRPC Public Company Limited aims for sustainable business growth, therefore; the Company has stipulated Corporate Governance and Code of Conduct which are carried forward and governed by the Board of Directors. The Company has published Corporate Governance handbooks since 2006 which is signed to acknowledge by the Board of Directors, management and all employees. The principles are taken into action with effect in the Company and its associated companies. Various activities are held to enhance understanding and emphasize the principles through the organizational communication such as I-Oon Pamphlets and Intranet, etc.

The Company has reviewed and improved Corporate Governance principles in the Handbook to be accord with CGR's principles, 2014 Revision. Thai Institute of Directors Association (IOD) adds ASEAN CG Scorecard and CAC, so that the principles become increasingly intensive. As the result, the Company has been rated as Excellence (5 star level) in 2014.

Moreover, the Company applies and implements international standards such as Promotion of Human Right, labor, environment and anti-corruption to comply with UN Global Compact, which are to be appended with Corporate Governance and Code of Conduct. Details of four procedures were stated in the Sustainability Report 2014.

The Board of Directors determines Corporate Governance and Code of Conduct and the principles are acknowledged and put into practice by the Board of Directors, Executives and all employees of the Company and its associated companies. The Board of Directors has stipulated IRPC's corporate governance as followed;

1. The Board of Directors are committed to put into practice the Company's six corporate governance principles as followed; Creation of Long Term Value, Responsibility, Equitable Treatment, Accountability, Transparency and Ethics or CREATE.

2. The Board of Directors shall perform their duties with determination, responsibility and independence. The Company shall explicitly segregate the roles and duties of the Chairman of the Board from the President.

3. The Board of Directors has crucial role in determining the corporate vision, strategies, policies, and action plans, through taking risk factors and management direction into consideration. Furthermore, the Board shall ensure that the accounting system, financial report and accounting audit are reliable.

4. The Board of Directors has crucial role in determining Anti-Corruption policies and related mechanisms in order to prevent the corruption and become the Company's principle as a good organizational culture. Moreover, the Board shall oversee, govern, prevent and correct the issues related to conflicts of interest and related transactions.

5. The Board of Directors shall be the leader in ethics and role model in corporate governance practices.

6. The Board of Directors shall appoint sub-committees as appropriate to help review important matters with prudence.

7. The Board of Directors shall assess the annual self-appraisal as a framework of assessment of the Board's performance.

8. The Board of Directors shall set forth the code of ethics of the Company and enforce the Board, executives and employees as well as contractors to put into practice along with the Company's regulations.

9. The Company shall provide shareholders and stakeholders with sufficient, reliable financial and non-financial disclosure in timely manner so that the shareholders and stakeholders are equitably informed. The Investor Relations Department and the Public Relations Department are responsible for disclosure to investors and the public.

10. The Company's shareholders shall gain equitable treatment from, information technology accessibility to and suitable communication channels with the Company.

11. The Company suitably applies the systematic selection approaches for all important executive levels as well as transparent and fair recruitment procedures.

IRPC's activities under Corporate Governance principles according to the Stock Exchange of Thailand (SET)'s Corporate Governance Principles for listed companies (2006 and 2012) can be summarized as followed;

1. Rights of Shareholders

IRPC acknowledges that its shareholders are the Company's owner, therefore; they have rights to determine its business direction and make decisions that might have significant effects on the Company and its stakeholders. As the result, the Company provides the shareholders all legal rights such as rights to attend the meeting of shareholders, express their opinion,

vote, propose a meeting's agenda in advance, elect or remove the directors, make a decision on the Directors and Auditors' remuneration and the shares of profits and dividends and obtain adequate, timely, complete and easily accessible information for making a decision. The Company promotes the use of the shareholder rights as followed;

1.1 Shareholders' Meetings

IRPC schedules an annual general meeting of the shareholders within four months of the annual closing date of its accounting books. In the event of urgent, special agenda, or matters of shareholders' interest or matters that are related to its conditions, regulations and laws that require shareholders' approval, the Company shall call an extraordinary meeting of the shareholders on case by case basis.

In 2014, the Board of Directors Meeting No. 2/2014 held on 18 February 2014 passed a resolution to hold a meeting of shareholders of 2014 on 9 April 2014 at Room EH 105 Bangkok International Trade & Exhibition Centre (BITEC), 88 Bangna-Trad Road (Km.1), Bangna, Bangkok. No extraordinary meeting of the shareholders was called in 2014.

1.2 Delivering Meeting notice

The Board of Directors Meeting No. 2/2014 held on 18 February 2014 passed a resolution to set the Record Date for determining meeting's attendee rights and shareholders to receive their dividends on 5 March 2014. It also passed a resolution to hold a meeting of shareholders of 2014 on Wednesday, 9 April 2014. The meeting's resolution, date, time, venue and meeting agenda were made available on Stock Exchange of Thailand's website to inform the shareholders ahead of the meeting at the date of resolution and before delivering the meeting invitation. Thailand Securities Depository Co., Ltd. (TSD) which is the Company's appointed registrar is responsible for delivering the meeting invitation with details of meeting agenda and information necessary for decision-making, including the directors' opinion. In addition, complete minutes of previous meeting, annual meetings, meeting document and document required for authorization and its procedures with important details were provided and delivered as well.

The Company informed the meeting date through www.irpc.co.th. The meeting invitation and accompanying documents were made available on the website on 7 March 2014, 33 days ahead of the meeting date and the meeting invitation was delivered 21 days ahead of the shareholders' meeting date. Thailand Securities Depository Co., Ltd. (TSD) delivered the meeting invitation on 19 Match 2014 and the invitation was announced through three Thai and English Newspapers for 3 consecutive days from March 31 to April 2, 2014 each. Moreover, the major shareholders, minor shareholders, and institutional investors were invited to attend the meeting through IRPC Newsletter No. 12/2014 which was delivered to all shareholders including the meeting invitation. The Company announced the news through various channels in order to inform the shareholders in advance, thus allowing shareholders to be sufficiently prepared for the meeting.

The Meeting invitation has the details of meeting agenda with objective and reasons specified, as well as important information for decision-making. For instance, in a voting for a director to replace the former one whose term expires, it specifies the nominated directors' names and profiles. In agenda of auditor selection, auditor's name, company, annual audit fee, relationship with the company and services for other companies are specified allowing shareholders to consider their capability and qualification. In dividend consideration agenda, dividend payment policy, amount of proposed dividend, the Company's turnover, accompanying information and reasons are included. The Directors' opinion are shown in every agenda.

In addition, in 2014 the Company provided an opportunity for the shareholders to submit an agenda in advance. The procedure was shown on the website from 25 September – 31 December, 2013. However, none of the agenda was submitted.

1.3 Conduct of Shareholders' Meetings

In Ordinary Meeting of Shareholders 2014, the Chairman of the meeting opened the meeting when the number of attending shareholders exceeded half of the total number of shares with voting rights. The meeting started at 09.30 o'clock as scheduled. There were 2,466 attending shareholders, in total of 13,112,057,228 shares or 64.17% which exceeded one third of the total paid-up and having voting rights shares of 20,434,419,246 shares, registered capital of 20,475,000,000 Baht. Therefore, the quorum was completed.

Before the shareholders' meeting, the Chairman introduced the Board of Directors, Executives, Auditors and Legal Advisor who acted as a mediator for the Shareholders, then the Chairman explained all rules and regulations related to the meeting such as the

procedure of one vote per one share, ballot use instruction, including vote counting of the shareholders who must vote for each agenda under IRPC's Articles of Association.

There were 13 directors out of 15 directors or 86% of directors attended the meeting. Chairman of the Board, Chairman of sub-committees, President and executives consisting of top management and secretaries attended the meeting. The Chairman of the meeting gave an opportunity for major and minor shareholders to represent for the vote counting which was done by two volunteers. List of the meeting's attendees and the representatives for the vote counting are as followed;

Board of Director

Board of Director	
1. Mr.Chainoi Puankosoom	Chairman / Chairman of the Executive Committee
2. Mr.Cherdpong Siriwit	Independent Director / Chairman of Audit Committee / Chairman of Corporate Governance Committee
3. Mr.Woothisarn Tanchai	Independent Director / Member of the Executive Committee / Chairman of Nomination and Remuneration Committee
4. Mr.Watcharakiti Watcharothai	Director
5. Mr.Surong Bulakul	Director / Member of the Executive Committee / Member of the Nomination and Remuneration Committee
6. Mr.Sarun Rungkasiri	Director / Member of the Executive Committee
7. Mr.Kritsda Udyanin	Director
8. Mr.Narongkorn Chawalsantati	Independent Director
9. Mr.Jade Thanawat	Independent Director / Member of the Corporate Governance Committe
10. Mr.Trumph Jalichandra	Independent Director / Member of the Audit Committee
11. Mr.Woravit Chailimpamontri	Director
12. Mr.Sombat Narawutthichai	Director
13. Mr.Sukrit Surabotsopon	Director / Member of the Executive Committee / President / Secretary to the Board of Directors / Secretary to the Executive Committee

Executives

Executives	
1. Mr.Peerapong Achariyacheevin	Senior Executive Vice President, Petrochemical & Refinery Business Unit
2. Mr.Manit Suthaporn	Senior Executive Vice President, Corporate Lega
3. Mr.Chansin Treenuchagron	Senior Executive Vice President, Corporate Commercial
4. Miss Duangkamol Settanung	Senior Executive Vice President, Corporate Accounting & Finance
5. Mr.Wittawat Svasti-Xuto	Senior Executive Vice President, Corporate Strategy & Planning
6. Miss Oravan Leelarasamee	Senior Executive Vice President, Corporate Human Resources & Administration
7. Miss Monwipa Choopiban	Executive Secretary

Auditor

1. Mr. Wichian Kingmontri
CPA No. 3977 PricewaterhouseCoopers ABAS Limited.

Legal Advisor (responsible for inspecting the vote casting in case of conflicts throughout the meeting)

1. Miss Peangpanor Bunklum
Weerawong, Chinnavat & Peangpanor Limited

Vote Counter Representative

1. Mr. Tawatch Kijkangwan
Representative of the major shareholders

2. Miss Kobsakao Iamsuree
Volunteer of the attending shareholders

Shareholders (at the closing of meeting at 13.05 PM)

There were 3,875 shareholders attended the meeting. 2,020 shareholders attended the meeting themselves and 1,855 were authorized to attend the meeting. The total number of shares was 13,408,706,116 shares or 65.62%.

Before the meeting, the Chairman explained all rules and regulations related to the meeting such as the procedure of one vote per one share, including ballot use instruction and vote counting of the shareholders who must obviously vote for each agenda under IRPC's Articles of Association. After such explanations, the chairman provided an opportunity to all attendees to present their opinions and suggestions and make queries independently and fully before voting. They were given appropriate and sufficient time to debate and the chairman and executives answered the questions clearly and relevantly. Then, the meeting casted the votes and the voting cards were collected and separated into each agenda. The result was reported by giving clear details of numbers of agreeing, disagreeing and abstention votes in order to prevent confusion.

For the agenda for the Directors election agenda, the Chairman made each of shareholders vote individually and the Chairman requested the Directors who involved with any agenda to leave the meeting room according to the Company's Good Corporate Governance. The meeting was conducted by the Chairman according to the agenda, and there was no any additional agenda submitted without prior notice to the shareholders. In 2014, there was no any additional agenda submitted from the shareholders.

The Company provided correct and accurate minutes of meeting, and the voting results were summarized, as well as counting the vote numbers. Moreover, the Company provided translators/interpreters to ensure accurate clarification to foreign shareholders' queries. The meeting took 3 hours 35 minutes.

The Company delivered the minute of meeting including IRPC Newsletter, No. 13/2014 to the shareholders via postal mail. None of the shareholders requested an amendment.

Aside from the basic procedures, the Company held an Ordinary Shareholders' Meeting under "the Green Meeting" Concept of Thailand Business Council for Sustainable Development (TBCSD) and Thailand Environment Institute (TEI) consecutively for the second year after earning Green Meeting certification from the institutes in 2013. The Company promoted the Green Meeting concept to the shareholders before the meeting, as well as publicizing the concept to the public through various channels such as the Company's website, IRPC Newsletter No. 12/2014 and I-Oon Journal for its employees. Moreover, the Green Meeting Concept is used in the IRPC's Board of Directors' Meeting.

1.4 Guideline for Conflict of Interest

The Company adheres to the Good Corporate Governance to solve any conflict of interest that might occur during the meeting. Therefore, stakeholders who have conflict of interest with the Company are required to inform the meeting, exclude and abstain from the voting.

In the Ordinary Meeting of Shareholders in 2014, the Directors or Executives who involved with a certain agenda such as an appointment of director to replace the former one whose term expire, the following directors; 1) Mr. Watcharakiti Watchrothai 2) Mr. Kritsada Udyanin 3) Mr. Woravit Chailimpamontri and 4) Mr. Sombat Narawutthichai left the meeting room during the meeting and voting, and returned to the meeting after the agenda ends which is in accord with the Company's Corporate Governance.

1.5 Disclosure of the Meeting's Result

In 2014, the Company submitted the summary of the minutes of the meeting to the Stock Exchange of Thailand and the Office of the Securities and Exchange Commission on the same day after the Meeting was

over in April 9, 2014. The Company delivered to the Stock Exchange of Thailand the minutes of shareholders' meeting which recorded significant and complete details that were clearly divided into each agenda. It consisted of contents of the meeting, present and absent Directors, queries from the shareholders, their answers from the Directors and Executives, details of vote casting, vote counting, clear and complete results of the voting for each agenda, including the agreeing, disagreeing and abstaining votes. The meeting minute was submitted in April 22, 2014, which is in accordance with Stock Exchange of Thailand's regulations.

In addition, the Company has made available the minutes of meeting via post and on the Company's website (http://irpc-th.listedcompany.com/misc/shareholderMTG/AGM2014/20140515-irpc-agm 2014-minutes-th-02.pdf). In addition, the minutes of meeting has been shown as a video showing picture and sound of the Meeting on the Company's website so that the shareholders are informed and other interested persons have the opportunity to learn about IRPC.

1.6 Channels to Communicate with the Shareholders

The shareholders and general investors are provided with various channels to contact IRPC for information, explanation or needs to;

- Investor Relations Department:
  - (1) Telephone: 0 2649 7380
  - (2) Electronic Mail: ir@irpc.co.th
  - (3) Fax: 0 2649 7379
- The Company secretary
  - (1) Electronic Mail: cg@irpc.co.th
  - (2) Website: www.irpc.co.th link to: "Contact Company Secretary"

2. Equitable Treatment of Shareholders

IRPC recognizes the shareholders' rights and treats all shareholders with equity and fairness disregarding gender, age, race, nationality, religious belief, disability, political belief, or number of shareholding. IRPC provides all major and minor shareholders and institutional investors with fair, timely, adequate access of information and the shareholders are facilitated to make the meeting of shareholders convenient for them.

Moreover, the Company does not neglect the equitable treatment of shareholders, e.g., stock buyback. In 2014, there was no buyback of stock by the Company.

2.1 Promotion of all Shareholders' Rights to Attend the Meeting

Recognizing that the shareholders are the Company's owner, their opinion and decision-making are vital for the company's business progress. Therefore, the Company encourages its major and minor shareholders and institutional investors domestically and internationally to attend the meeting of shareholders. Such shareholders and investors were invited to attend the meeting through Newsletter No. 12/2014. In 2014, the Annual Shareholder Meeting was held on 9 April 2014 and no extraordinary meeting was called.

IRPC delivered the meeting invitation to the shareholders in advance through various channels as mentioned above in page 47.

2.2 Submission of Additional Agenda

IRPC stipulates policy, principle and procedure to submit additional agenda by minor shareholders. In 2014, the Company facilitated the minor shareholders with at least 4% (single or combined shareholding) of total shares in exercising their rights to put forward

an agenda in advance of Annual General Meeting via post, fax or IRPC's website.

In 2014, the Company publicized the regulations and procedures to exercise the rights via SET's channel and IRPC's website from September 25 – December 31. However, no such agenda was submitted by the shareholders.

2.3 Facilitating Shareholders at the Date of Meeting

IRPC recognizes rights of all types of shareholders equitably, therefore; the company facilitates its shareholders in various ways. For instance, the Company convenes the meeting at a convenient venue to accommodate the shareholders and easily accessible by personal car, the public transport system, BTS and MRT. The method of transportation is explained in details in the meeting invitation and the Company provides transportation vehicle between BTS and MRT to the meeting venue, which is spacious enough for the number of shareholders. Moreover, there are officers to facilitate the elderly and disabled with specific space for wheelchairs.

For the registration, the Company provides receptionists to give advices and facilitate the shareholders who attend the meeting by themselves and their assigned person. Examination of registration credentials and registration is opened two hours ahead of the meeting. The registration starts from 07.30 o'clock and the meeting starts at 09.30 o'clock. To allow sufficient time, Barcode system is used for convenience and accuracy of the registration. Some equipment is provided such as photocopying machine. In addition, the Company provides translators/interpreters to ensure accurate clarification to foreign shareholders' queries and officers at exhibition zone to explain and answer the shareholders' queries.

2.4 Proxy

The Company encourages all shareholders to attend the meeting to join the Company's decision-making. However, if any shareholder cannot attend the meeting, the Company facilitate him or her to assign any person or an independent director (from five independent directors who has no interest in the meeting, as stipulated in Proxy Form under the regulation of Ministry of Commerce which is delivered with the meeting invitation) to attend the meeting and vote for the shareholder without any condition. In case of the proxy, the Company recognizes the proxy as if he or she is a shareholder. IRPC announces the procedures of proxy and required documents including various details on the Company's website more than 30 days (33 days) ahead of the meeting. The shareholders are provided with three types of proxy. The three types of proxy forms; A, B and C are available for downloading, and only A and B types are delivered by postal mail with the meeting invitation.

For the Ordinary Meeting of Shareholders in 2014, 1,855 assigned persons attended the meeting, in the total of 13,284,070,548 shares or 65.01%.

3. Roles of Stakeholders

The Company takes into account the benefits of internal and external stakeholders. It treats stakeholders with fairness for their maximum benefits. The Company performs according to Corporate Governance which is promoted by Thai Institute of Directors Association. Moreover, the Company is willing to promote the stakeholders according to international standards such as UN Global Compact which promotes labors, human right, environment and anti-corruption *(details as shown in the Sustainability Report 2014 and Annual Report on Organizational Responsibilities page 132 – 157)*.

3.1 Shareholders/Investors

IRPC highlights the importance of all shareholders with fairness. The Company is committed to creating added value in the long run and to providing investment returns for the benefits of shareholders with focus on making profits from the practice and shares of profits (dividend) fairly together with creating confidence for the investors and adhering to Corporate Governance.

The company provides various channels to communicate with the shareholders via one-way and two-way communication, e.g., Domestic and international road shows, meetings with the Company's executives at the appointment of investors and analysts (Company visit), meeting with analysts (Analyst Meeting), activities with SET, delivering shareholders newsletters, etc. In 2014, the Company organized activities for shareholders/investors as followed;

- Domestic and international Roadshows, meetings with the Company's executives at the appointment of investors and analysts (Company visit) to regularly provide information on the Company's performance and investment, in total of 33 times

- Quarterly analyst meetings
- Joint activities with SET to disseminate IRPC's information at
  - (1) "Money Expo" on May 8 – 11, 2014
  - (2) "SET in the City" on November 20 – 23, 2014
  - (3) Opportunity Day on March 5, 2012 and August 20, 2014
- Providing news to the press and the public through press releases, providing information and document and interviews of executives, joint activities with the media for 54 times and 40 press release were distributed
- Organizing plant visit project for the shareholders on October 9, 2014. The number of 400 shareholders was randomly selected from the applicants, who have never visited the plant before, delivered via postal mail to visit the plant, IRPC's port and investment projects under the construction in order to foster understanding of business and strengthen relationships. The shareholders were given a chance to participate in CSR activity with Camillian Social foundation in Rayong. Moreover, the shareholders visited HTMS Chakri Naruebet Warship to learn about the use of IRPC's port as the Royal Thai Navi's reserved port in an emergency.
- Quarterly Shareholders' Newsletters are mailed to all shareholders, with information on IRPC's turnover, business activities, CSR, and Corporate Governance. In 2014, the Company made four Newsletters which were mailed and presented as an electronic form on IRPC's website.

IRPC makes yearly survey on satisfaction of shareholders in order to improve its performance. The Company makes an assessment of 2014's annual shareholder meeting through AGM Checklist stipulated by for Thai Investors Association. The score was 94.75/100. In addition, IRPC organized a survey on general satisfaction on the Ordinary Meeting of Shareholders in 2014 using its assessment form and the score was 82.61% which was higher than the result of 2013, 81.97%.

Furthermore, in 2014 the company received an award that confirmed its efficiency, especially related to shareholders, such as Corporate Governance Asia Recognition Awards 2014: Best Investor Relations by Company in 2014 from the Corporate Governance Asia Magazine, for transparent disclosure of information and fairness to shareholders and stakeholders.

3.2 Customers/Consumers:

IRPC focuses on sustainable conduct of business, so it is committed to developing and upgrading its goods and services as well as strictly abiding by laws and Code of Conduct. It will in no way abuse consumers under the Consumers' Law and the Competition Law. The Company creates standard and reliable systems for the customer's transactions, and emphasizes on services before and after sale. The Company uses internet innovations for convenient, transparent and safe transactions on cell phones such as iRON, iDEAL, iPORT that reduces mistakes in document handling, and is in time for the volatility of the market.

In addition, IRPC also continuously create innovations for the customers and consumers' benefits and good quality of life. Such innovations are environmental friendly with focus on safety of use such as BANBAX, special plastic pellets that compounds anti-bacterial base, Green ABS that uses natural rubber to replace synthetic rubber, Natural Color Compound, plastic pellets that uses natural color, etc. On 30 May 2014, IRPC and Foundation of H.R.H. the Princess Mother collaborated to study and develop "Knee prosthesis for Kids" from Ultra High Molecular Weight Polyethylene

(UHMW-PE) with well-accepted medical standards so the Company's products were able to sustainably and truly benefit and help the Society. This also developed and promoted the products to the wider public, besides sending the staff to voluntarily participate in the "Repair for Happiness" activity and providing prosthesis service.

The Company makes annual survey on the customers' satisfaction in order to improve its goods and services. According to the survey of satisfaction for the petroleum business area in 2014, the score was 88% which is in accord with the target. Moreover, the satisfaction scores in 2014 for the petrochemical business area were 90.8%, which is higher than the target of 88%.

3.3 Business Partners

IRPC emphasizes on its business partners who are significant stakeholders to push forward the business. The Company adheres to its Code of business conduct in dealing with business partners and contractual parties with accountability and transparency. Profits of the Company and contractual parties are in harmony based on fairness, transparency and accountability.

IRPC has done business with over 4,000 vendors who supply raw materials, chemical, machinery, spare parts, and equipment used in production processes. Therefore, the Company has set up Green Procurement system which is fair, transparent and accountable. IRPC's procurement is under the IT system on a par with international standards. The Company uses strict procurement system with uniform standards for the whole organization and which is efficient in compliance with the Code of Conduct and Corporate Governance. Furthermore, the Company is committed to CSR principles among its business partners by defining criteria for partner selection before recording them on the Approved Vendor List. For example, a chemical vendor must be certified for environmental standards and the ISO international standard. It also upgrades the employees' potential in strategic ability and increases the effectiveness of the procurement for professional operations under DELTA project on Procurement Excellence.

3.4 Competitors

IRPC adheres to the principles of free enterprise and promotes free trade. The Company stipulates policy and Best Practice for fair competition. IRPC does not seek wrongful benefits or information that represents its competitors' trade secrets through dishonest means and it does not use false accusation to damage its competitors' reputation.

In the past, IRPC was never engaged in any dispute with its competitors.

3.5 Creditors

IRPC honestly and strictly honors all contracts with its creditors and financial institutions. IRPC properly performs its duties to all creditors under contract conditions, disclose accurate and true information, and does not cover up information or facts that may harm creditors. IRPC has stipulated in its Best Practice that if it cannot honor the contracts, it must notify its creditors in advance to jointly solve problems.

In the past, IRPC has never missed an appointment, caused breach of contract and it was never engaged in any dispute with its creditors. Moreover, in 2014 the Company organized an event to celebrate issuance and offering of Debenture with the name of the holder specified, subordinated, unsecured and without representative 1/2014 in the total amount of 15,000 million Baht to show gratitude and build good relationship with six banks, i.e. Kasikorn Bank, Bangkok Bank, Krungthai Bank, Siam Commercial Bank, Krungsri Bank and Thanachart Bank as the sellers of debentures. The event was organized as a CSR manner by providing scholarships for a school and improving the education quality through "One for Nine" project under National Education Standards and Quality Assessment (Public Organization). This activity received cooperation from various educational and private sectors in order to enhance the quality of education, to reach higher standard as targeted.

3.6 Employees

IRPC emphasizes on the improvement and development of quality of its human resource. Since employees are vital for the organization, the Board of Directors stipulates policy and guideline for human resource management to be on a par with international standards. The Company sets up a systematic process which starts from nomination and selection steps, human resource development, assessment of employees' performance, promotion, provision of compensation and welfare for employees from all levels fairly based on Key Performance Indicators (KPIs) including taking care of them in various aspects. This aims to promote healthy and happy working environment and enhance quality of employees' lives.

In 2014, the Company had policy to improve the performance of human resource management through

KPIs were deployed to management of all functions, with objectives and implementation structure matrix which were aligned and synchronized through out th organization.

HR Excellence program. It is one of the programs under DELTA project to develop organizational excellence and increase efficiency of performance for all aspects. Human Resource Department and all departments cooperated to perform according to HR Excellence with great determination (details shown in the Performance Report page 79 and 101). For training of employees and executives, the Company provided the training hours for the employees in an average of 30.46 hours each. In addition, IRPC has also organized activities to promote their right and freedom through various approaches as followed;

Promotion of Corporate Governance and Anti-Corruption

- Anti-Corruption seminar was organized for executives and employees on 3 July 2014, with an expert from Pricewaterhouse Coopers ABAS Limited that was the lecturer and 400 executives and employees attended the seminar. It has been stipulated in work program of 2015 and 2016 that all employees will be trained.

- In 2014, IRPC was the host for "PTT Group CG Day 2014" together with PTT under the concept of "the Power is in Your Hands". Dr. Pailin Chuchottaworn, President and Chief Executive Officer of PTT Public Company presided over the event, including top management from 7 associated companies of PTT, on Monday 15 September 2014 at Synergy Hall, 6th Floor, Energy Complex center, Building C. It aimed to campaign and create a good sense to stop all types of corruption for all employees from all levels from PTT according to Corporate Governance, in order to fairly meet all stakeholders' needs and become a necessary basis for sustainability.

- Office of Corporate Internal Audit held a ceremony to present "Diamond Award" for 2014 which has been held for consecutive four years since 2011. It aims to praise units with outstanding and transparent internal controls. The objective is to promote good and effective control system for the organization which is a root of Corporate Governance. In the ceremony to present "Diamond Award" on 10 October 2014 at Energy Complex, Building B, Mr. Cherdpong Siriwit, Chairman of the Audit Committee, presided over the award ceremony, as well as Mr. Trumph Jalichandra, Mr. Pramual Chanpong, Audit Committee, and Mr. Sukrit Surabotsopon, President.

Health Promotion

- IRPC organized annual medical check-ups for all employees from 28 January - 27 March 2014. It included general health check-ups and intensive check-ups for employees who work in risk areas such as plant, oil depot, etc. in order to follow up their health conditions and ensure that all employees and executives are healthy.

- IRPC provides welfare for employees and their family in a form of health care expense claim, health insurance and other appropriate benefits to be on par with other leading companies in the same business.

Promotion of Freedom of Expression and Organization (Labor Union) and Communication with Employees for Ungerstanding

- IRPC gives employees an opportunity to form Labor Union and Executive Union. Employees are encouraged to express their opinion to protect their rights and benefits, through Employee Committee and Labor Union, chaired by the President. Moreover, for the whole year President and executives together with Labor Union organized joint events to reinforce good and closer relationship such as annual party for Labor Union members, CSR activity to give a Buddha image to Lang temple, a merit-making ceremony on the occasion of the 14th anniversary of the union of IRPC

Anti-Corruption training

and its associated companies, 8 unions in total, on 25 November 2014, etc.

- The Company organized "The President meets Employees" when Mr. Sukrit Surabotsopon was appointed in October 2013. The President visited employees on all sites to meet them in person. It was a good opportunity to address policy, gain information and ask employees about their living conditions and difficulties. The result is reported every quarter in a meeting room combined with VDO Conference and it is also broadcasted through Intranet. Employees from all areas are able to watch the event and ask questions. Such communication is also enabled through the Message from the President and video clips periodically.

- The President chaired the Management Committee Meetings, attended by all executives for the level of EVP and higher on a weekly basis and VPs on a monthly basis.

Morale Support and Encouragement

- IRPC has the project to present gifts to employees who complete their 10th, 20th, and 30th year of service

- IRPC hosts a reception for retired employees to honor and encourage them for their dedication to the Company

Promotion of Ethics, Religion, Traditions, and Organizational Culture

- IRPC organizes an activity to promote ethics, through continual training on Development of Mind and Wisdom for employees organized by the Young Buddhists Association of Thailand.

- IRPC annually organizes Buddhism promotional activities and sermons at IRPC's various auspicious occasions such as the New Year, IRPC's anniversary, and major religious occasions, etc.

- IRPC hosted the annual 2013 Presidential Awards on May 7, 2014, for distinguished employees who dedicated themselves to the organization and being good model. The awards were divided into four dimensions, namely Distinguished relations with external communities, Creation of value added, Distinguished behavior, and Distinguished behavior on safety, in order to strengthen the organizational culture.

Promotion of Education

- IRPC hosted a ceremony to present scholarships to employees' children on October 14, 2014, for 300 scholarships classified into 2 types; 210 scholarship for those with good scholastic performance and 99 scholarships for those with good behavior and outstanding performance in various fields, in order to encourage awareness of ethics, behavior, and social engagement of the employees' children. The ceremony is hosted every year.

Respect for copyrights and intellectual properties

- IRPC campaigns and promote awareness among employees to respect copyrights and intellectual properties. To achieve this, IRPC campaigns and encourage employees on compliance with the Copyrights Act B.E. 2537 (1994), and the "Application of IRPC's Computers and Network System" policy has been designed to prohibit employees from using illegal programs or software. IRPC's review and periodic inspections are organized to help prevent infringement of others' rights.

IRPC conducts an annual Employee Engagement Survey to develop on the strengths and improve on the weaknesses. The score of the survey for 2014 was 79.14%, compared to 2013 at 78.98%.

3.7 Society and Community

IRPC emphasizes on sustainable development, so it values the stewardship of society, communities, and the environment by embracing the Creating Shared Value (CSV) embracing with stakeholder concept through planning and operation for transparency and social benefits as well as minimizing impacts from its production. Details are shown in Corporate Social Responsibility Report page 132 - 157.

Society and Community

Through all the year 2014 executives and employees cooperate and attend many volunteering activities for benefits of various groups such as community, disabled, underprivileged people, children, women and elderly, etc. to be in accord with UN Global Compact and UNICEF. The Company adapts such principles to Thai Society and its CSR policies.

- The Company was one of the associate members of "Give Woman a Second Chance" 11th project at Thanyaburi Female Prison, Patumthani together with Business and Professional Women's Association of Thailand - Bangkok and other 11 organizations i.e., Business and Professional Women's Association of Thailand - Pathum-Non, Business and Professional Women's Association of Thailand - Samutprakarn, Zonta Club - Bangkok 5 Zonta - Bangkok 2 Zonta Club

- Bangkok 1 Distinguished mother Club Bangkok, Lions Club of Donmuang, Kiatnakin bank foundation, Thai-Chinese Chamber of Commerce for Women, Project of Doctor of Philosophy Program in Development Administration - Suan Sunandha Rajabhat University, and Soroptimist International Club of Bangkok. It arranged the occupation development activity-academic and mind development, build a good consciousness to 3,400 female prisoners through over 54 training courses from 15 July - 29 August 2014 in accession of 12th year of Thai Women's Day, in order to dedicate merit to Her Majesty Queen Sirikit 82th Birthday ceremony on 12th August, 2014.

- IRPC provided 12 scholarships to orphans, lacking and underprivileged children in the ceremony hosted by The Thai Muslim Women Foundation of Thailand for the Welfare of Orphans under the Royal Patronage of His Majesty the King on July 12, 2014. The scholarships were given to pre-school, elementary and secondary students and high vocational and undergraduate students, two per each level.

- "One for Nine" Project to improve educational standards under National Education Standards and Quality Assessment (Public Organization). It is an innovation that conforms to Thai's hospitality culture and values and the Company's intention to conduct its business based on CSR concepts. The Company shall help schools according to their needs and necessities through various activities such as cooperating with six banks to provide school fund. It also promotes guideline of "CSR for Educational Quality Improvement" concept through its executive in the meeting of the third "One for Nine Charity" in 2014 hosted by National Education Standards and Quality Assessment on 22 August 2014. The Company also organized Knowledge and Ethics Camp, O-Net Tutor for schools in Bangkok, and Repair for Happiness project for two schools in Burirum, etc.

Environment and Safety

IRPC has defined a policy on responsibility for society and environment by focusing on developing IRPC's growth in parallel with development of the quality of life of people in society with a clean and safe environment. Currently, the environment care is vital policy for the country and in focus of the world. As an industrial business operator, the Company volunteers to conduct industry business in parallel with sustainable environmental development.

IRPC also focuses on compliance with law, Quality, Safety, Occupational Health and Environmental (QSHE) control, and QSHE guideline as stipulated in Corporate Governance Handbook. Moreover, it has continuous operation improvement. IRPC's activities in 2014 were as followed;

- Review of Quality, Safety, Occupational Health and Environmental (QSHE) policy

- Project of ECO Industrial Zone: EIZ with MOU to enhance the development of ecological industrial zone between Provincial Industrial Works Department, Rayong, and IRPC's industrial zones on March 19, 2014 at Golden Tulip Hotel, Bangkok. The project was continuously carried out throughout the year.

- Development of Pollutant Release and Transfer Registers (PRTR) system which was developed by the Company, its advisor, Japan International Cooperation Agency (JICA) and the Department of Industrial Works.

- Continuously communicating outcomes of air quality testing and various information with the Communities via screens showing air quality testing results of three zones, namely around the Ban Laeng Subdistrict Administrative Organization, around the Tambon Ban Kon Nong Health Promotion Hospital, and in front of the industrial estate in Rayong.

- Communicating and educating about QSHE by the Company's executives who attended various projects as followed;
  - Training program for natural resource and environmental management 3rd gen under Office of the Permanent Secretary, Ministry of Natural Resources and Environment at Environmental Research and Training Center, Klong 5, Pathumthani
  - EHIA report training for academics from government and private sectors who attended "Environmental Health Impact Assessment (EHIA)" hosted by Faculty of Tropical Medicine, Mahidol University
  - Basic Safety, Occupational Health and Environment Management Training for practical employee of PTT Public Company Limited.
  - Lesson Learned Activity "HA1 Process Safety Incident" at the safety day for practical, management and oil depot employees, Oil Business Unit for the 23th hosted by PTT Public Company Limited

- Other activities to promote safety and environment as shown in *"Quality, Safety, Occupational Health and Environmental (QSHE) Management" page 134 - 143*

According to IRPC's performance of quality, safety, occupational health and environmental management, the society and environment satisfaction survey 2014 of Rayong Community revealed a score of 88.82%, and the Company will use the result to improve its performance.

In addition, in 2014 IRPC received various awards that confirmed its strength and sustainable growth, for instance, Best Sustainability Report award 2014 from Thai Listed Companies and CSR Club supported by Office of the Securities and Exchange Commission and Thaipat Institute, "Honoring Outstanding Achievement in the category of Corporate Social Responsibility Excellence" from Ministry of Social Development and Human Security under slogan "People Happy, Best company, Grow up social" in occasion of 12th year anniversary and "CSR Recognition 2014" category of Most Improved CSR from The Stock Exchange of Thailand, etc. Furthermore, IRPC was ranked in a top 20 of Asia sustainable companies from News Asia Channel together with CSR Asia and Sustainalytics Institute and ranked one of 100 securities outstanding on Environmental, Social and Governance (ESG 100).

3.8 Significant Conflicts with Stakeholders

IRPC was never engaged in any significant conflict with its stakeholders.

4. Disclosure and Transparency

The company has regularly disclosed the information to the stakeholders and the information is dispersed through the Stock Exchange of Thailand, the Securities and Exchange Commission, mass media, electronic media, and the company's public relations. The disclosure of information creates reliability and transparency which builds confidence among investors and all stakeholders. IRPC determines policy and guidelines for information disclosure and also follows them strictly since we realize that the investors and all stakeholders should know the correct, accurate, and up-to-date information as follows:

4.1 Commission's Financial and Non-Financial Reporting

The company makes the reports following the guidelines set by the Securities and Exchange Commission. Financial and non-financial information is available on a variety of communication channels as follows:

- Reports on the stake of committees
- Important news and financial statements available on the Stock Exchange of Thailand
- 2013 annual report that features financial statements and the company's performance report
- 2013 Corporate Sustainability Report is made for communicating the management guidelines and economic, social and environment performances. The company adopts Sustainability Reporting Guidelines by Global Reporting Initiative with the GRI G3.1 Level A, 2014 Corporate Sustainability Report is GRI G.4 version in order that the disclosure of the information meets international standards and can be assessed in accordance with the core level. The information is reviewed by the external agency to build reliability and sent to the shareholders together with annual report. Moreover, it is available on the company's website.
- The Communication on Progress report is presented to UN Global Compact. IRPC is an associate member and committed to the operation and performance report following the UN Global Compact guidelines. The company joined the UN Global Compact in 2011 and the reporting was upgraded for the GC Advanced Level in 2014. The GC Advanced Level is the highest level of reporting. IRPC has produced the reports and they are available on the company's website. The electronic version of reports is sent to the UN Global Compact website (www.unglobalcompact.org).

4.2 Reporting to Investors and Shareholders

Because investors and shareholders are the most important stakeholders, IRPC places its attention to the disclosure of the information that is transparent, reliable, correct, complete, and up-to-date for their decision making.

The company discloses both direct and indirect information and the investor relation unit serves as intermediary who reveals the information to the investors and who is in charge of financial reporting process. For example, investor relation presents financial statement and information that the company reports to the Stock Exchange of Thailand, including a quarterly management discussion and analysis report. The corporate communications department publicizes and discloses the information related to the company to the people. The department also produces IRPC Newsletter on a quarterly basis to disperse and make the investors known about the company performance, including other related activities held all year. The IRPC Newsletter will be sent to the shareholders by mail and can be found on the company's website (See 3.1 Shareholders/Investors).

4.3 Complaints and Information Access

The company emphasizes on the transparent operation and disclosure of the information. If the stakeholders are affected by any company's operations, they can submit their complaints to the company and the company would carry out the investigation and improve the operation.

IRPC also provides the opportunity for the internal and external stakeholders to submit their compliant through various channels and the Office of Internal Audit is in charge of those complaints and conducts the investigation according to the policy. Besides, the company has the policy to protect a person who submit a complaints for their safety. The following are the channel for the submission of complaints.

- Telephone: 038-802-560 (24 hours)
- Website: http://www.irpc.co.th/cg_contact.php
- Email: auditor@irpc.co.th
- Mail box: 35 Sun Towers Bangkok, 10905, a new channel available in October 2014

In 2014, the company received about 20 questions, comments, complaints, and recommendations the majority of which are the recommendations for the operation.

5. Board Responsibilities

The Board has a role in determining the direction of the company in accordance with shareholders' resolutions. In addition, the Board controls and monitors the management according to the set standards, compliance with the laws and regulations, and the goals. The Department of Organization Affairs, the Department of Anti-Corruption, and the Department of Practices Compliance must be founded. Besides, the Department of Company's Meeting and Secretary must be under the supervision of the Office of Organization Affairs. All the directors are able to devote themselves perform their duty sufficiently and effectively. Policy, responsibilities, and good practices for the Board are detailed in the Corporate Governance Handbook and in the Management Structure, page 163-165.

5.1 Sub-Committees

With the important role of committee, the company's committee specified the committee structure to perform the assigned tasks effectively. IRPC establishes four special issue committees to take care of particular issues, sets the policy and guidelines for good practices, and oversees the committees. In 2014, the company's committee reviewed and improved the special issue committee charters. For example, the management committee is emphasized on more risk management and the company replaced the management committee by the committee of risk management on October 21, 2014 which is disclosed on the good corporate governance manual and in the Management Structure, page 165-168.

As of December 31, 2014, the company has four special issue committees as follows:

1 Audit Committee

The audit committee reviews all the financial reports and presents them to the company's committee on a quarterly basis. The company's committee is responsible for all the financial statements of the company and its subsidiaries. Besides, the audit committee is also in charge of examining and establishing internal controlling system and internal audit, and effective system of risk management. The Office of Internal Audit is responsible for internal audit and operation review. The audit committee will appoint or remove internal audit manager and the Office of Internal Audit is under the supervision of the audit committee. For more information of the audit committee responsibilities, see page 165 - 166.

The company's committee appoints at least three independent committees the audit committee with the qualifications set by Security and Exchange Act. The following are the audit committees in 2014.

Audit Committee
1. Mr. Cherdpong Siriwit Independent Director / Chairman of Audit Committee
2. Mr. Kritsda Udyanin Independent Director / Member of Audit Committee
3. Mr. Trumph Jalichandra Independent Director / Member of Audit Committee

These three audit committees possess extensive knowledge and experience to examine the reliability of the company's financial statements. Mr. Cherphong Siriwit and Mr. Kritsada Uttayanin have background and experience in accounting and finance while Mr. Tharam Chaleechan is capable of legal issues. Mr. Thaweesak Dechakaisaya, a manager of the Office of Internal Audit, serves as a secretary. In 2014, there are 12 meetings and the issues for the meeting are financial reports checking, related party transaction checking, risk management checking, law compliance checking, auditor checking, and annual auditor nomination.

2 Nomination and Remuneration Committee

The company's committee appoints Nomination and Remuneration Committees to recruit persons suitable for the positions of president and directors. IRPC's committees set up effective and transparent nomination regulations, including a guideline for fair remuneration for the company's committees and directors in a similar level within the industry. For the responsibilities of the Nomination and Remuneration Committees in detail, see page 166.

The company's committee appoints at least 3 Nomination and Remuneration Committees and at least 1 one of them should be an independent committee. The following is a list of the 2014 Nomination and Remuneration Committee.

Nomination and Remuneration Committee
1. Mr. Woothisarn Tanchai Independent Director / Chairman of Nomination and Remuneration Committee
2. Mr. Surong Bulakul Director / Member of Nomination and Remuneration Committee
3. Mr. Songpope Polachan Independent Director / Member of Nomination and Remuneration Committee

Ms. Monwipa Choopiban, an acting Executive Vice President of the Office of Corporate Affairs, serves as the Company Secretary. In 2014, the Nomination and Remuneration Committees hold 9 meetings. The issues that the meetings are held include the appointment of

new committees, special issue committee nominations, remuneration for committees, and considerations of the components and goals for the director's operation for year 2014. The components are business administration, leadership, social and environmental responsibilities, including evaluations of performance and remunerations proposed to the company's committees for approval. In 2014, the Nomination and Remuneration Committees suggest new courses useful to for the company and the company's committee agrees to revise accordingly, which will be presented to the 2015 Annual General Meeting of Shareholders for consideration. There are two issues for revision: regulation. The number of committees must be adjusted from 5-17 to 5-15 to fit the nature of the business and the director appointment must be specified by the company boards who select a committee from the committees. The selected committee must serve as secretary for the committees as well.

3 Corporate Governance Committee

The company's committee approves the appointment of the Corporate Governance Committee to set the good governance policy, business ethics, and guidelines for the operations by the company and its subsidiaries to be in the same direction. Moreover, criteria for good governance is improved and upgraded continuously and intensively. For more information of the responsibilities by the Corporate Governance Committee, see page 167.

The company's committee appoints at least 3 Corporate Governance Committees and at least 1 one of them should be an independent committee. The following is a list of the 2014 Corporate Governance Committees.

Corporate Governance Committee
1. Mr. Watcharakiti Watcharothai Independent Director / Chairman of Corporate Governance Committee
2. Lieutenant General Sasin Thongpakdee Independent Director / Member of Corporate Governance Committee
3. Mr. Pramuan Chanpong Director / Member of Corporate Governance Committee

Ms. Monwipa Choopiban, an acting Executive Vice President of the Office of Corporate Affairs, serves as the Company Secretary. In 2014, the corporate governance committees hold 7 meetings. The issues that the meetings are held include the establishment of the 2014 good governance planning, following up the good governance performance on a quarterly basis, and organizing the 2014 Annual General Meeting of Shareholders compliant with the law and corporate governance best practices. Criteria for good governance is revised to be up-to-date and in accordance with the regulations of corporate governance set by Thai Institute of Directors and ASEAN CG Scoreboard. In 2014, the corporate governance committee proposes criteria for corporate governance committee meeting for approval. The proposal is that two third of the committee members must vote for resolutions.

4 Risk Management Committee

The company's committee approves the removal of the management committee with the replacement of risk management committee during the 11/2014 company's committee meeting on October 21, 2014. For more information of the risk management committee's responsibilities, see page 168.

The company's committee appoints at least 3 Risk Management Committees and at least 1 one of them should be an expert in petroleum, petrochemical business or finance. The following is a list of the 2014 Risk Management Committees.

Risk Management Committee
1. Mr. Sarun Rungkasiri Director / Chairman of Risk Management Committee
2. Mr. Woothisarn Tanchai Independent Director / Member of Risk Management Committee
3. Mr. Sukrit Surabotsopon Director / Member of Risk Management Committee

Mr. Sirimet Leepagorn, an executive vice president of the Business Planning Department, serves as a secretary. In 2014, Risk Management Committee attends the company's risk meeting with the company's committee and approves a guideline for the 2015 risk management on November 18, 2014.

5.2 Committee Meeting

The company's committee sets up the meeting schedule for the company's committee in advance every year and receives the meeting materials prior to the committee meeting for 5-7 days so that they would have a chance to study and have themselves understand the agenda, which creates an effective voice with decision making. The committees are responsible for attending the meeting as follows:

- According to the company's regulations, the quorums must attend at least 50 percent of all boards. In 2014, the company boards determine that the two third of boards must show up in the meeting for vote.
- Each director must attend at least 75 percent of all the meetings held. In 2014, all the committees participate more than 75 percent of all the meetings held.
- The company boards determines that a meeting without the management boards is allowed. In 2014, the meeting without the management boards is held on July 15, 2014 and there are two meetings for independent committees held on May 27 and on October 21, 2014.
- The Board of Director held retreat meeting once a year in order to enhance good relationship and understanding between the director and management. The meeting was held in Rayong on August 29, 2014, including plant visit, construction projects, forestation project and monitoring the VGOHT rehabilitation after fire incident.

For more information of the meeting participation by the company's committee and special issue committees in 2014, see page 170.

5.3 Committee Evaluation

The good governance policy determines that the boards must perform self-evaluation at least once a year so that they can review their performance, problems, and obstacles occurred in the previous year. In the 7/2014 meeting, the good governance committee agrees on December 16, 2014 that the 2014 boards' performance evaluation forms must be made in 4 categories. The forms are sent to the boards and they perform the evaluation in December 2014. The forms are collected and sent to the good governance committee and company boards so that they know the performance and make the improvement of the practices.

In 2014, the company produces four evaluation forms for the company boards as the following.

1. Performance evaluation form for all the company boards
2. Self-evaluation form
3. Cross self-evaluation form for other company boards
4. Performance evaluation form for special issue committees

The following are the criteria for performance evaluation of the company boards in 2014.

Over 85% = routine practices "Excellent"
Over 75% = regular practices "Very good"
Over 65% = occasional practices "Good"
Over 50% = Few practices "Fairly good"
Less than 50% = Never practices "poor"

The policy for corporate good governance determines that the boards must perform self-evaluation at least once a year in December of every year so that they can review their performance, problems, and obstacles occurred in the previous year. The overall evaluations of the company boards are concluded as follows:

- **Company's Committee Performance:** This consists of 4 areas of evaluation: 1. Board Policy 2. Board Composition 3. Board Practices 4. Preparation of Board Meeting. The committee has evaluated the boards, "best" with the score of 96.98 percent.

- **Self-Evaluation:** This contains 7 areas of evaluation: 1. Board Qualification 2. Decision Making Responsibility and Accountability 3. Responsibility and Sufficient Effectiveness 4. Equitable Treatment for the stakeholders with Explanation 5. Transparent Operations and Disclosure of the Information 5. Vision for Long-Term Value Creation 7. Business Ethics. In conclusion, the boards have evaluated themselves as "best" with the score of 97.23 percent.

- **Cross self-evaluation for other company boards** There are 7 areas of evaluation similar to the previous self-evaluation. In conclusion, the committees have evaluated other company boards, "best" with the score of 98.58 percent.

- **Performance evaluation for special issue committees** This contains four groups of special issue

committees: 1. Recruitment and Compensation Committee 2. Good Governance Committee 3. Management Committees 4. The Audit Committee.

Notice: Management Committee is evaluated due to their operations for three quarters in 2014 while Risk Management Committee is evaluated since they have bee newly appointed.

There are four areas of evaluation for Recruitment and Compensation Committee, Good Governance Committee, and Management Committees: board policy, board composition, board practices, and board meeting preparation. 3 Special Issue Committees have evaluated all the committees with "best" as the following.

Recruitment and Compensation Committees receive 96.83 percent of the score and fall in the range "best".

Good Governance Committees receive 99.52 percent of the score and fall in the range "best".

Management Committees receive 97.29 percent of the score and fall in the range "best".

In addition to the previous three forms of evaluation, the company carries out the performance evaluation for the Audit Committees separately compliant with the audit committee charter.

The Audit Committees are evaluated as follows:

1 Performance evaluation for the audit committees comprises of 6 evaluation areas: 1. Committee Composition 2. Role and Responsibilities 3. Internal Audit and Auditor Relationship 4. Management Relationship 5. Reporting 6. Quality Control. The committees receive 93.75 percent of the score and fall in the range "best".

2 Evaluation for individual audit committees is carried out according to the Audit Committee Charter by the company effective on January 1, 2010. The Charter stipulates that an evaluation for individual committees must be performed. There are 6 evaluation areas for individual audit committees: 1. Business Knowledge 2. Performance Expertise 3. Authority 4. Fairness and Independence 5. Responsibilities 6. Practices and Meetings. The committees have evaluated the performance of individual audit committees, "best" with the score of 97.84 percent.

3 Evaluation for the audit committees by the chairperson is carried out and receives 100 percent of the score and fall in the range "best" in 2014.

5.4 Committee Orientation

The company holds the orientation for newly-appointed company boards within 3 months in order that they are informed about business policy an related information, such as nature of business, cost structure, shareholders, performances, industry information and rules and regulations. The handbooks are sent to the committees, which is a very useful information for being the committees of the company and good governance handbook.

Committee Handbooks:

1. IRPC Compliance Handbook
2. Director's 1-3 Edition Handbook
3. Corporate Governance Handbook

Information for Committees:

1. Code of conduct
2. Certificate, objectives, company's rules
3. List of Board
4. Sub-committee responsibilities
5. 2009-2014 Annual General Meetings of Shareholders minute of meeting reports
6. 2009-2014 Board's minute of meeting reports
7. Annual financial statements (form 56-1)
8. 2013 annual report
9. Institute of Directors Courses
10. Annual Board Meeting scheduling
11. Chairing the Board by the Institute of Directors

In 2014, the President presents the information, consisting of vision, policies, to the organization structure, overall business operations, business performance and other relevant information to enhance their knowledge and understanding.

5.5 Board Development

The Board realize the importance of trainings to develop the capabilities of all the committees continually, which helps generate more innovative ideas. This could enhance the effective performances. Details are as shown in the "Board of Directors", page 22-31.

Most of the Board have attended the trainings with the Institute of Directors and the company also encourages directors to participate in other training courses that can be applied to the business. In 2014, the Board have attended the significant training courses as follows:

- All directors attended the training course, "Anti-Corruption" with the experts from Pricewaterhouse Cooper ABAS on 5/2014 Committee Meeting. The purpose of the training is to enhance the knowledge and understanding related anti-corruption and practices for the Company's personal.
- There are 8 directors who attend the Executive Development Program by Capital Market Academy in 2014.
- There are 14 directors who participate in the courses by the Institute of Directors as follows:

1. Mr. Chainoi PheunKosum: DAP RCP and FGP courses
2. Lt.Gen. Preecha Wannarat: DAP course
3. Ms. Sophawadee lertmanatchai: DCP, ACP, SFE, and MIA courses
4. Mr. Worawit Chailimpamontree: DCP course

However, these four directors have resigned from the company during the year 2014 and the following is a list of current directors who participate in the training courses.

Directors / Courses
1. Mr. Pailin Chuchottaworn Courses: DAP - Directors Accreditation Program DAP 24/2004 DCP - Directors Certification Program DCP 51/2004 FND - Finance for Non - Finance Directors FND 14/2004 ACEP - Anti-Corruption for Executive Program ACEP 4/2012
2. Mr. Cherdpong Siriwit Courses: DAP - Directors Accreditation Program DAP 8/2004 RCP - Role of the Chairman Program RCP 10/2004 FND - Finance for Non - Finance Directors FND 13/2004 DCP - Directors Certification Program DCP 104/2008 ACP - Audit Committee Program ACP 27/2009
3. Mr. Watcharakiti Watcharothai Course: DCP - Directors Certification Program DCP 121/2009
4. Mr. Sombat Narawutthichai Course: DCP - Directors Certification Program DCP 15/2002
5. Mr. Sarun Rungkasiri Courses: CSP - Company Secretary Program CSP 8/2004 DCP - Directors Certification Program DCP 61/2005 FND - Finance for Non - Finance Directors FND 19/2005
6. Mr. Surong Bulakul Course: DCP - Directors Certification Program DCP 121/2009
7. Mr. Kritsda Udyanin Courses: DAP - Directors Accreditation Program DAP 50/2006 DCP - Directors Certification Program DCP 75/2006 RCC - Role Of The Compensation Committee RCC 1/2006
8. Mr. Songpope Polachan Courses: DAP - Directors Accreditation Program DAP 23/2004 DCP - Directors Certification Program DCP 52/2004 FND - Finance for Non - Finance Directors FND 9/2004
9. Mr. Prasit Suebchana Courses: ACP - Audit Committee Program ACP 20/2007 DCP - Directors Certification Program DCP 90/2007
10. Mr. Sukrit Surabotsopon Courses: DCP - Directors Certification Program DCP 132/2010 ACP - Audit Committee Program ACP 38/2012 MIR - Monitoring the system of Internal Control and Risk Management MIR 12/2012

6. Committee and Top Management Recruitment and Appointment

1. Independent Committee

The company redefines the independence of the committee more strictly following the regulations by the Securities and Exchange Commission and the Stock Exchange of Thailand. Moreover, the independence of the committee is written in Corporate Governance Handbook. For more information of the independent committee qualification, see page 165-166.

2. Separation of Chairman and Director

The positions of Chairman and Director are obviously separated and written in the Corporate Governance Handbook so that the role of these two positions is independently divided. The role of the chairman is to control and monitor while the role of the director is management. Although the chairman (Mr. Phairin Chuchotthawon) is not an independent committee, he is appointed the chairman by the Board since he possesses extensive knowledge in the energy, petroleum, and petrochemical businesses which is considered beneficial for the company.

3. Recruitment of Committee

The Board appoints the recruitment and compensation committees to recruit the persons who are competent and expert for the sake of the company. Additionally, the Board places it attention to a wide variety of the committee qualifications and experiences without sexual discrimination or other restrictions. This is written in "the composition of the committee qualification" and appointment in the Corporate Governance Handbook, which serves as a guideline for recruitment suitable for the position of the committees. The compositions should consist of various experts from different areas with throughout perspectives when making decisions take place. The recruitment committees must possess the qualification according to the rules, regulations, and corporate governance.

In 2014, the recruitment and compensation committees look for the candidates through systematic recruitment process. Then the committees propose the selected candidates to the Board and/or the shareholders. The procedures for recruitment and considerations are clearly specified and step-by-step. Also, the Directors' Pool of the Ministry of Finance and IOD is taken into consideration for the recruitment. (For more information, see page 168-169).

4 Recruitment of Top Management/Succession

The recruitment and compensation committees are responsible for searching for the right candidates for the position of the top management or director. They should possess extensive experience in the petroleum and petrochemical businesses as well as transparency and leadership for the effective operations of the company and gain trust and confidence from stakeholders.

Currently, Mr. Sukrit Surabotsophon is the company director appointed as per the proposal of the Nomination and Remuneration Committee by the Board in the 11/2013 Board meeting dated on September 17, 2013. The present director matches the required qualifications and performance useful for the company compliant with the rules, regulations and corporate governance. In case that the director is appointed a position in other companies, the director must be approved by the Board while the case of the top management shall be approved by the director to make sure that they devote their time sufficiently to the fullest extent to the company.

Besides, the company also has a plan for succession in the position of the director, top management, and middle management so that they can carry out the successive jobs effectively and respond to the situations through training courses, including academic, leadership, responsibility transfer, cross-function jobs, world situation analysis, and AEC.

7. Governance on Subsidiaries and Joint Venture

IRPC manages its own operation, subsidiaries, and joint ventures to be in the same direction. The company has 11 subsidiaries and 4 joint ventures and they are not registered. (For more information of shareholders, see page 183).

Governance mechanism

To control and monitor the subsidiaries and joint ventures, the company representatives who will be in charge of the director or the management shall be approved by the Board. At present, the director and the top management are in charge of those in subsidiaries and joint ventures. Besides, the company provides the policy and practices to subsidiaries and joint venture for use, such as corporate governance policy and anti-corruption. This will create the similar direction of the operation.

Roles of the Board

- The Board has a role in formulating the vision, strategy, and policy for the company and subsidiaries to operate in the same direction and support each other. The Board also controls and supports the work of the company and subsidiaries to follow the set policies and grow sustainably.

- The Board has a role in the appointment of the committees and management team to be responsible for the subsidiaries' businesses. They also follow up the performance for maximum benefits for the shareholders and the stakeholders fairly.

- The Board has a role in the formulation of policy related to corporate governance, anti-corruption, and code of conduct of the Company including its subsidiaries written in the Corporate Governance Handbook which is available on the company's website. The Board, management, employees of the company and subsidiaries must learn and follow the set policies strictly for their understanding and emphasizing on the importance of corporate governance for all levels of employees.

- The role of the Board is to be responsible for society and environment through the representatives of the company, subsidiaries, and joint ventures in order to prevent the activities by the company, subsidiaries, and joint ventures not to affect them. At the same time, society, environment, and community are supported.

- The Board of Directors stipulates that the management or representatives of the Company who were assigned to work in subsidiaries or joint ventures shall report business performance periodically.

Roles of the Audit Committee

- The internal control of the subsidiaries to be the same as those of the parent company is directed and should be regularly reported the audit results of the Company and its subsidiaries to the audit committee and the board. The reports specified by the Securities and Exchange Commission must be made.

- It is specified that the subsidiaries must report the financial performances, related reports, and asset acquisition and selling. Other important activities must be reported to the Board.

Role of the Shareholders

- The role of the shareholders is to vote in the meeting of the subsidiaries or the joint ventures for the essential agenda or for any changes that will affect the organizational structure, investment structure and company's termination. All of these must be approved by the Board.

Management mechanism

- It is stipulated that the subsidiaries must follow the policy, rules and regulations declared by the company. Such policies are corporate governance, anti-corruption, human resources management, marketing, purchasing, and accounting and finance. Each department responsible the stated policies would serve as the coordinators between management and practitioner levels.

- Investment policy formulation, long-term operation plans, annual plans, strategic business plan, CSR roadmap, budget for investment framework, and annual budget for subsidiaries are all included in the company's business plan to be in accordance with the same direction. For the joint ventures, the investment policy follows the joint investment agreements.

- The company establishes the systems for trading and services, purchasing, and human resources management. The operations of the subsidiaries are also specified, such as internal control and internal audit, security control, and social and environmental practices. This is to create the same directions of the operation.

- Joint investment must follow the shareholders' agreement and joint ventures' regulation (certain terms and conditions are included in the company's regulations). Each important agenda must be approved by the Board. For the subsidiaries, no shareholders' agreements are made since the company holds 99.99 percent shares of the subsidiaries.

8. Policy for the Appointment by Other Companies

- The Board can be the Board for not over 5 companies registered with the Stock Exchange of Thailand.

- In case that the director is appointed the Board or other positions for other companies, he/she must be approved by the Board.

- In case that the top management is appointed the Board or other positions for other companies, he/she must be approved by the director.

- That the company representatives who were appointed to be the Board or the management of the

subsidiaries and joint ventures formerly must be approved by the executive committee meeting assigned by the board and must be reported to the Board since October 21, 2014 executive committee is abolished, then. The company representatives who are appointed the Board or the management for the subsidiaries and joint ventures must be approved by the Board of the company.

9. Dividend Policy

IRPC Public Company Limited

The company has a policy for the dividend payment not less that 25 percent of the annual net profits after tax and other expense deduction following the rules and regulations. The dividend payment also depends on the investment plan, necessity, and other issues according to the Board judgments.

Subsidiaries

No policy for the dividend payment of the subsidiaries is made. The subsidiaries will consider the dividend payment case by case by taking the cash flow balance/ net profits considerations. The dividend payment is compared to the investment of the subsidiaries and the reserves are also established, depending on the Board of the subsidiaries judgments.

10. Treatment of Internal Information

The committee stipulates the practices of internal information treatment in the corporate governance handbook. The Board, management, and employees should keep the company information confidential carefully, including the use of internal information and providing the information to the internal persons. The company information is kept systematically by specifying the degree of confidentiality and limiting the right to access the information. The company has policy not to disclose the information to the public that gives the benefits to the company and others, including the buying and selling the shares of the company as the following.

- The Board specifies that the committees, the management, and other related parties must make and submit the reports of their property holdings which includes their spouses and children for their first time of taking the position. In addition, they must report any changes in their property holdings within 3 working days since sale, purchase or transfer of the company's property to the Security and Exchange Commission according to the Article 59 and the Article 275 of the Securities and Exchange Acts. They must also report to the Board every month.
- The company sends the letter that asks the Board, the management, and related persons according to the definition by the Securities and Exchange Commission to suspend their sale and purchase the company's securities for 45 days since the end of the quarter and suspend their sale and purchase of the company's securities for 2 days after the disclosure of the financial statements to the Stock Exchange of Thailand. This is to prevent the important information from disclosure that can affect changes in the stock prices and from making the public known for any uses. If such actions occur, it violates the Article 241 of the Securities and Exchange Acts B.E. 2535. This is to protect the violation against the laws and the guide for the market which causes the advantages for some groups.
- The company sets up the security system for keeping the information by dividing it into the confidential levels and also limits access to the information that is not publicly available. It is the duty of the information owners or holders that must follow and inform related parties to follow the procedures for information security by the company strictly. The penalty for the violation is also made.
- The company establishes IT security following the internal standards to protect the external threats and the unauthorized party from access to the use of the company's internal information stored in main and personal computers, including the normal situation of work and emergency.

11. Auditor Fee

Auditor Fee

In 2014, the shareholders approves for the appointment of Pricewaterhouse Cooper ABAS to serve as auditor for the company and the subsidiaries. This auditor company does not play any importance role in the company; therefore, it has a full independence to audit the company.

The company makes the audit payment for 4,250,000 baht in total. The payment includes the audit of the company, subsidiaries, and other expenses as the following.

Description	Amount
1. Audit fee of IRPC	3,100,000
2. Audit fee of the affiliates	1,030,000
3. Other expenses: travel costs, postal fees, printing of reports	120,000
Total	**4,250,000**

Non-Audit Fee

In addition to the audit fee, the company also makes the payment for other activities to the audit company about 210,000 baht in 2017 as follows:

Description	Amount
1. Verification of privileges according to three Investment Promotion Certificates, issued by Thailand Board of Investment (BOI)	180,000
2. Speaker honorarium	30,000
Total	**210,000**

12. Practices of Other Corporate Governance

In 2014, the Board approves for the amendment of rules and regulations and the practices of corporate governance more intensively recommended by the independent committees, the corporate governance committees, the recruitment and compensation committees, and the managers and secretary. It is expected that the amendment will contribute the maximum benefits to all stakeholders based on the guidelines by the Securities and Exchange Commission, the Stock Exchange of Thailand, and ASEAN CG Scorecard, aiming to be the leader in sustainability management. Moreover, the company follows other international standards. The following is the conclusion of the amendment and practices in 2014.

1. The policy for the number of quorum of the Board meeting is as follows: "During the time of voting in the Board meeting, two third of the Board must show up."

2. The company gives the opportunity to the shareholders to nominate the persons for the position of the committee during the Annual General Meeting of Shareholders.

3. In case that the director is appointed the committee by other company or academic and society, he/she must be approved by the Board. The top management must be approved by the director.

4. In the 2015 Annual General Meeting of Shareholders for consideration, there are two issues for revision: regulation. The number of committees must be adjusted from 5-17 to 5-15 to fit the nature of the business and the procedures for director appointment must be specified in the regulations.

5. Channels of communication with the stakeholders must be increased, following the policy for the anti-corruption through the postbox 35 for receiving the complaints and suggestions.

6. The Company set up the Office of Sustainability Management reported directly to the President.

7. The Compliance unit or the company secretary and regulations must be established and under the supervision of the Institute of Organization Affairs.

8. Evaluation of the director must obviously include social and environmental responsibilities.

9. Support more social activities for women and children from the previous years with the emphasis on health and education along with physical and mind aspects to create the opportunities for them to use their rights as much as possible and increase 50% of the amount of scholarships for employee's children as proposed by labor union.

10. The Board approved guidelines of regulation on employee's liabilities coverage in performing duties for the Company.

In the future, the company has a plan for the development of corporate governance in line with 5 year strategic growth plan. The plan also meets international practices with the real operations and the assessments are employed for the next improvement and maximum benefits.

BUSINESS STRUCTURE

Strategic Initiatives

Business Structure and Shareholding

Nature of Business

Integrated Refinery and Petrochemical Complex Flow Chart

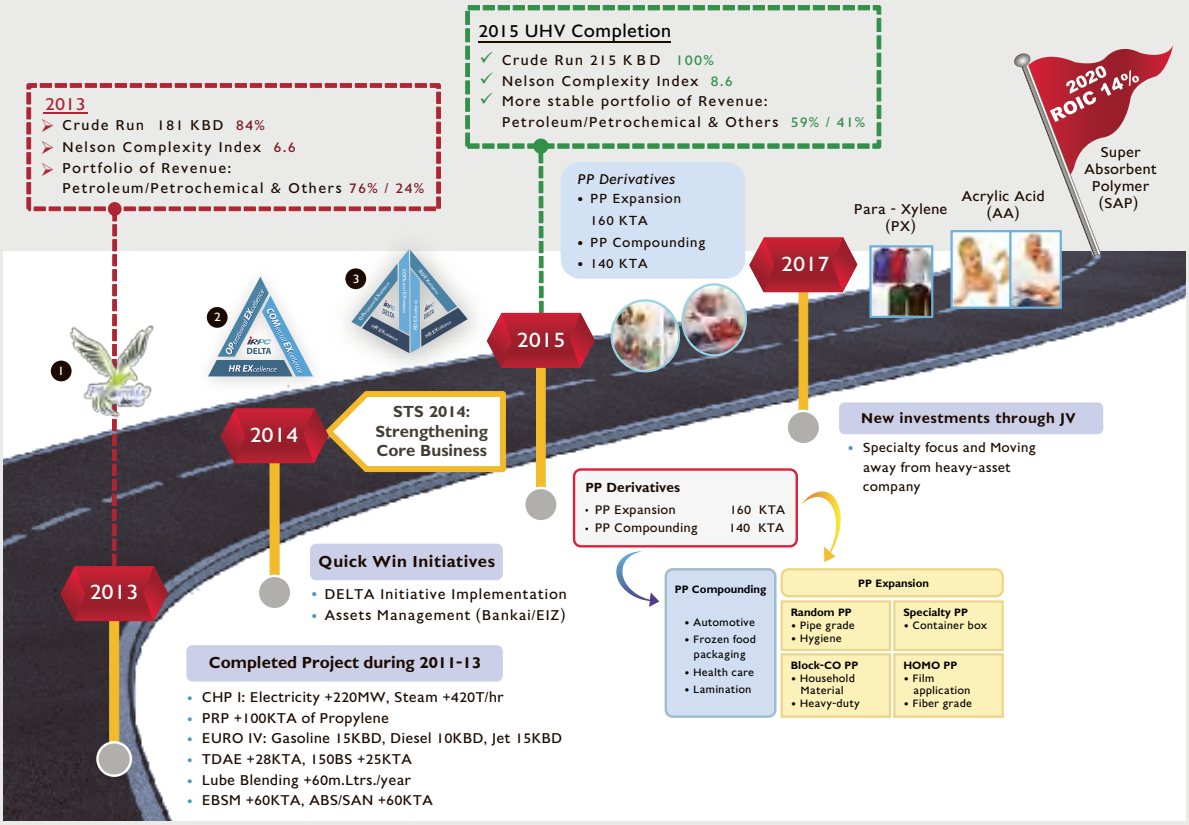
Individual Product Line's Business

Revenue Structure

Connected Transaction

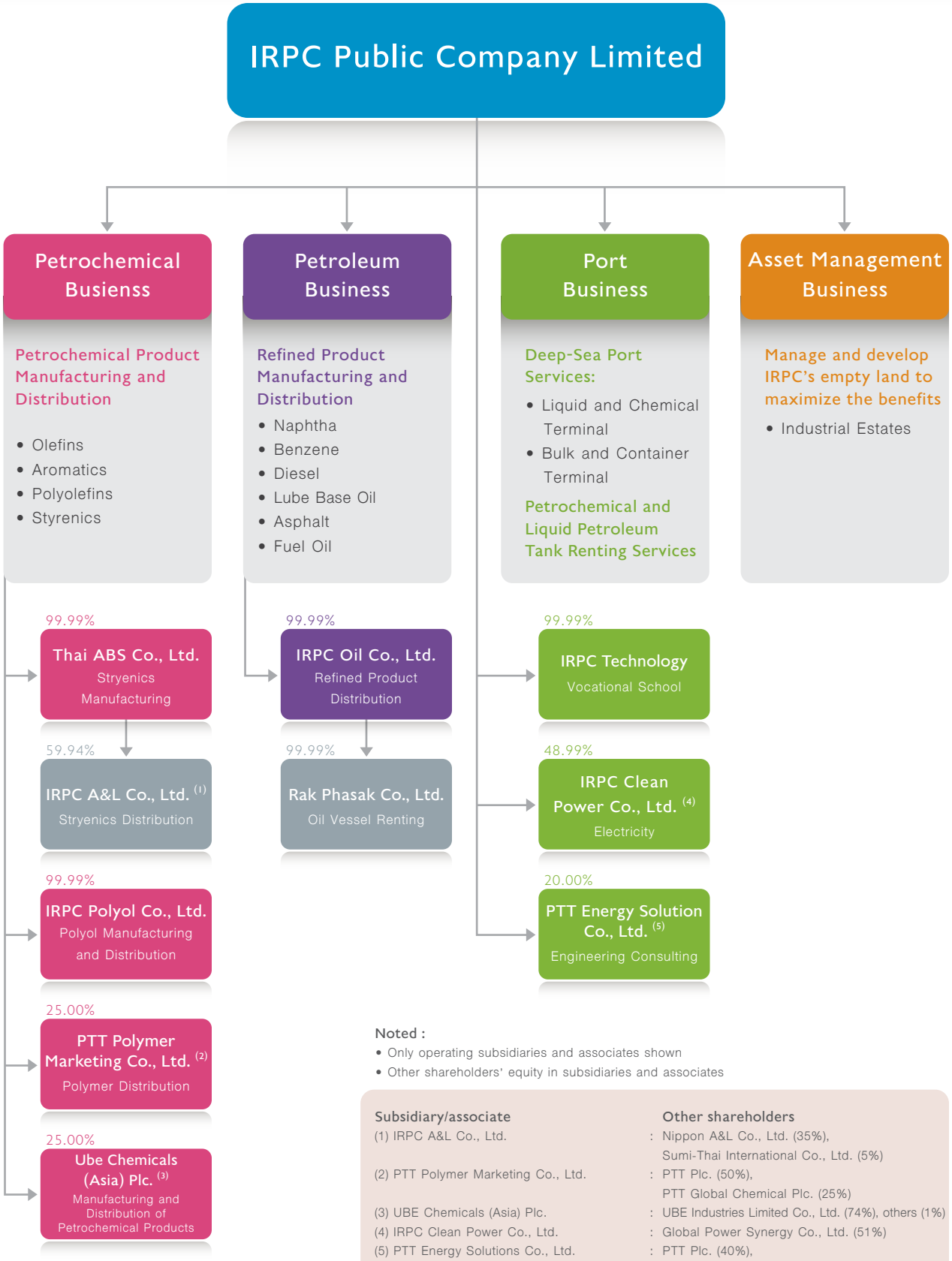
Strategic Initiatives

Strategic Initiatives: Roadmap to Success



The Board of Directors held a meeting with the management on 29 August 2014 to define directions and a five-year strategic plan for its growth and sustainable success.

Business Structure and Shareholding



Noted :
- Only operating subsidiaries and associates shown
- Other shareholders' equity in subsidiaries and associates

Subsidiary/associate		Other shareholders
(1) IRPC A&L Co., Ltd.	:	Nippon A&L Co., Ltd. (35%), Sumi-Thai International Co., Ltd. (5%)
(2) PTT Polymer Marketing Co., Ltd.	:	PTT Plc. (50%), PTT Global Chemical Plc. (25%)
(3) UBE Chemicals (Asia) Plc.	:	UBE Industries Limited Co., Ltd. (74%), others (1%)
(4) IRPC Clean Power Co., Ltd.	:	Global Power Synergy Co., Ltd. (51%)
(5) PTT Energy Solutions Co., Ltd.	:	PTT Plc. (40%), PTT Global Chemical Plc. (20%), Thai Oil Plc. (20%)

Nature of Business

Petroleum Business

Made up of ADU1 (with throughput capacity of 65,000 bpd) and ADU2 (150,000 bpd), IRPC's oil refinery unit commands a total capacity of 215,000 bpd. The refinery, the third largest in Thailand, yields assorted petroleum products, namely naphtha, gasoline, diesel and LPG. Its lube base plant, with the largest domestic capacity, has a total capacity of 320 KTA. An associated asphalt plant has a total capacity of 600 KTA.

Petrochemical Business

IRPC's upstream petrochemical products include olefins and aromatics with capacities of 828 and 367 KTA respectively, both serving as downstream petrochemical feedstock. Sold under the POLIMAXX brand to various domestic and international plastic operators, Polyolefins consist of HDPE and PP (with a total capacity of 615 KTA) and styrenics consisting of ABS, SAN, EPS, and PS (with a total capacity of 247 KTA).

IRPC's chemical business focuses on growth and keeping pace with change, developing the quality of life, together with raising international competitiveness by inventing and creating innovative styrenic products like Green ABS, ABS Powder, Impact modifier-MBS, Anti-dripping Additive, Anti-Bacteria products, and innovative polyolefins such as UHMW-PE, Polyolefins Catalyst, Baby Bottle Polypropylene, Antimicrobial Compounds.

Business Overall

IRPC is a pioneer in Southeast Asia's integrated petrochemical industry with a refinery and petrochemical complex located in its own industrial estate in Rayong province. The estate is fully equipped with essential infrastructure and utilities supporting production, including a deep-sea port, oil tank farm and a power plant.

Port and Tank Farm Business

This business features facilities and international-standard dock services for domestic and international cargoes. The main terminal area consists of

Liquid & Chemical Terminal (LCT): This terminal handles petrochemicals, liquid petroleum, and gaseous merchandise. At 1,623 meters long, the port is divided into six sub-wharfs, handling vessels of 1,000-250,000 DWT. The annual cargo volume served is about 15 million tons or more than 2,000 vessels.

Bulk & Container Terminal (BCT): At 900 meters long and 44 meters wide, this terminal handles vessels of 800-150,000 DWT, serving general cargoes, including iron ores, palm shells, coal and ores. The current annual cargo volumes served is 1.4 million tons.

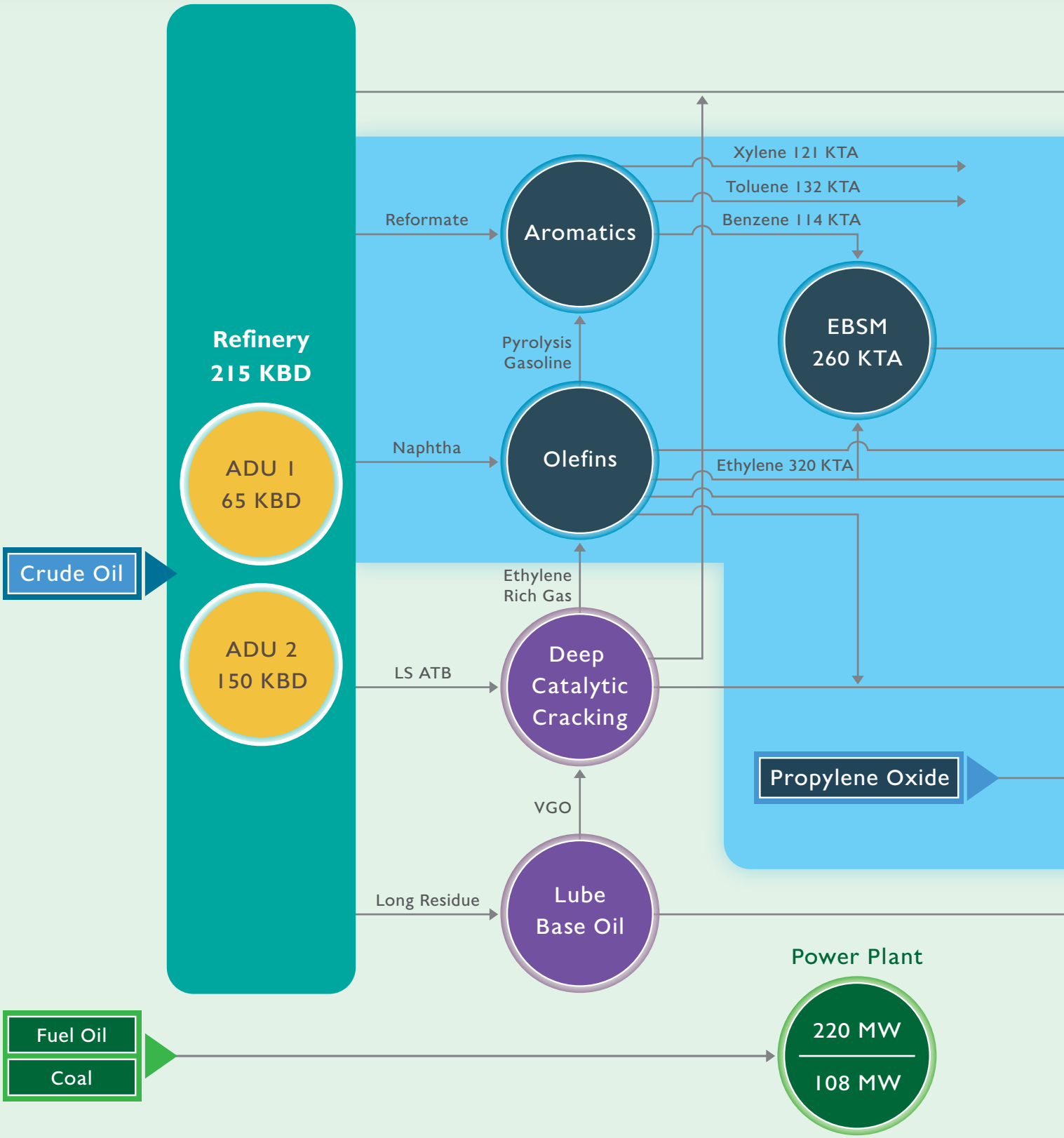
Tank Farm: Service is provided through some 200 tanks for liquid petroleum and petrochemical products with a storage capacity of 2.7 million tons, designed to accommodate IRPC's oil product distribution. Five IRPC oil depots scattered around the country are found in Rayong, Phra Padaeng (Samut Prakarn), Ayutthaya, Chumphon, and Mae Klong (Samut Songkhram).

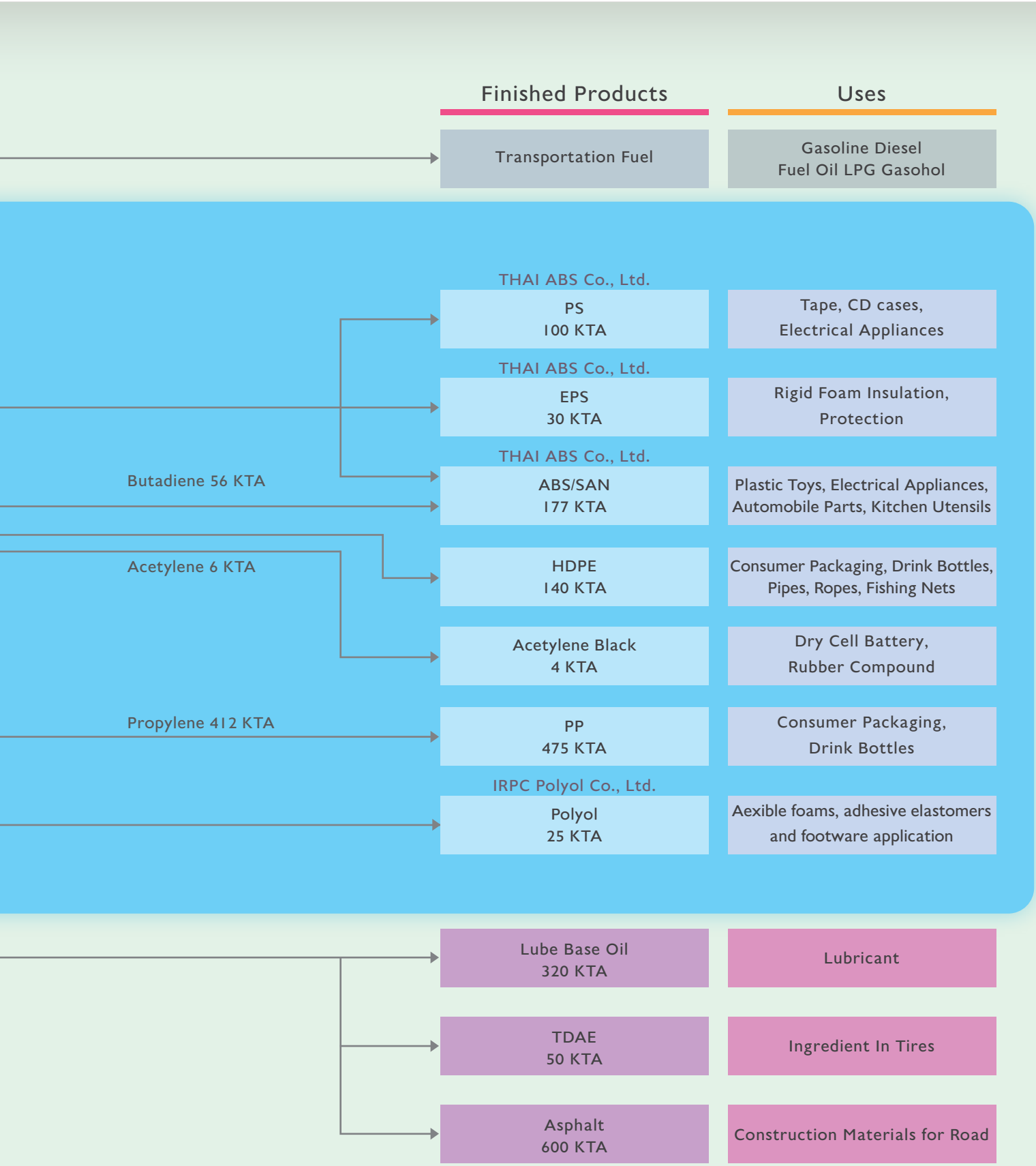
As one of the leading deep-sea ports, IRPC's facilities double as the Royal Thai Navy's backup strategic port in times of emergencies or crises.

Asset Management Business

This business unit provides asset management services in Rayong and other provinces with a total acreage of 10,000 rai for efficient land management. The aim is to prepare the land for ecological projects, including industrial estates and industrial zones, which are fully equipped with essential infrastructure and utilities systems for complete accommodation of the target industry. Upon approval, IRPC will collaborate with the Industrial Estate Authority of Thailand (IEAT) in developing Rayong Industrial Estate (Ban Khai) to offer services for interested investors, both Thais and foreigners. Equipped with essential infrastructure, the project also includes co-generation power plants that lower carbon dioxide emission by up to 400,000 KTA a year. An improved power transmission provides reliable power supply in industrial zones to accommodate the projects of IRPC and external customers, which are also served by a solutions provider in full support of project implementation.

Integrated Refinery and Petrochemical Complex Flow Chart




Finished Products
Uses
Transportation Fuel
Gasoline Diesel
Fuel Oil LPG Gasohol
THAI ABS Co., Ltd.
PS
100 KTA
Tape, CD cases,
Electrical Appliances
THAI ABS Co., Ltd.
EPS
30 KTA
Rigid Foam Insulation,
Protection
THAI ABS Co., Ltd.
Butadiene 56 KTA
ABS/SAN
177 KTA
Plastic Toys, Electrical Appliances,
Automobile Parts, Kitchen Utensils
Acetylene 6 KTA
HDPE
140 KTA
Consumer Packaging, Drink Bottles,
Pipes, Ropes, Fishing Nets
Acetylene Black
4 KTA
Dry Cell Battery,
Rubber Compound
Propylene 412 KTA
PP
475 KTA
Consumer Packaging,
Drink Bottles
IRPC Polyol Co., Ltd.
Polyol
25 KTA
Aexible foams, adhesive elastomers
and footware application
Lube Base Oil
320 KTA
Lubricant
TDAE
50 KTA
Ingredient In Tires
Asphalt
600 KTA
Construction Materials for Road

Individual Product Line's Business

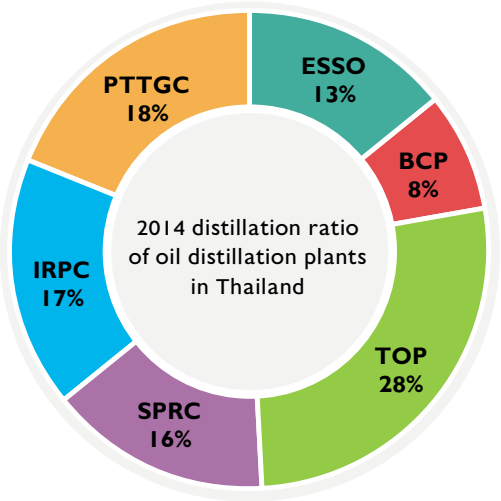
Products

IRPC and its subsidiaries produce and distribute petrochemical and petroleum products, as detailed below:

Petroleum Products

1. Fuels

- Gasoline – Gasoline fuels gasoline-engine vehicles. It is classified by an octane number, which indicates resistance to engine knocking. Under government regulations, gasoline consists of ULG91 (Export Only), GSH 95, GSH91 and gasohol base – the base oil for gasohol and E20 (production to start 2014)



Source: Department of Energy Business, Ministry of Energy, Thailand (January - December 2014)

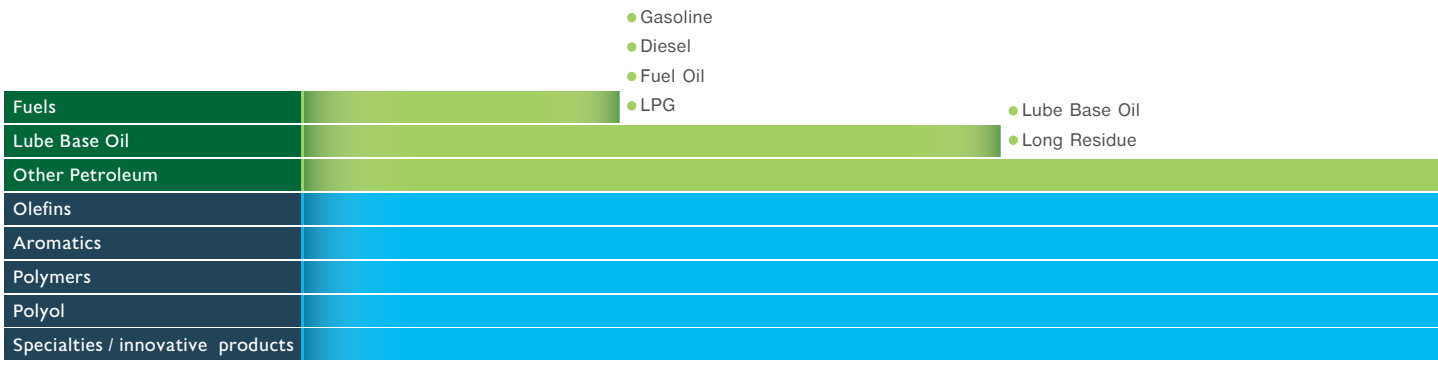
- Diesel – Diesel fuels high speed diesel engines in the industrial sector and vehicles like cars, trucks, fishing trawlers, passenger boats and tractors. At present, a blend of 6-7% of biodiesel is required by the government policy to promote alternative energy.

- Fuel Oil – Fuel oil, the portion of crude with a high boiling point, is commonly used in the industrial and transport sectors, as well as for power generation.

- LPG – Liquefied petroleum gas (LPG), a mixture of propane and butane, is commonly used in households and various industries, and can also replace gasoline in vehicle engines.

2. Lube Base Oil

- Lube Base Oil – Lube base oil consists of heavy distillates used for producing different grades of lubricants. At present, IRPC produces various grades for different purposes.
  - 150 is used as a raw material for lubricants in the manufacturing industry, such as automotive and transport industries.
  - 500 SN is used as a raw material for lubricants for most vehicles.
  - 150 BS is used in the industries and heavy-duty engines with high friction, such as engines of trucks, trains, and marine vessels.



• Long Residue – Long residue is heavy distillate used as raw material for producing lube base oil.

In addition to these products, IRPC features innovative lube base oil, namely Treated Distillate Aromatic Extract (TDAE) and Residue Aromatic Extract (RAE). These are used as raw materials for car tires with reduced Polycyclic Aromatic Hydrocarbons (PAHs), a carcinogen, to demonstrate its concerns for consumers' health.

3. Other Petroleum Products

• Naphtha – Naphtha, meaning light distillates obtained from crude oil refining process, is used as a major petrochemical feedstock.

• Asphalt – Asphalt is a compound of assorted hydrocarbons and some other organic substances collectively called bitumen. Thick and viscous, asphalt is the heaviest portion obtained from the refining process and is used for road pavement and waterproof materials.

Petrochemical Products

1. Olefins

Olefin products, namely ethylene, propylene, and butadiene, are feedstock for polymers, namely polyethylene (PE) and polypropylene (PP). IRPC is capable of producing 828 KTA of olefins, comprising 360 KTA of ethylene, 412 KTA of propylene, and 56 KTA of butadiene. Most of these olefin products serve as feedstock for various plants within the IRPC group.

Moreover, a by-product from olefin plant, namely acetylene black—black powder with outstanding purity and high electrical conductivity—is commonly used as a raw material for batteries, polymers, and rubber products. At present, IRPC has a capacity of 4 KTA.

2. Aromatics

Aromatic products (BTX), namely benzene, toluene, and xylene, are feedstock for styrenic polymers. At present, IRPC has a capacity of 367 KTA of aromatics, which basically serve feedstock for other plants in IRPC Group. Part of the output is for sale.

3. Polymers

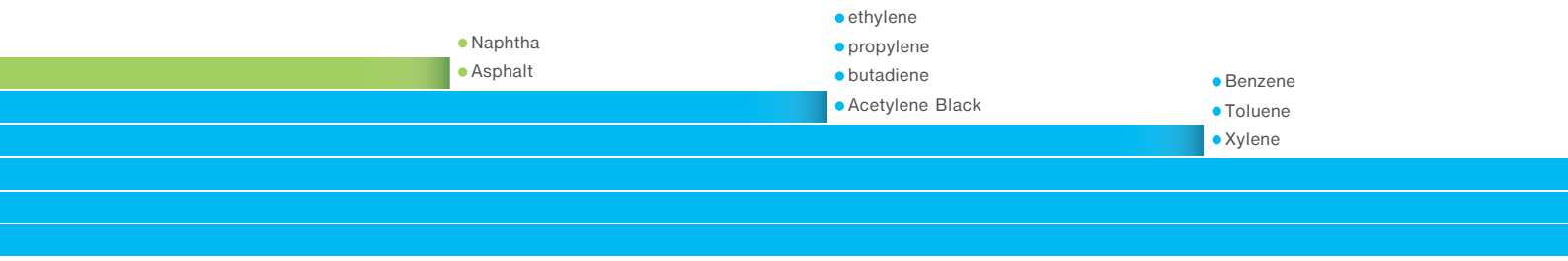
IRPC and its affiliates produce polymer products (or plastic pellets) of the 'POLIMAXX' brand. Categorized as a downstream petrochemical product, polymers can be turned into various plastic products. IRPC's polymers are divided into polyolefins, comprising HDPE, PP, and the styrenics group, comprising ABS, PS, and EPS. Each polymer possesses different properties and can serve different purposes.

3.1 High Density Polyethylene - HDPE

HDPE is a polyethylene product with high density formed through in-line compounding. Black colored, it is suitable for molding (conversion) for various applications: Pipe Extrusion – HDPE is suitable for making water pipes and electrical conduits due to its high resistance to traction and impact. It also has high flexibility and high resistance to a changing environment.

3.2 Polypropylene - PP

IRPC's PP has very similar properties to those of HDPE and LDPE and can sometimes replace them. However, PP is tough and strong. It has higher



resistance to heat and can tolerate pressure and impact. PP is not easily corroded and is chemical resistant; it is therefore suitable for use in electrical insulation. PP is generally suitable for the following conversion methods.

• **Film** – PP is used for the production of clear plastic sheets; end-products include heat-resistant bags, packing film, and food packaging film.

• **Filament/Yarn** – PP is used for the production of woven sacks, onion and garlic bags, and canvas. PP filament comes in two forms: mono-filament—used for making heavy-duty ropes such as giant ropes—and multi-filament used for making belts and bag holders.

• **Injection Molding** – PP is used in the manufacture of household products, kitchen utensils, car parts, electrical appliance parts, battery covers, paint kegs, and outdoor furniture.

• **Blow Molding** – PP has the right properties for conversion into clear products which need a hard surface that resists acids and alkalis. PP is clean and highly safe, making it suitable for use in the manufacture of bottles for food and cosmetic products.

• **Sheet Extrusion** – PP has now become more common for sheet extrusion because it possesses malleable properties which allow it to be molded into different shapes. PP is recyclable and reasonably priced. It is popularly used in the manufacture of document files, vacuum forming work such as packaging, including water cups and trays.

3.3 Acrylonitrile-Butadiene-Styrene (ABS)

ABS, with its properties of high impact strength, high gloss, high heat resistance, high stiffness and high rigidity, and high chemical resistance, is commonly used for

• **Injection Molding** This method involves injecting polymers into various shapes and forms of molds suitable for making

- **Electrical Appliances** – such as the component parts of rice cookers, irons, telephones, electric fans, computer keyboards, and television sets due to its high resistance to heat and its glossy surface. ABS is also suitable for metal plating due to its high flow rate and flame retardation.
- **Car Parts** – the side mirror, glove compartment, dashboard, and motorcycle parts such as the dashboard, mudguard, and safety helmet. This is due to its high heat resistance, strength and durability. It also has high impact strength, good adhesion to paint, resistance to solvents like thinner, and a glossy surface.
- **Household Appliances** – such as furniture parts and sanitary ware because ABS has high gloss, high impact strength, and high chemical resistance. It is also good for metal plating.
- **Toys** – Since ABS is strong and not brittle, even when broken, it makes no sharp points that harm children. It also has high gloss, which complements bright colors.

• **Extrusion** – Polymers can be extruded into thin sheets and vacuum-molded into various forms, such as refrigerator walls.

3.4 Acrylonitrile Styrene (SAN)

SAN (or AS) is transparent, strong, rigid, and tough. It is heat-resistant and more chemical-resistant than PS. It is commonly used for injection molding, such as:

- **Car Parts** – such as headlight lens, tail lights, and parts of turning signals. SAN often replaces PMMA due to its lower cost.
- **Household Appliances** – Thanks to its unique properties, SAN is commonly used to make

household appliances such as sanitary ware, lighters, and containers.

- **Electrical Appliances** – such as fan blades, air-conditioner outer cover, and fruit juice blender due to its properties of gloss, stable form, heat resistance, chemical resistance, and shear resistance.

3.5 Polystyrene (PS)

PS is made up of two categories based on its properties.

• **General Purpose Polystyrene (GPPS)** GPPS is PS polymer with high clarity and rigidity. GPPS polymers are easily molded into various forms without pre-heating. However, it has low impact strength. It is commonly used for making products that need clarity and rigid form, such as tapes or CD cartridges, electrical appliances, and household appliances.

• **High Impact Polystyrene (HIPS)** HIPS is PS polymer with higher impact strength than GPPS as a result of the blend of butadiene in product development, which causes HIPS to lose some clarity. Since its price is much lower than that of ABS, it often replaces ABS to save cost. HIPS, however, has less gloss and a less stable form. GPPS and HIPS are generally used for

- **Injection Molding** – such as cartridges for tapes and CDs, and household appliances.
- **Sheet & Film Extrusion** – such as ice-cream cups and flower-wrapping film.

3.6 Expandable Polystyrene (EPS)

EPS is white, round polymer using styrene monomer as the main feedstock and pentane gas as the blowing agent without use of CFC, which is not ozone-friendly, in the production process. EPS can be used in the following applications

• **Packaging** – such as shock-absorbing foam used in the packaging and electrical appliance industries.

• **Block** – such as heat insulation in the fishery industry's cold storage, construction, and decoration work.

4. Polyol

Polyol products comprise polyester and polyether polyol. It is feedstock for polyurethane, which can be further converted into different forms of products, such as foam to be used in furniture work, heat insulation in construction work, and refrigerating appliances, as well as foam used for making shoe soles. Imported propylene oxide serves as the main feedstock for polyol.

IRPC Polyol Co., Ltd, 99.99%-owned by IRPC, is the producer and distributor of IRPC's polyol products. It has a production capacity of 25 KTA and is located in the same industrial zone as that of IRPC, in Rayong province.

Daily appliance made from plastic material with properties suitable for various uses.

• Polyester
• Polyether

Styrenic products
• Green ABS
• Anti-dripping Additive
• Anti-bacteria Agent
• ABS Powder

Olefins group
• Ultra High Molecular Weight Polyethylene
• Baby Bottle Polyethylene
• Antimicrobial Compound
• Marine Pipe
• Natural Coloring and Additive Carrier

Specialties and innovative products

5. Specialties and innovative products

IRPC highly values constant research and development and adopts a self-development approach in response to customers' diverse needs and dynamic environment. IRPC can therefore best fulfill the expectations of customers while taking care of the environment.

Specialties comprise of the following:

5.1 Styrenic products, featuring:

• **Green ABS** – IRPC is the world's first producer of Green ABS and has already filed a patent for the production process, in which natural rubber replaces synthetic rubber in the innovative production of ABS. The product can be used in a support program for agriculturalists, resulting in reduced imports while respecting the Clean Development Mechanism (CDM) initiative.

• **Anti–dripping Additive** – IRPC has used nanotechnology in the development of this additive, which prevents polymers from dripping when heated. The additive can disperse well in polymers, and can be kept at the ambient temperature so as to lower the cost of product storage and distribution. The additive is suitable for mixing in various polymers to enhance flame retardation according to UL-94 (V.0) standards. IRPC has now used the additive in quality improvement of ABS-Flame Retardant Grade polymers.

• **Anti–bacteria Agent** – This new product is developed by nanotechnology. Able to stop growth and kill bacteria, the agent can be used as an additive in various plastics, be it ABS, PS, or PP, to inhibit the growth of bacteria in the product while doing no harm to the properties of polymers.

• **ABS Powder** – ABS Powder is a polymer which comes in powdered form, and is suitable for manufacturers who want polymers with better dispersion of polymers than conventional plastics. ABS powder can be used with PVC, PC, or PC/ABS to enhance impact strength and heat resistance.

5.2 Olefins group, featuring:

• **Ultra High Molecular Weight Polyethylene (UHMW-PE)** – UHMW-PE comes in the form of cloudy white and opaque powder having as much as 10 times higher density of molecules than other PE varieties. UHMW-PE can be converted through various methods, such as compression, RAM extrusion, and gel spinning. It can be used in temperatures a ranging from -200 to 200 degrees Celsius. With better properties than those of iron joints and gears, UHMW-PE suits work that needs toughness, strength, resistance to traction, and chemical erosion.

• **Baby Bottle Polypropylene** – This is a new choice of plastic developed for easy conversion, both by injection and blowing methods. The product can tolerate temperatures of over 100 degrees Celsius. It has stable form, high clarity, and low shrinkage while containing no carcinogens; it is thus safe for babies.

• **Antimicrobial compound** – This is a product in the polyolefins group, the properties of which are enhanced to prevent bacteria without harming the usual properties of polymers. The product helps upgrade the quality of life with its high safety standard. It is well-received in the food packaging industry and medical circles, as well as household appliances.

• **Marine Pipe** – This is a type of compound produced with a special formula to prevent the pipe surface from shellfish piercing along coast lines and in brackish water areas.

• **Natural Coloring and Additive Carrier System** comprising:

- Natural Coloring – This is a polymer with a mixture of natural extract colors to reduce the use of synthetic petrochemical colors, such as the green from spinach and the brown from caramel. Natural coloring reduces poisonous and heavy-metal residues. The durability of natural colors is very similar to that of synthetic colors.
- Master Batch Carrier – This new HDPE product comes in the form of white powder which blends well with colored powder and additives. With a flow index of as high as 33 grams/10 minutes, this HDPE can enhance the dispersion of color powder and additives
- Wood Plastic Composite – Treasuring nature conservation, IRPC blends natural wood powder into the production of alkaline plastics. The mixture is then converted into new products that retain the outstanding properties of both plastics and wood and can be used interchangeably to promote cost-effective use of resources.

Names of polymer producers and domestic production capacities in 2014

(Unit: KTA)

Product	Company	Capacity	%
HDPE	IRPC Plc.	140	7%
	Thai Polyethylene Co., Ltd.	960	51%
	Bangkok Polyethylene Plc.	500	26%
	PTT Global Chemical Plc.	300	16%
	Total	**1,900**	**100%**
PP	IRPC Plc.	475	24.11%
	HMC Polymers Co., Ltd.	775	39.34%
	Thai Polypropylene Co., Ltd.	720	36.55%
	Total	**1,970**	**100%**
ABS	Thai ABS Co., Ltd.	177	65%
	Ineos ABS (Thailand) Co., Ltd.	95	35%
	Total	**272**	**100%**
EPS	Thai ABS Co., Ltd.	30	50%
	Mingdi Chemical Co., Ltd.	30	50%
	Total	**60**	**100%**
PS	Thai ABS Co., Ltd.	100	29%
	Siam Polystyrene Co., Ltd.	150	44%
	Thai Styrenics Co., Ltd.	90	27%
	Total	**340**	**100%**

Revenue Structure

Business Segment	Operated by / IRPC's shares	2012		2013		2014	
		Million Baht	%	Million Baht	%	Million Baht	%
1. Petroleum	IRPC Plc., IRPC Oil Co., Ltd. (99.99%)	221,390	78%	216,175	76%	205,657	75%
2. Petrochemical	IRPC Plc., Thai ABS Co., Ltd. (99.99%), IRPC Polyol Co., Ltd. (99.99%)	58,979	21%	63,582	23%	63,853	24%
3. Other Businesses[1]	IRPC Plc.	3,299	1%	2,892	1%	3,458	1%
Total net sales revenues [2]		**283,668**	**100%**	**282,649**	**100%**	**272,968**	**100%**
Revenue (loss) share from investment in affiliates		64		(39)		(139)	
Sales ratio (domestic : export)		**62% : 38%**		**61% : 39%**		**63% : 37%**	

Note : (1) Other businesses consisted of power and utilities revenues
(2) Net sales revenues excluded excise tax.

Connected Transactions

Details of possible conflicts about the connected transactions between IRPC and its subsidiaries with connected parties that occurred in 2013 and 2014 appear below

(Unit : Million Baht)

Company name and relationship	Transaction	2013	2014	Nature and Condition
PTT Plc (PTT) Relationship : - IRPC's important shareholder, holding 38.51% of shares. - Two common directors: Mr. Watcharakiti Watcharothai Mr. Pailin Chuchottaworn - PTT management on IRPC Board: Mr. Sukrit Surabotsopon Mr. Surong Bulakul Mr. Sarun Rungkasiri	- Sale of goods	22,784	28,444	IRPC sold petroleum products to PTT at market prices.
	- Purchase of goods	122,786	175,327	IRPC bought crude oil and petroleum products from PTT at market prices.
	- Accounts receivable	1,741	1,099	
	- Accounts payable	4,954	22,752	
	- Sales & administrative expenses	80	53	IRPC paid personnel expenses and other administrative expenses to PTT
	- Other revenue	248	454	Profits from making advance oil trading contracts and Other revenue for PTT
	- Selling assets	634	-	IRPC and IRPC Oil sold land property in Rayong to PTT at a price no lower than estimated independent land assessor
	- Other debtors	32	23	
	- Other creditors	1	57	
Thai Oil Co., Ltd. (TOP) Relationship : PTT Plc. helds 49.10% of shares.	- Sale of goods	2,269	94	IRPC sold crude oil, high-speed diesel to TOP at market prices in 2013 and lended oil barrels to TOP at market prices in 2014.
	- Purchase of goods	2,608	617	IRPC bought crude oil, benzene, and high-speed diesel from TOP at market prices.
	- Accounts receivable	8	8	
	- Other revenue	6	-	IRPC received discount from trading.
Thai Lube Base Plc. (TLB) Relationship : Thai Oil Co., Ltd. helds 99.99% of shares.	- Sale of goods	1,450	740	IRPC sold asphalt and lube base oil to TLB at market prices.
	- Purchase of goods	19	27	IRPC bought slack wax and lube base oil from TLB at market prices.
	- Accounts receivable	82	-	
	- Accounts payable	3	-	
Thai Paraxylene Co., Ltd. (TPX) Relationship : Thai Oil Co., Ltd. helds 99.99% of shares.	- Sale of goods	661	-	IRPC sold Toluene to TPX at market prices.
	- Purchase of goods	931	2,021	IRPC bought benzene from TPX at market prices.
	- Accounts receivable	9	-	
	- Accounts payable	49	-	
PTT Global Chemical (PTTGC) Relationship : PTT Plc. helds 48.89% of shares. - Co-directors is: Mr. Sarun Rungkasiri	- Sale of goods	21,693	23,027	IRPC sold kerosene and diesel to PTTGC at market prices.
	- Purchase of goods	25,934	28,691	IRPC bought high-speed diesel, Jet Fuel oil from PTTGC at market prices.ด
	- Accounts receivable	2,856	1,477	
	- Accounts payable	3,448	2,058	
	- Sales & administrative expenses	2	2	IRPC paid port service fee and personnel expenses to PTTGC at market prices.
Bangchak Petroleum Co., Ltd. (BCP) Relationship : PTT Plc. helds 27.22% of shares.	- Sale of goods	1,859	6,244	IRPC sold petroleum products to BCP at market prices.
	- Purchase of goods	968	1,506	IRPC bought high-speed diesel from BCP at market prices.
	- Accounts receivable	131	175	
	- Accounts payable	54	58	

Company name and relationship	Transaction	2013	2014	Nature and Condition
Star Petroleum Refining Co., Ltd. (SPRC) Relationship : PTT Plc. helds 36.00% of shares.	- Sale of goods - Purchase of goods - Accounts receivable	4,394 - 583	1,765 37 -	IRPC sold ATB to SPRC at market prices. IRPC bought LPG from SPRC at market prices.
PTT ICT Solutions Co., Ltd. (PTTICT) Relationship : PTT Global Chemical (PTTGC) helds 40.00% of PTT Plc. helds 20.00% of shares.	- Sales & administrative expenses - Other revenue - Other creditors	37 1 1	38 - 2	IRPC paid rent for Data Center and SAP copyrights to PTTICT at market prices. IRPC provided IT system development and adjustment consultancy to PTTICT at market prices.
PTT Polymer Marketing Co., Ltd. (PTTPM) Relationship : PTT Plc. helds 50.00% of shares. IRPC Plc helds 25.00% of shares. - Common director: Mr. Sukrit Surabotsopon Mr. Sarun Rungkasiri - IRPC management on Board: Miss Duangkamol Settanung	- Sale of goods - Purchase of goods - Accounts receivable - Accounts payable	461 418 45 33	299 606 4 76	IRPC sold polymers to PTTPM at market prices. IRPC bought polymers from PTTPM at market prices.
PTT Polymer Logistics Co., Ltd. (PTTPL) Relationship : PTT Plc. helds 99.99% of shares.	- Sales & administrative expenses - Other revenue - Other debtors	2 1 -	2 3 1	IRPC paid Bulk Truck transportation fee and barrel washing fees to PTTPL at market prices. IRPC received income of personnel and goods keeping fees to PTTPL at market prices.
Business Services Alliance (BSA) Relationship : PTT Plc. helds 25.00% of shares.	- Sales & administrative expenses - Other revenue - Other debtors - Other creditors	270 4 1 27	263 4 1 23	IRPC paid personnel wages to BSA at market prices. IRPC received service revenue from '7-11' convenient stores in IRPC service stations and housing rental at market prices.
PTT Retail Management Co., Ltd. (PTTRM) Relationship : PTTRM helds 99.99% of shares.	- Personnel expenses	2	-	IRPC paid personnel expenses to PTTRM at market prices.
PTT Polyethylene Co., Ltd. (PTTPE) Relationship : PTT Global Chemical (PTTGC) helds 99.99% of shares.	- Sale of goods	58	-	IRPC sold aromatics to PTTPE at market prices.
Thai Styrenics Co., Ltd. (TSCL) Relationship : PTT Global Chemical (PTTGC) helds 99.99% of shares.	- Sale of goods - Accounts receivable	1 -	858 64	IRPC sold ethylbenzene and styrene monomers to TSCL at market prices.

Company name and relationship	Transaction	2013	2014	Nature and Condition
Energy Complex Co., Ltd. (EnCo) Relationship : PTT Plc. helds 50.00% of shares.	- Sales & administrative expenses - Other creditors	91 1	83 1	IRPC rented office and facilities from EnCo at market prices.
PTT International Trading Pte Ltd. (PTTT) Relationship : PTT Plc. helds 99.99% of shares.	- Sale of goods - Purchase of goods - Accounts receivable - Accounts payable - Other revenue - Other creditors	13,173 76,147 1,656 26,230 36 6	11,167 35,336 801 - (56) 65	IRPC sold high-speed diesel and Jet Fuel oil to PTTT at market prices. IRPC bought crude oil from PTTT at market prices. IRPC profits (losses) from making advance oil trading contracts with PTTT.
PTT Phenol Co., Ltd. (PPCL) Relationship : PTT Global Chemical (PTTGC) helds 99.99% of shares.	- Sale of goods	1	1	IRPC sold ethylbenzene to PPCL at market prices.
Sakchaisit Co., Ltd. (SAKC) Relationship : Top Solvent Co., Ltd.	- Sale of goods - Accounts receivable	572 25	590 8	IRPC sold aromatics to SAKC at market prices.
Top Solvent Co., Ltd. (TS) Relationship : Thai Oil Solvent Co., Ltd. helds 99.99% of shares.	- Sale of goods - Purchase of goods - Accounts receivable - Accounts payable	2,166 93 199 13	1,953 107 100 13	IRPC sold aromatics to TS at market prices. IRPC bought hexanes and pantane from TS at market prices.
Thai Oil Marine Co., Ltd. (TOM) Relationship : Thai Oil Co., Ltd. helds 99.99% of shares.	- Revenue from services - Accounts receivable - Sales & administrative expenses	32 3 17	23 3 3	IRPC provided port services to TOM at market prices. IRPC paid goods transportation fee for TOM at market prices.
TOC Glycol Co., Ltd. (TOCGC) Relationship : PTT Global Chemical (PTTGC) helds 99.99% of shares.	- Purchase of goods - Accounts payable	41 7	45 11	IRPC Polyol bought DEG and TEOA from TOCGC at market prices.
PTT Asahi Chemicals Co., Ltd. (PTTAC) Relationship : PTT Plc. helds 48.50% of shares.	- Purchase of goods - Accounts payable - Other revenue	1,268 354 1	1,665 127 1	Thai ABS bought ACN from PTTAC at market prices. IRPC received revenue from computer servicing to PTTAC at market prices.
NPC Safety and Environmental Services Co., Ltd. (NPC S&E) Relationship : PTT Global Chemical (PTTGC) helds 99.99% of shares.	- Purchase of goods - Sales & administrative expenses	3 2	2 3	IRPC boughtsafety suits and equipment from NPC S&E at market prices. IRPC paid for gas check detectors to NPC S&E at market prices.

Company name and relationship	Transaction	2013	2014	Nature and Condition
PTT Energy Solutions Co., Ltd. (PTTES) Relationship : PTT Plc. helds 40.00% of shares. IRPC Plc helds 20.00% of shares. - IRPC management on Board: Mr.Peerapong Achariyacheevin	- Sales & administrative expenses	78	94	IRPC paid technical service fees to PTTES at market prices.
Thai Oleochemicals Co., Ltd. (TOL) Relationship : PTT Global Chemical (PTTGC) helds 99.99% of shares.	- Purchase of goods - Accounts payable	208 46	239 -	IRPC bought biodiesel from TOL at market prices.
Top Solvent Co., Ltd. (Vietnam) Relationship : Top Solvent Co., Ltd. helds 99.99% of shares.	- Sale of goods - Accounts receivable	575 141	491 57	IRPC sold toluene to TOP Solvent (Vietnam) at market prices.
PTT Maintenance and Engineering Co., Ltd. (PTTME) Relationship : PTT Global Chemical (PTTGC) helds 60.00% of shares.	- Sales & administrative expenses - Other creditors	1 1	1 4	IRPC paid labour and machine repair fees to PTTME at market prices.
Sport Services Alliance (SSA) Relationship : Business Services Alliance helds 99.99% of shares. (PTT Plc helds BSA 25.00% of shares.) - Common director: Mr. Pailin Chuchottaworn - IRPC management on Board: Mr. Phothiwat Paopongchuang	- Sales & administrative expenses	-	5	IRPC funded publicity for the PTT Rayong soccer team for SSA.
Global Power Synergy Company Limited (GPSC) Relationship : PTT Plc. helds 30.10% of shares. - Co-director is: Mr. Surong Bulakul	- Other revenue - Other debtors	709 -	2 1	IRPC sold out its shares in IRPC Clean Power Company Limited to GPSC at the price referenced to a nominal return and accepted by both parties with a discounted cash flow method in 2013 and received personnal fees from GPSC at market prices in 2014.
IRPC Clean Power Ltd. (IRPC-CP) Relationship : Global Power Synergy Company Limited helds 51.00% of shares. IRPC Plc helds 48.99% of shares. - IRPC management on Board: Miss Duangkamol Settanung Mr. Peerapong Achariyacheevin Mr. Sirimet Leepagorn	- revenue from service fees - Other revenue - Accounts receivable	- - -	30 23 8	IRPC provided engineer service to IRPC-CP at agreed prices. IRPC received revenue from project developing from IRPC-CP at agreed prices.
HMC Polymer (HMC) Relationship : PTT Plc. helds 41.44% of shares.	- Other revenue	1	1	IRPC provided training to HMC at market prices.

Company name and relationship	Transaction	2013	2014	Nature and Condition
Dhipaya Insurance Public Co., Ltd (TIP) Relationship : PTT Plc. helds 13.33% of shares.	- Fine - Sales & administrative expenses - Other debtors	- 374 -	1,710 473 1,000	Fine from fire incident in VGO from TIP IRPC paid insurance premium for builidings and health and accident insuirance premium to TIP
Ubon Bio Ethanol Company Limited (UBE) Relationship : Bangchak Petroleum Plc helds 21.28% of shares. Thai Oil Ethanol Plc helds 21.28% of shares.	- revenue from service fees - Accounts receivable	12 -	22 8	IRPC provided oil barrel rental service to UBE at market prices.
Vinythai Public Company Limited (VNT) Relationship : PTT Global Chemical (PTTGC) helds 24.98% of shares.	- Purchase of goods	-	37	IRPC bought sodiumhydroxide from VNT at market prices.
TOP Nautical Star Company Limited (TOP NS) Relationship : Thai Oil Marine Plc helds 35.00% of shares.	- revenue from service fees	-	1	IRPC received revenue from providing port service to TOP NS at market prices.

Policy and Necessity of the Connected Transactions

As IRPC and its subsidiaries run petrochemical and integrated distillation, which is the same business group as that in PTT Group; therefore transactions are carried out between IRPC and companies in PTT Group such as raw material trading and processed oil trading, as well as transactions supporting normal businesses. The trading price is set according to the normal price of the business or price The Company has careful, reasonable and free consideration processes for connected transaction for IRPC's maximum benefits.

The Board of Directors has approved the principles authorizing Management to approve the transactions with trading agreement in the way reasonable people would do to their parties in the same situation, under trading negotiation authorization without any influence as a director, executive or related party pursuant to Section 89/12 (1) of the Securities and Exchange Act (Issue No. 4) B.E. 2551 (2008).

Measures for Connected Transactions

The Board of Directors takes into consideration the appropriateness and the Company's maximum benefits, as well as compliance to SEC or SET's regulations concerning connected transactions. The Company's measures are established as follows:

"In case that the Company carries out connected transactions or obtains or sells its important assets as specified in the SET's regulations, the Company should follow SET's rules concerning that issue.

In case that the Company requires shareholders' agreement in carrying out connected transaction or important asset obtainment or sale, the votes should not less than 3/4 of overall votes of shareholders or proxies participating in the meeting and have rights to vote, excluding the stakeholders."

Policy for Future Connected Transactions

IRPC's future connected transactions will be normal business transaction, mainly based on reasonability, appropriateness to the conditions and fair price for every shareholder and stakeholder's benefits to be fairly protected according to the good corporate governance. The Company strictly follows the SET and SEC's regulations concerning connected transactions by inviting Directors with conflict interests out of the meeting and disallowing them from voting in the agenda with conflict interests.

Audit Committee's Opinion

The Audit Committee has considered the connected transactions and expressed their opinion that the occurred connected transactions are normal reasonable trading actions and the price setting is referred to appropriate market price. The Company follows the good corporate governance and SET's regulations.

OPERATING RESULT

Message from the President

Performance Summary

Market Overview and Industry Outlook

Management Discussion and Analysis (MD&A)

Message from the President

Dear all shareholders,

In 2014, IRPC Public Company Limited operated its business and achieved the target of success amid a series of challenges on the back of the country's political unrest in early of the year. The Company had to implement an exclusive action plan in the state of emergency because the head office in Bangkok was blockaded and employees were unable to work there, while global economy suffered ongoing slowdown. However, with strong determination and perseverance of all executives and employees of IRPC and all subsidiaries and also attentive corporate governance, encouragement and full support of the Company's Board of Directors, the Company was able to operate its business according to the plan. Assuming that there was no fire at the Company's fuel oil quality improvement unit midyear and no oil price crisis in the fourth quarter when the Dubai crude oil plunged to US$50 per barrel from over US$100 in the late 2014 making the Company inevitably suffered a loss of the oil stock, the Company could smoothly move forward as some accomplishments considerably increased the profit. For instance, DELTA Project generated added value of over 2 billion baht; price risk management was operated with the value of over 1.7 billion baht; settlement of all lawsuits between the Company and a group of former shareholders generated benefits in terms of assets and tax benefits of nearly 1.5 billion baht; and an effort to reduce net expense of over 300 million baht.

The Company also achieved success in finance management for investment support and improving liquidity. It obtained adequate financing at appropriate cost by issuance of 15-billion baht debentures and seeking short- and long-term loans. Also, the Company continually emphasized on research and development projects and invested for further opportunities and developments of new products possessing higher value, eco-friendliness and benefits for health, safety and hygiene of consumers. In 2014, the Company officially opened a new nano chemical plant for production of BANBAX anti-bacterial plastic beads. It also introduced the new plastic beads based on Natural Color Compound instead of synthetic color which customers used as a material in manufacturing of food packaging now available on the market, and developed Application laboratory to serve customer needs. The Company will not stand still, but continue its research and development projects for more new products or certain products meeting market demand and being environmentally friendly.

It is very pleasant that the Company was selected to be a member of Dow Jones Sustainability Indices or DJSI in category of Emerging Markets 2014 of Oil & Gas Industry. This was contributed by determination in its operations for sustainable success in all dimensions including economy, society and environment, emphasis on internal control and anti-corruption and encouragement of potential of employees and the Company's management systems in overall in order to prepare for further growth and competitiveness with the full effectiveness when the UHV Project, which is expected to raise propylene capacity by more than 300,000 tons, completes in 2015. The UHV Project with the total investment amount of over 34 billion baht is the largest one of the Phoenix Project. The Company has expanded the harbor and prepared its personnel to support the project and also set up a joint venture with PCC Rokita SA from Poland for the development and sale of polyurethane products to meet growing demand in automotive and electrical appliance industry in Thailand and Asia Pacific.

For the operational plan in 2015, the Company will emphasize on strengthening its core business by reinforcing efficacy and stability of all manufacturing processes, enhancing safety standard, excellence in business operation and purchasing, and most importantly, excellence in human resources. Although this year the Company still has to confront continued fluctuation of crude oil prices, there are many positive factors giving the Company more strengths, namely, a gradual record of stock gains on oil price recovery; the completion of UHV Project providing an immediate recognition of benefits; continued growth of petrochemical business following

possible recovery of global and Thai economy on falling oil prices; and DELTA Project expected to have GIM (Gross Integrated Margin) of US$2 per barrel or 4 billion baht approximately. And finally, it is the ongoing impact of the settlement of the Company's lawsuits against the group of former shareholders that will enable the Company to recognize higher revenue from many benefits which have yet been operated in the past year.

Based on the operational plans mentioned above, I have strong confidence that the Company is advancing towards the vision of becoming the leading petrochemical company in the region and will certainly be able to generate more profit for maximum benefits of all shareholders. The Company's business operations are still accentuated on good governance and being a transparent organization with social and environmental responsibility along with fairly creating merit and added value for all groups of stakeholders.

On this occasion, I would like to thank all shareholders and the Company's Board of Directors as well as customers, business partners, financial institutions, community, media and all relevant persons for continued support, encouragement and confidence in the Company's business operations and also thank all employees for cooperation and unity in performing works at their full capacity. With all factors supporting solid and sustainable growth of the Company, I have strong confidence that we will certainly lead IRPC Public Company Limited to move forward relentlessly.

Sukrit Surabotsopon
President

Performance Summary

Following the vision to become Leading Integrated Petrochemical Complex in Asia by 2020, the company has set the direction and business strategies for 2014 by focusing on enhancing capacity, strengthening core business; improving and enhancing the efficiency and the capacity of petroleum and petrochemical manufacturing in the international standard; improving the refinery for more efficient manufacturing process in order to support market demand in the future; developing the use of port and storage tanks; increasing Polypropylene plastic manufacturing capacity to enhance the production and add values; managing and developing land for values added; as well as developing human resource in order to establish the excellent work process for efficiently supporting the sustainable growth of the organization. In 2014, the performance result was shown as following;

1. Economy

In 2014, the company focused on following areas in order to achieve the vision:

1.1 Production Performance

In 2014, the company injected total 62.81 million barrels of crude oil into oil refinery process equaling to approximately 172,000 barrels per day which equals to 80 percent of manufacturing capacity, lesser than 181,000 barrels per day which equals to 84 percent of manufacturing capacity of 2013, due to the scheduled refinery plant maintenance pause from 18th March to 9th April 2014, 23 days in total and the manufacturing pause of Vacuum Gas Oil Hydro Treating Unit (VGOHT) to supply the main Propylene manufacturing Cracker Unit. Hydrocarbon leak was the main cause of fire. The Company could quickly control the fire in the limited area and there was nobody injured. At the present, the oil refinery and other petrochemical plants could operate as usual except VGOHT unit which was closed for reconstruction and tool replacement. It was expected to be closed for 10 months due to the due of tool purchasing period. On 31st December 2014, The Company received the compensation from the insurance company equaling to 1,710 million Baht.

The Company hurried to establish AIMC (Asset Integrity Management Committee) to increase the plants' efficiency in order to continue the manufacturing process smoothly and create the trust among employees and the nearby community. The manufacturing successes are as follows:

1. Continuing the project of expanding the engine oil product's manufacturing capacity in Phra Pradaeng in Samut Prakan province from 3 million liters per month to 6 million liters per month which was officially operated on 8th August, 2014.

2. The construction of Nano chemical product plant was done with the capacity of 14 tons/ year. The official opening of the plant was on 15th August, 2014.

Nano Chemical Plant

3. EPS plastic plant succeeded in combining Averis Technology to strengthen the manufacturing process resulting in the decrease of the chemical use, utilites and the more effective manufacturing process.

4. The company received the certificate for carbon reduction from Thailand Environment Institute in manufacturing General Purpose Polystyrene (GPPS), High Impact Polystyrene (HIPS) and Expanded Polystyrene (EPS).

5. The company was able to expand the distribution channel for STYRENE MONOMER in car industry within the country with over 2,000 tons per month.

6. The company changed the process of Polyethylene from PE Natural to PE-Pipe grade. It was done on 5th November, 2014 by increasing the manufacturing capacity of PE-Pipe Grade from 45,000 tons/ year in 2014 to 120,000 tons/ year in 2015.

7. The construction of UHMW PE (Ultra High Molecular Weight Polyethylene) which is a sticky and extremely durable has been progressed to 56% with the due date by the third quarter in 2015 with the capacity of 16,000 tons/year.

8. The polypropylene plant changed the manufacturing process of TSA (Technical Service Agreement) project of Licensor Novolen which would reduce the manufacturing cost and increase new high-grade products to the market such as special grade for diapers.

9. The awards and the management certifications received in 2014 included;

- The company received the Prime Minister's Industry Award 2014 for energy management.
- PP Plant received Thailand Quality Class (TQC) 2013 from Thailand Quality Program, Thailand Productivity Institute.
- The company received Thailand Top Company Awards 2014 for Top Innovative Company Award from Business+ magazine collaborating with University of the Thai Chamber of Commerce giving to the organization which creates innovation in sales increase and business model.
- PP Plant received the energy management system certification ISO 50001: 2011 from Management System Certification Institute.

1.2 Business Performance

This created the revenue of 272,968 million Baht, a decrease of 9,681 million Baht equaling to 5 percent comparing to 2013. The major sales came from Petroleum with 205,657 million Baht, Petrochemical with 63,853 million Baht, electricity and public utility with 3,458 million Baht. The proportion of domestic revenue equaled to 63 percent and the proportion of revenue overseas equaled to 37 percent. The performances were as follows:

1.2.1 Petroleum Business

Petroleum Business consists of main products: gasoline oil, diesel oil, fuel oil, naphtha oil, engine oil, asphalt, and other petroleum products. In 2014, the income decreased by 10,518 million Baht comparing to 2013, which equals to 5 percent. The proportion of domestic revenue equaled to 63 percent and the proportion of revenue overseas equaled to 37 percent. The decrease of the revenue was resulted from that the price of crude oil dropped fast to 53 USD per barrel at the end of 2014, resulting in the decrease of product price. However, to handle

CHINAPLAS 2014 Expo

the changing condition of the market, petroleum business focused on more Low Ron Gasoline selling, selling BHD – high premium diesel products and pricing strategy to increase profit and others. In addition, the main products were emphasized to support efficiently market demand divided into

1. Engine oil products: the company also focused on the innovation to answer the demand such as TDAE (Treated Distillate Aromatic Extract) and RAE (Residue Aromatic Extract) which are materials for manufacturing car tires reducing Polycyclic Aromatic Hydrocarbons (PAHs), the carcinogenic chemical for the safety of the customers.

2. Pricing strategies adaptation resulted in the selling management efficiency for fishery oil customers. The company also hired the consultants to analyze the marketing strategies and distribution channel management resulting in gaining more profit of over 500 million Baht from:

- Signing contract of sale for base engine oil with Shell International Eastern Trading Company (SIETCO);
- Signing cooperating contract with Ban Hon Specialty Oil Company Limited for TDAE products;
- Succeeding in launching Rubber Process Oil (TDAE) in the Republic of China in cooperation with PTT Public Company Limited; and
- Exploring the opportunity for producing Bunker Fuel in cooperation with PTT Public Company Limited with the objective to become the leader in Bunker Fuel within the country.

1.2.2 Petrochemical Business

Petrochemical Business consists of olefins, styrenics, aromatics, and polyol. The revenue in 2014 increased of 271 million Baht comparing to 2013 equaling to 1 percent higher. The proportion of domestic revenue equaled to 59 percent and the proportion of revenue overseas equaled to 41 percent. The company continued to develop the specialty products in cooperation with the customers and partners. In addition, the competition management was composed of major strategies including;

1. Pricing strategy – analyzing various basic factors which affect price and operating internal factors strategy both demand and supply using market price such as the inventory amount, and production cost management for making profit

2. Product quality strategy – all plastic products were certified with ISO9001. Also, since the company had collaborated with the customers closely in developing the products, the result then satisfied both the domestic customers and overseas. The company could produce the Natural, Color Compounds and Composites plastics.

3. Diversity of product strategy – the products can respond more to the customers' needs.

4. Sale management strategy – the company supported the technical activities and sales continuously covering exhibitions such as

- Participating in CHINAPLAS 2014 Expo with PTT group to expand Polymer products' customer base on 23-26 April, 2014 at Shanghai, the Republic of China;

• Participating in "IRPC Business Forum 2014: opening up to the world and adjusting strategies to be sustainable" with Dr. Pailin Chuchottaworn, President & CEO, PTT Public Co., Ltd., Arkhom Termpittayapaisith, Deputy Minister of Transport and Secretary-General, National Economic and Social Development Board, Dr. Piyasvasti Amranand, Chairman of Committee, PTT Public Co., Ltd., and Sukrit Surabotsopon, President, IRPC, together delivering the keynote addresses on economic conditions and Thailand's future energy environment and business operations with social, community and environment care. The event was held at Queen Sirikit National Convention;

• Participating PTT Group Upstream & Downstream Technology Conference & Exhibition 2014 and presenting energy electrical car, POLYMAXX EV MAXX1, Green ABS, Wood Plastic and BANBAX artificial leg combining Antibacterial;

• Collaborating with Picnic Plast Company in launching "Natural-color plastic packaging" for the first time in Thailand.

1.2.3 Port Business and the Storage Tanks

Port Business and the Storage Tanks gained revenue of 732 million Baht in 2014 from outside customers in port business, an increase of 142 million Baht equaling to 24 percent comparing to 2013. Summary of major performances included:

1. Port business group set strategies in port management to obtain international standard regarding safety and emergency closing. Its operations were as follows:

• Wharf 3 Port expansion and improvement to support UHV project and other projects in the future, expected to finished in July 2015

• Setting up Wet Scrubber system to diminish smell from transporting Naphtha and decrease pollution which might affect the community – this solution was precautionary protection

• The company expanded the port at the oil depot in Phra Pradaeng to support 15,000-ton ships and to support expanding water transportation which the

Prototype Electric Car

Wood Plastic Composite

Natural Color Compound

capacity originally was 10,000 ton reducing delivery time.

- Chumphon oil depot renovation project for distributing oil to the west from 24 million liters per month to 35 million liters per month
- Setting up Sea Water Protection to reduce the decay of pipelines and structure caused by water erosion
- Port underneath structure restoration following business plan
- Continuing government relation and community relation for good relationship with internal and external organizations
- Expense management including ship transport management between oil depot equaling to 7.9 million Baht - saving 4.6 million Baht from fuel oil fund readjustment, saving 3.1 million Baht from Demurrage Claim and gaining 2.2million Baht from fresh water distribution totaled to 17.8 million Baht.

2. Tank Services offered more than 500,000 tons through pipeline, an increase of 5 % from 2013, and carried over 100,000 tons water storage capacity, an increase of 16% from 2013. IRPC Port in Phra Pradaeng was turned into the central storage and basic chemical products delivery center to support domestic industry's expansion. In 2014, tank services extended the service to cover oil storage following the laws gaining more customers including Shell Thailand Company Limited and Siam Chemicals Company Limited.

1.2.4 Asset Management Business

Asset management business continued to add values to vacant land and other lands with many value-added development projects in different areas in 2014 creating revenue of 166 million Baht. The major operations included;

1. The Company's Asset Group

- Land sale to the company UCHA worth total 182.6 million Baht and land sale to PTT Gas Station worth 10.2 million Baht
- Land sale with TPI PLAZA building worth total 80 million Baht
- Land sale at Nong Kang Plu worth total 18.5 million Baht
- Revenue from land contract and central service contract worth 14.4 million Baht

2. IRPC Oil's Asset Group

- Land sale at Banna Gas Station worth total 34 million Baht

3. Land development

- Ban Kai Land: issue title deed of Rayong Industrial Estate (after receiving consent letter of

land apportion from Industrial Estate Authority of Thailand on 3rd September, 2014) worth total 126 plots covering the area of 2,152 fields, 400 square meters, 87.4 square-wah

- Wang Chan Land: survey the land and prepare information of land deed at industrial estate of Chawae in Ban Pa Yub in Wang Chan district covering the area of approximately 350 fields

1.3 Important Strategic Projects for Business Growth

To achieve the vision of becoming "Leading Petrochemical Company in Asia within 2020", the company set out the strategies which focused on improving the operation efficiency to reduce costs and enhance production efficiency. Important strategic projects were as follows:

1.3.1 DELTA Project

DELTA Project is based on the search and building of corporation to leverage the working process and employee's potential and finding more channels to generate profits for the Company and maximizes the benefits for the organization, employees and stakeholders. It hopes for excellence the profit increase to 2,205 million Baht in 2014.

1. Operational Excellence

The Company enhanced the operational Excellence by focusing on increasing the efficiency of the management to reduce the overall costs while obtaining the product or service in the same quality or even better. In 2014, it created revenue of 928.1 million Baht. Details are as follows:

- The manufacturing planning started by selecting the crude oil, the use of the storage tanks and creating Petro-SIM model and Pro-Steam to enhance the production efficiency;
- The management and the readjustment of the manufacturing process for increasing the products volume and creating a suitable production power;
- The management of the public utility by focusing on stream and electricity management;
- The management to create the reliability in production plant and confidence in equipment and tools during the manufacturing process;
- The expenses management including insurance premium management and cost control in setting the budget for each job following the work plan;
- The management to increase the return for UHV project allowing the work to operate according to the plan and avoid the delay; and
- The management for decreasing the loss from the manufacturing process.

2. Commercial Excellence

The Company adjusted the marketing strategies in selling petroleum and petrochemical products such as adjusting the proportion of the products and bringing in the price management tools to create higher return. In 2014, this created the revenue of 676.8 million Baht as follows:

- Changing the strategies for diesel, gasoline oil, engine oil and asphalt according to the distribution channel
- Adjusting strategies for product selling, marketing and PP products selling

3. Procurement Excellence

The Company effectively readjusted purchasing system both within the Company and the PTT group focusing on chemical, packaging, Pallet, Spare Part and Dead. In 2014, it created revenue of 530 million Baht.

4. HR Excellence

The company improved and developed to create the excellent human resource in every aspect to achieve the vision. In 2014, the Company could manage expenses, making profit of 70 million Baht. The operation can be summarized as follows:

- Developing organization structure to support business operation, creating suitable evaluation starting by analyzing work rate appropriately and well-fitting working process for career path;
- Managing employment expenses such as overtime expense, recruitment to replace resigned employees, temporary employee hiring and others to make them worthwhile and most effective;
- Developing leaders in order to understand the management principles and perform efficiently by setting up 180 degree leader capacity evaluation in 2014 and enhancing skills and ability of the managers to handle the business consistently
- Improvement of HR System – efficient manpower management, potential assessment, searching and selecting, work assessment using Key Performance

Indicator (KPI) and the organization's expected behaviors, suitable compensation management according to the industry standards, career advancement planning, and individual employee development preparation.

- Culture and Core Value – building the corporate culture organized Culture Implementation plan and handbooks to support the organization's norm and communicate with employees in every level to gain recognition and encourage serious participation in organization's culture development.

1.3.2 UHV Project

Following UHV project of continuing to changing low-value oil to become high-value product for producing petrochemical materials, the construction had been started in October 2012 and tested in the 4th quarter in 2015. In December 2014, the project had been progressed to 89.8 percent. As for safety area, there was no accident in 2014 reaching the target of 10,000,000 hours.

1.3.3 Expansion of Polypropylene (Integrated PP) production project

The Company aimed to expand the market share of PP products in the country from newly added production especially film packaging with well-known high quality, car components whose growth highly increased and other food packaging whose demand was expected to rise in the future. Also, it aimed to expand the market to Southeast Asia countries and new developing countries including South America and Africa. The project is separated into two parts:

The first part was to developing PP Expansion, PPE production by using the technology from the company Lummus Novolen. At the present, the production capacity was 475,000 tons per year. The machine and extra equipment would be set up to extend the capacity to 160,000 tons per year totaling to the capacity of 635,000 tons per year.

The second part included the expansion of PP Compound and Specialty, PPC to 140,000 tons per year using the technology of In-line Compound from Japan Propylene Corporation (JPP) in Japan who receive no.1 rank of PP Compound production in the market share distributing to leading car companies including Toyota, Mitsubishi, Honda and Nissan. In-line Compound helped reduce the production procedures answering the objective of car manufacturers who want to reduce cost in each year.

The tax exemption was permitted for the project from Office of the Board of Investment (BOI). The project was now on the process of selecting contractor of the construction.

1.3.4 The investment project was cooperated between IRPC Polyol Company Limited and PCC ROKITA SA from Poland in which the company accounted for 50

The UHV project had been progressed to 89.8 percent.

percent of authorized capital to distribute Polyurethane products focusing on AEC and China. PCC Rokita SA Company was an expert in Polyurethanes manufacture, material production technology and all-round distribution channels in various countries. The company establishment was expected to operate within the first quarter in 2015.

1.4 Innovation and Research Development

Because of the environment reservation trends and constantly higher competition in Polypropylene market, the Company had to adapt itself using innovations and research results to improve production procedures or product development, and high-quality and environment-friendly products focusing on answering the demand of the customers and gaining high profits. The Company continued to manufacture the specialty products and set target for the proportion of the specialty products at 35 percent, which was achieved in 2014. The major works included:

1. Special graded Polypropylene product development with special qualifications: consistent molecule weight, durable fabric which produced UV-resistant fabric and extra soft quality. The product would respond to future demand in manufacturing bags, diapers for baby and elderly person, sanitary napkins and other products.

2. High flow homo-polypropylene product development – High-grade product with high melt flow rate and fast cycle time resulting in easy and fast molding process, suitable for certain glass molding including coffee cups, trays or containers.

3. High flow impact co –polypropylene product development - High-grade product with high melt flow rate, impact and low-temperature resistance, high molding quality which is suitable for sophisticated design including general items like instant noodle cups, food or ice-cream boxes, washing buckets and even large items like washing tub, internal electrical or car components.

4. Polypropylene conductive compound product development – the product was added special chemicals to obtain Surface Resistivity quality producing Extrusion Sheet and Injection Molding, suitable for tool components or packaging in electronic industry.

5. ABS Powder development with the quality of 60% Polybutadiene Content higher and impact resistance for Impact Modified of Compound ABS, PC/ABS and ABS Recycle.

6. Anti-Dripping development containing additives for polymers with the quality of flame retardant, well dissolution in polymer, and room-temperature

IRPC's President delivers speech "Oil Price Situation : Crisis or Opportunity?"

storage reducing the maintenance and delivery cost. It was perfect for insert in various types of polymers to add the flame-resistant quality. The company also received patent rom USA for Anti-Dripping with the patent number of US 8,686,066 on 1st April, 2014.

1.5 Financial Performance

The company continued to efficiently manage the financial management with the cooperation from the PTT Company in developing accounting and Financial Excellence into World Class Corporate Finance and Accounting enhancing the competitive capacity started by the well-controlled work process and management, obtaining sufficient budget from suitable financial cost for liquidity to support investments in various projects and strictly controlling financial management enhancing the sustainable growth of the organization. The performances were as follows:

- Finding long-term loan for investment in operation and projects in Baht currency from domestic financial institute equaling to total 13,000 million Baht in 8 years with the due date in 2022

- Offering debenture of 15,000 million Baht for investment or working capitals in 3, 5 and 7 years with the interests of 3.96%, 4.50% and 4.96% respectively

- Finding short-term loan

1. DLC (Domestic Letter of Credit) worth 35,970 million Baht composing of Committed line worth 28,970 million Baht and Uncommitted line worth 7,000 million Baht to extend payment period of the crude oil from PTT company to 90 days

2. Inter-Company Borrowing & Lending with PTT Public Company Limited for efficiently managing financial liquidity between the companies

- Activities for shareholders and investors

1. In 2014: the company set up 4 roadshows for meeting both domestic investors ad overseas. In Thailand, there were db TISCO Access Thailand: Energy & Petrochemical Corporate Day and Thailand Focus. In foreign countries, there were UBS ASEAN Conference 2014 in Singapore and Daiwa Investment Conference in Hong Kong. Also, there were 30 company visits as scheduled by investors and analysts for updating performance and investment information regularly. The Managing Director carried out a presentation for investors and shareholders in the event held by mass medium and in the shareholders' company visit activities.

2. Cooperating with the Stock Exchange of Thailand to offer company's information at SET in the City annually and attending Opportunity Days by the Stock Exchange of Thailand in 2 quarters.

3. Organizing business visits for shareholders to understand the business and create good relationship among shareholders with social activities including donating 100,000 Baht to Camillian Social Center in Rayong province where HIV patients and orphans

were cared with 400 shareholders attending this event.

- Awards received

Corporate Governance Asia Recognition Awards 2014: Best Investor Relations by Company from the magazine Corporate Governance Asia in Hong Kong in 2014 from sharing investment information clearly with the investors and associates.

1.6 Human Resource Management Performance

Human resources management is the process used by executives in business operation with the target to search for skilled and good people to join the Company, develop their skills, and retain employees to stay happily, as well as to put right man on the right job and to support their effective performance, leading the organization to have continuous success, be accepted in the same industry and generate business returns. The 2014 performances were as follows:

1. KM Recognition Award was organized to motivate employees in exchanging knowledge, furthering body of knowledge and developing excellent knowledge, which would then develop new value-added innovation for the organization.

2. I-ChEPs (IRPC Chemical Engineering Practice School) project which had continued for 3rd year – this project aimed to develop learning process and chemical engineering knowledge with the objectives of creating unity and good relationship in the team.

3. Middle Management Leadership Development Program (MLDP) is to develop the leadership of the middle-level executives, using the developing procedures to encourage executives' brainstorming and business development project proposing. In 2014, this program received 72 managers.

1.7 Information Technology Performance

The Company focused on Business Continuity Management with the plan to react to the safety and emergency incidents by setting Disaster Recovery Site to allow business continuity, while improved and updated the ERP (Enterprise Resource Planning) system to enhance the business capacity and customer service. In 2014, the company received the awards as following;

1. Three awards from Thailand ICT Excellence Awards 2013 on 12th June 2014 including;

- Excellence award for Core Improvement Project in the Planning and Controlling Tax of BOI project
- Excellence award for Sustainable Development Projects in the Production Process Analysis and Flare Warning System Project
- Honorable mention in Core Improvement Project in the Financial Self Service (FSS) project

Middle Leadership Development Program

2. ICT Best Practice Awards 2014 for energy business with application developing in self-term selecting technology to adapt to real work system and management including logistics, payment and customer transaction by ordering products and service through internet or smartphones 24/7 during the office hour.

2. Social Performance

The implementation of Corporate Social Responsibility (CSR) is part of the IRPC's business strategy which focuses on stakeholders throughout the value chain in order to maintain the balance between the social, economic and environmental dimensions. The Company uses the concept 'Care, Share and Respect' to promote open communication and CSR awareness among its employees. In 2014, IRPC was one of the listed companies to receive an award for Most Improved CSR in the CSR Recognition 2014 by Stock Exchange of Thailand (SET). Here is a summary of Company's main CSR innovations in 2014 (More details at 'Corporate Social Responsibility Performance' on page 144-154).

2.1 CSR in Process including

- Upstream Project for Hygiene and Value Added Products (UHV) is a project that benefits society and environment as it helps reduces the amount of sulfur dioxide caused by distributing or exporting heavy oil to other factories as fuel. The project is scheduled for completion in 2015.

- Combined Heat and Power Generation Project II (CHP II) uses natural gas as fuel in combination with low-emission burners for better air quality, which has surpassed the emission standards required by law. The project is scheduled for completion in 2017.

- Research and Development of Anti-Bacteria BANBAX Polymers and Ultra High Molecular Weight Polyethylene (UHMW-PE) Polymers to donate more than 20 tons of BANBAX polymers to Prostheses Foundation of H.R.H The Princess Mother, which has been using the polymers as the raw material for the production prosthetic legs since 2011. This year, IRPC and the Foundation have succeeded in developing prosthetic knee joint for children, which will be presented to Her Royal Highness Princess Maha Chakri Sirindhorn as a royal charity for Her Royal Highness's 60th birthday anniversary on April 2, 2015 under the project "60 Knees for 60 Years".

2.2 CSR after Process including

- For community engagement project, IRPC set up the Project, Community and Society Development Committee to be responsible for participating, communicating, providing suggestions and guidance for the improvement of the Company's investment projects which includes reducing the noise in the industrial zone and running the community news broadcasting towers project in 3 sub-districts of Rayong province – Taphong, Ban Laeng and Choeng Noen – where the 7 towers were built to enhance communication in the community, as well as the Public's Right to Know project which provides education for communities in the 5 areas – Banlaeng, Choeng Noen Na Ta Khwan, Rayong Municipality and Taphong – to promote proper understanding of burners and chemicals in everyday life.

Knee prosthesis research between UHMW-PE and Prostheses Foundation

• In the area of environment, IRPC initiated the Water Management and Village Development Project based on the knowledge and experience of employees who have been successful in the management of water during the water production and supply process for communities in Rayong to provide drought relief in the Northeast at Nong Yang Village, Lam Sai Yong Sub-district, Nang Rong District, Buriram province. By further dredging the 5 existing reservoirs to a depth of 4 meters, an approximately hundred thousand cubic meters more water, or one fold of the original volume, can be stored and distributed for consumption and agriculture through community water supply project.

• In terms of health care, IRPC carried out proactive community health project through Management Information System for community health surveillance in Rayong. The Company set coordinates for data collection on health and basic information and spread knowledge of hygiene and sanitation in the target areas covering 17,797 households in 2014. The project was carried out in such a manner as to prevent illness and maintain a healthy lifestyle.

• To promote arts and culture, IRPC participated in the renovation of Wat Krua Ta Petch located within Ayutthaya Depot vicinity in Ayutthaya province and the renovation of Phra Prang Wat Lang in Rayong province. The project was completed with the President receiving the honorable commemorative pin of Thai Heritage Conservation Day from Her Royal Highness Princess Maha Chakri Sirindhorn for the Company's support of Thai arts and culture on January 3, 2014.

3. Environmental Performance

In 2014, IRPC continued to improve its production process and management under the concepts of eco-industrial development to minimize impacts on environment, community and society. The company also strived for green industry, adopting CSR-DIW development guidelines from the Ministry of Industry along with creating better and safer environment for communities. This year's activities included:

3.1 The Company, Department of Industrial Works and Kitakyushu municipal signed a memorandum of understanding (MoU) regarding the development of eco-industrial city at Kitakyushu, Japan, in December, 2014. The key points of the agreement covered information exchange for carbon reduction in Asia, efficient use of natural resources and energy under 3Rs (Reduce / Reuse / Recycle) framework and development of strong business relationship between 2 countries.

3.2 Organizing NOx Reduction project aimed at reducing emissions of nitrogen oxide gas by replacing the old burners with 6 new units. In 2014,

Krua Ta Petch Temple

Stupa at Lang Temple

Eco Industrial

Protection Strip

Prime Minister's Industry Award 2014

two burners had been installed at Combined Heat and Power Plant 1 (CHP I). The project was also part of CSR in Process model.

3.3 Planting trees in Protection Strip for 0.5 kilometers using 16,000 seedlings

3.4 Awards received in 2014 include:

3.4.1 CSR DIW Awards 2014 from the Department of Industrial Works in which the company had sent in 15 factory registrations and received awards from all 15 registrations. The awards were divided into 2 following categories;

- CSR-DIW awards for 3 plants including PRP, IP water-filtering plant and Ban Kai water-filtering plant
- CSR-DIW Continuous awards for 12 plants including Polyol, CHP, Lube, ETP, PS, CD1, PP, WWT1,2, WWT3, HDPE, ACB and PTK

3.4.2 Energy Management for Condensate Residue Plant, Prime Minister's Industry Award 2014

3.4.3 “Excellent” in EIA Monitoring Awards 2014 given to industrial establishments that follow the measures in the Environmental Impact Assessment and Environmental Management of 2014. Three projects participating in this category were CHP I, MPPL (Multi-Product Pipeline) and Wharf project, all of which won the award.

3.4.4 “Best Environmental Implementation within PTT Group” at QSHE 30 Years the Celebration of Sustainability 2014. The award honored the companies in PTT group which supported environmental projects such as Energy Efficiency, Biodiversity, and Water management - Water Footprint project and SHE Internal Verification – and have shown determined and considerable effort in raising QSHE standard while taking into consideration the economic, social and environmental dimensions for the development of sustainability.

4. Corporate Governance

In 2014, IRPC implemented good corporate governance to meet the international standards and made continuous improvements regarding its corporate governance according to corporate governance policy and plans for 2014. The Board of Directors approved the performance summary (More details in Corporate Governance Report on page 44-67) as follows.

4.1 Anti-corruption. IRPC was accepted into Collective Action Coalition (CAC) by Thailand's Private Sector on April 4, 2014 and given a score of 4 (Certified) in Anti-Corruption Progress Indicator assessment. The Company also trained directors, executives and employees according to plan and hosted an event to support anti-corruption campaign for directors, executives and employees in PTT Group 7.

4.2 Emphasis on the role and importance of internal controls. IRPC offered "Diamond Award" to organizations with outstanding internal controls, demonstrating transparency and goal-orientation, on an annual basis. The Company had increased the co-operation with the PTT in establishing standards and practices for internal audit to reach higher level of efficiency and recognition, setting a good example for leading industries. Audit Committee also used internal controls and internal audit as a way to promote and monitor ethical and anti-corruption practices, and as another channel for receiving complaints.

4.3 Improvement of Corporate Governance in line with the regulations of Corporate Governance by SEC and ASEAN CG Scorecard to ensure shareholders' and stakeholders' confidence in the business. IRPC set guidelines for the Board meeting to be consisted of at least two third of all directors, in at least 75 percent of the year's meetings to be able to vote while providing an opportunity for shareholders to nominate persons to be appointed as directors. In 2014, the Company received several awards including Asia's Outstanding Company on Corporate Governance 2014, Best Company Secretary Award 2014 by Corporate Governance Asia magazine, Hong Kong, and Golden Peacock Global Award for Excellence in Corporate Governance 2014 form India Institute of Directors.

5. Legal Performance

IRPC has made significant progress and benefited from the implementation administration of the law in 2014 as follows.

1. Settlement of all disputes with "the Leophairatana"

On September 30, 2014, IRPC Public Company Limited and its subsidiaries have agreed to settle the case which lasted for more than 8 years with the Leophairatana. Both parties have signed a

memorandum of agreement to settle disputes in every case and every court, adding to a total of 123 cases. The memorandum also specified that if, after of the date of signing the agreement, other cases apart from those stated in the memorandum were found, all parties agreed to comply with this agreement to settle all disputes and lawsuits, should it be civil or criminal or bankruptcy case, and whether it is in the process of any court. Also on the date of the signing, the memorandum and other documents stating the settlement of all cases were submitted to every court. As a result, all cases that involve disputes between IRPC, together with its subsidiaries, and the "the Leophairatana" were officially closed. This led to the Company and its subsidiaries receiving a refund of rent TPI Tower worth 470 million Baht in advance and allowed the Company to cut legal costs almost 10 Million Baht. The settlement also allowed Company to receive payment from the bankruptcy case in the next year.

2. Winning the case in international arbitration

Bitumex accused IRPC of breach of 21 asphalt sales contracts in 2007 and claimed 300 million US dollars. On October 6, 2014, the arbitrator decided that the Company won all 21 contracts, and be freed from paying the charge.

Bitumex appealed the arbitrator's verdict to the High Court in England, where the court demanded the company to deposit 15,000 pounds, as requested by IRPC. However, on January 26, 2015, the High Court has rejected the appeal and ordered Bitumex to pay the costs incurred in filing the appeal. Therefore the case was closed.

6. Risk Management

IRPC set the policy on the risk management to maintain the same standard of management despite all the changes from internal and external factors which could affect the Company's goal. To achieve the company's objective, Enterprise Risk Management Committee was formed with the managing director as the president to consider and review the risk assessment and defensive measures, and keep track of the risk management progress for the efficiency. The risk management practices and procedures were then reported to the Audit Committees and Risk Management Committee.

In addition, IRPC encouraged all employees to develop better understanding of the risk management by publishing a Guide to Enterprise Risk Management to serve as practices guidelines within the organization, as well as organized risk management activities to spread knowledge of the risk management among employees.

In 2014, the Company encountered major risks that might affect the business operations and responded by implementing the risk management as follows.

6.1 Price Volatility Risk

The main material for production process was crude oil. In 2014, oil price fluctuation still continued as a result of the introduction and growing demand of Shale Oil and Gas in the market and the higher oil production outside OPEC, which was expected to continue until 2015. Moreover, the economic slowdown in major economic regions (America, Europe and Japan), the economic decline in China, and the political turmoil among major oil-producing countries in the Middle East caused the decrease in oil price, as well as the prices of petroleum and petrochemical products.

Risk preventive measure: IRPC continued to implement the risk management measures by cooperating with PTT group to reduce cost crude oil from domestic sources, adjusting the inventory to an

appropriate level, improving production equipment to facilitate the planning of material purchasing, production and product sales. Sale contract for derivatives was set according to the price, quantity and the duration of which risk management will be implemented in consistent with the business plans under the supervision of Hedging Committee. The Company also carried out an additional risk preventive measure to search for a new supply of high-margin crude oil for use in the production process, and prepared a new marketing strategy to suit the current market situation. MUJ focus on selling products at a higher margin.

6.2 Foreign Currency Exchange Risk

IRPC's revenue and cost of raw materials were mostly in US dollars or sold or purchased according to the world price in U.S. dollar which later turned into Baht currency with exchange rate of the contract of sale. Therefore, the profit from Baht exchange would be affected by the exchange rate between Baht and U.S. dollar currency.

Risk preventive measures: To reduce the impact of expenses and loan interest in Baht currency, IRPC managed dollar currency loan to support the revenue structure of the Company including term of crude oil purchase such as changing the term of crude oil payment from dollar U.S. to Baht which would avoid the risk of currency fluctuation according or the selling US dollar in advance to support the payment in Baht.

6.3 Operational Risk

The risks of production interruptions originated from both internal and external factors such as mechanical malfunctions, safety, power outages, living in the community or changes in weather and environment. These risks, managed and controlled by the Risk Management Committee, include;

6.3.1 The risks from unsuited manufacturing process or unexpected malfunctions of the machinery used in the production

The production unit operated 24 hours a day, a rate at which might lead to the deterioration of the machinery and equipment. This adds to chance of damage and disruption of the production process.

Risk preventive measures: IRPC continued its risk management measures from the previous year to increase the capacity of machinery and equipment. These long-term projects include Zero Unplanned Shutdown project, thorough inspection of machinery and overall plant conditions in the risky areas, minimization of the closing period through efficient planning and management of contractors and backup equipment, and implementation of Operational Excellence Management System.

6.3.2 The harmful risks to the lives and health of employees and independent contractors

The accidents during the production and construction process might arise from insufficient knowledge, carelessness and negligence of safety of the workers and contractors.

Risk preventive measures: IRPC organized safety training sessions before the real operation and established the policy in which the supervisor must be responsible for the independent contractors and treat them as though they are the Company's employees. The Company also continued to follow Behavior Based Safety (BBS) to promote safe behavior among employees and executives by focusing on Safety Culture.

6.3.3 The risk of electricity failure in production unit within IRPC industrial zone

Power failure or power outage often leads to interruptions of the production process, causing losses and hindering the chances of selling solutions to reduce risk.

Risk preventive measures: IRPC undertook various projects to strengthen the electricity system in the production process, namely, a project in cooperation with Electricity Generating Authority of Thailand in developing an electricity management model, a development of embedded system in the second stage to process and control power generation and supply, which resulted in more efficient electricity management in the production process, and Double Loop Line project which significantly reduced the loss caused by electricity failure.

6.3.4 Capital Projects Risk

IRPC carried out several important investment projects to achieve it vision. The Company's UHV (Upstream Project for Hygiene and Value Added Products), the most important investment project in 2014, was initiated to add value to products and enhance the Company's competitiveness.

Risk preventive measures: IRPC followed the risk preventive measure from the previous year. It has included major investment projects as the Company's risks to track the progress of the operations and to make sure that all projects meet its objectives in all dimensions such as duration, budget and benefits. In regard to the proceedings of the Environmental Impact Assessment (EIA), the Company communicated and cooperated with both government agencies and communities to allow the operation to run smoothly.

6.3.5 Environmental and Community Risk

IRPC production unit was located near the community. Therefore, without good management, there might be a negative impact on the environment and safety of the community nearby, as well as the community's cooperation and attitude towards the company.

Risk preventive measures in environmental area: IRPC operated strictly under the law and safety and environment regulations, including TISI/

OHSAS 18001, ISO 1400, and conducted VOCs assessment around the plants on a regular basis to be on alert and in time for action should the level went abnormally high. Also, the Company participated in the project s to reduce the emission rate and collect data on volatile organic compounds in the industrial zone to prepare data warehouse for long-term environmental management.

Risk preventive measure in community and social area: IRPC continued to promote mutual understanding and good terms with the communities and the stakeholders by adopting several measures including establishing and repairing of public utilities, embracing and supporting local operators, offering scholarships, allowing the communities gain better understanding of the Company's operation through the open house, cooperating with the communities through field operation and rehearsing emergency plan with the community and public sectors.

6.4 The Risk in Human Resource Development

Due to strong business competition and unreliable factors in the present which resulted in the more complicated employee performance and management, IRPC needed to develop the skills of the employees to support the economic situation and business strategies that would otherwise affect the Company's business directly.

Risk preventive measures: IRPC continued its HR Excellence project which aimed to strengthen the human resource management and organization capacity through the Performance Management System, Career Path Development and Competency Development. The system had been designed and practiced efficiently to reach the planned objectives.

6.5 Business Continuity Risk

IRPC operation might be affected by various risks causing business disruption. Therefore, the Company needed to be prepared and planned the measures to handle those unexpected events to prevent loss and protect the Company's image and important activities.

Risk preventive measures: IRPC applied Business Continuity Management (BCM) in setting preventive measures by organizing full Business Continuity Plan (BCP) and implementing international measures BS25999 and ISO 22301 to handle critical situations.

From January to May 2014, the Company had suffered from the political unrest with the protestors blocking the entrance to the office. The Company then implemented the business continuity measure and moved to its backup location to avoid impact on the main business. Another incident was the fire breakout at the sulphur removal unit in June 2014. Having prepared emergency and critical situation plan, the Company managed reduce to impact and control the situation. The Company could communicate with the stakeholders such as the government agencies, media, communities, shareholders, employees and the Board of Directors and explain the situation after the incident, while measuring air and water quality at the scene. The Company continued to restore production unit to the normal condition.

Market Overview and Industry Outlook

Crude Distillation Unit

1. Petroleum product market and competition

Crude oil and gasoline market

In 2014, Thailand imported 1 trillion Baht worth of oil, consisting of which, crude oil accounted for the highest proportion, at a time when Dubai crude oil price averaged USD 96.6/BBL.

Following the government's policy for alternative energy and efficient energy consumption by means of reducing energy intensity.

World oil consumption had increased to 91 million BPD, from 2014's 90 million BPD. Asia was the major consumer, led by China, which will soon see its oil imports exceed that of the U.S. For the first time, 2015's oil consumption in developing countries will surpass that of the developed countries, even as oil consumption in the Middle East increases. For OPEC, a decrease in oil production is expected to restore market equilibrium as an increase in supply capacity beyond OPEC is likely.

In 2014, a total of 56,804 million liters of domestic oil had been produced with an average of 155.6 million liters per day (978,891 BPD)—a 0.5% drop (0.8 million liters) from the same period in 2013. The total amount of oil imported was 4,486 million liters with an average of 12.3 million liters per day (77,310 BPD)—a 9.7% (1.1 million liters) increase from 2013. The imports include propane and butane for LPG production, but not gasoline for gasohol production, which total 879 million liters, averaging 2.4 million liters per day. If gasoline was included, the total would rise to 5,365 million liters; an equivalent of 82,383 million Baht and an increase from the same period in 2013 of 2.8 million liters per day or 25,519 million Baht.

Domestic oil consumption was 50,965 million liters in total with an average of 139.6 million liters per day (878,260 BPD), accounting for 89.7% of all gasoline produced within the country. Domestic sales grew by 1.1 million liters or 0.8%, including a 4.1% increase in gasoline, 0.8% in diesel and 0.2% in LPG. Compared to the same period in 2013, exports had dropped by 8.5% or 2.8 million liters per day to an

average of 29.7 million liters per day (186,761 BPD) from the total of 10,837 million liters. The total value of exports was 228,768 million Baht down by 38,636 million Baht from 2013. The 14.6 percent decrease consists of 18.0% in gasoline, 15.6% in aviation fuel and 11.4% in diesel.

Major operators in the domestic oil industry in 2013 were PTT, Esso, Bangchak, Shell, Chevron and so forth, with their respective market shares shown below:

Company	% share of local market
PTT	38%
Esso	10%
Bangchak	9%
Shell	9%
Chevron	7%
IRPC	4%
Others	23%

Source: Department of Energy Business, Ministry of Energy (January – December 2014)

2014 oil price outlook

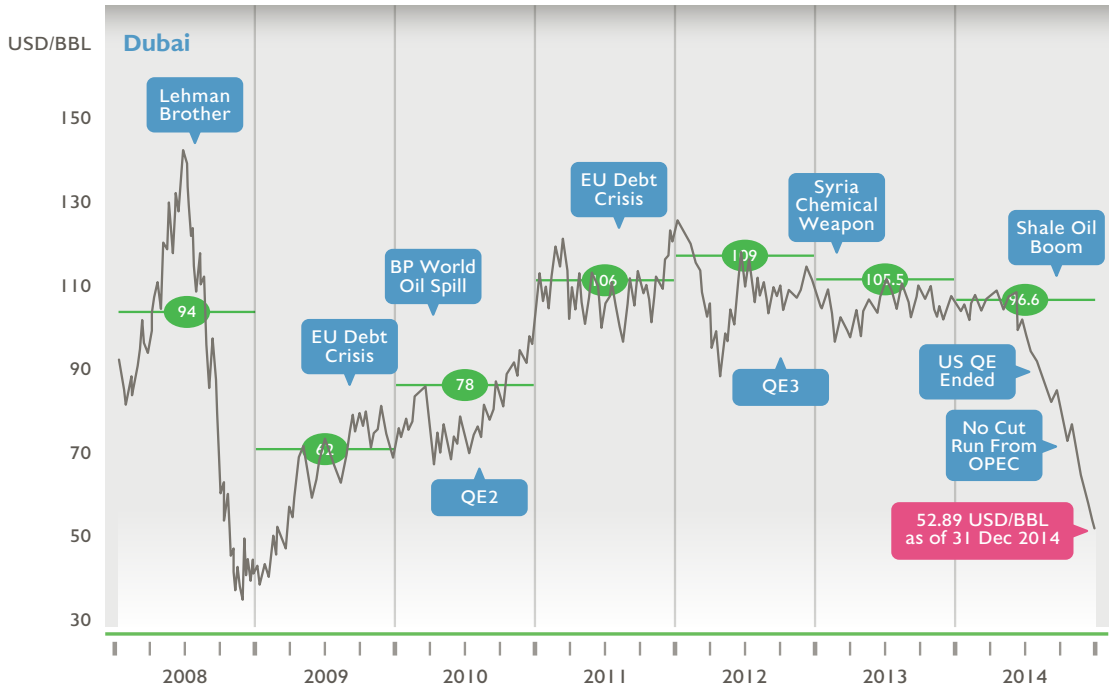
Crude oil price has continuously decreased since the middle of 2014 due to pressure and worry about the excessive supply of oil, most of which come from non-OPEC countries, constantly increasing shale oil, and OPEC's manufacturing ratio policy maintaining the volume at 30 million barrels per day. Main crude oil manufacturers like Saudi Arabia and United Arab Emirates insist not to lessen their manufacturing volume even if the crude oil price is low, and announced the reduction of OSP for the oil being sent to US and Europe markets to keep their market shares from shale oil and African manufacturers. In addition, Russia's crude oil manufacturing volume in December 2014 raised to the highest level in the history.

Oil price trend in 2015

Crude oil price is tended to receive pressure continuing from the end of 2014 due to worry over excess supply and lessening of the IMF's 2015 world economic expectations to +3.5% YoY from originally expected +3.8% YoY on October 2014. In 2016, it is forecasted to lessen to +3.7% YoY from original

Graph - Factors affecting crude oil price in the world market

Crude Oil Price



Source: Platts & Reuters

+4.0% YoY. This indicates the risk of deflation that is the result of low crude oil price, China and Euro Zone's economic problems, weakened Euro currency comparing to USD, as well as Russia's economic crisis facing western countries' boycott and low crude oil price weakens Ruble the most in the history. Despite the fact that crude oil price falls significantly and continuously since the middle of 2014, US economy tends to grow constantly and ECB's economic stimulus measure using 1.1 trillion Euro quantitative easing is the factor which the market forecasts to drive the world economy to the price balance status, resulting in an increase of oil price in the middle of 2015.

IRPC customers or distribution channels

IRPC focuses on product quality control, based on standards mandated by the Ministry of Commerce. It maximizes sales profits by setting the oil price in line with market conditions and works with affiliates to synergize sales strategies.

- **Industrial sale** – This includes car companies, cargo ships, buses, and construction companies, as well as sales to affiliates.
- **Wholesales/Jobbers** – This means both large and small wholesalers, and jobbers who resell products in the form of direct and retail sales.
- **Sale to traders under Article 7** – This includes major and medium-sized oil companies that possess oil depots and further distribute the products to end-customers through their own networks.
- **Export** – Sale to overseas markets is carried out via two methods; by cargo ships to key markets in Asia, namely Singapore, Cambodia, and Vietnam, and by rail to key markets in Indochina, namely southern China, Cambodia, Laos, and Myanmar. In 2014, IRPC exports accounted for 23% of total sales.
- **Bunker** – This is the sale of diesel, also known as automotive diesel oil (ADO) to ships.
- **Fishery** – This is the sale of diesel to fishery associations in territorial waters. IRPC boasts a 64% share in this market.

Sales Percentage of Oil Products

Distribution Channel	Percent
1. Wholesales	34%
2. Export (bunker & fishery)	32%
3. Sales to traders under Article 7	32%
4. Industry	2%

Source: Petroleum Business IRPC

Strategies for competition

As for its pricing strategy, IRPC stresses competitive pricing to maintain its market share and expand its customer base as well as sales volumes. It seeks to operate on appropriate marketing margins while having the following services readily available to customers:

- **Oil depots** – IRPC runs five oil depots to serve customers in all parts of the country, with the Rayong Oil Depot operating round-the-clock. The distribution point at Mae Klong Depot in Samut Songkhram province was launched to facilitate distribution to customers in western and upper southern provinces.
- **Transport** – IRPC owns a fleet of trucks for product distribution to customers across the country. It also manages a pier to serve customers who prefer marine loading.
- **Personnel** – IRPC has sales agents, sales representatives, and a sales service department to serve customers. Its dispatch office takes purchase orders through the SAP system. Data can be processed online and in real time to ensure accuracy and single-standard service to increase its service efficiency while reducing duplicate work. Online and real-time data support the management and all staff in their analysis, decision-making, and administration. IRPC has now implemented the iRON (IRPC Oil on Net system), a product distribution management system that integrates the efficiency of its supply chain with the Total Business Solution System developed in-house. The system was

designed to facilitate customers when they engage in transactions, while increasing IRPC's business efficiency. IRPC still carries on systems development in response to each phase of the operation for other distribution channels.

- **Quality control** – IRPC commands technicians are readily available to provide information and solutions to problems for customers. Its technicians pay quality-control visits to stations and depots to instill confidence in customers for its quality.

2. Polymer market and competition

The outlook for the petrochemical industry in 2015

The outlook for the petrochemical industry in 2015 is optimistic due to several factors such as economic growth in major trading partners, e.g. the US, Europe and China. In 2015, the merger of 10 countries in the ASEAN Economic Community (AEC) will result in intense competition and economic opportunities. Therefore, Thailand's industrial sector is aware of the need to strengthen education in science, technology and engineering, in order to create high quality researchers and innovators to improve the country's competitiveness.

Influenced by economic growth in the US, IMF forecasts world economic growth at 3.3%. The US economy is projected to grow by 3.1% and continues to recover sustainably, as indicated by the economic data. Developed countries will expand by 2.3%, while Japan which experienced a decline in domestic demand due to its delayed sales tax increase last April will expand by 0.8%. For the Eurozone however, growth is expected to be at 1.3%, as inflation and demand remain low. Emerging markets are expected to grow by 5% in 2015. China is predicted to expand by 7.1%, thanks to better exports and various government measures including tax relief for small and medium-sized businesses, as well as more efficient spending on infrastructure and fiscal initiatives.

For Thailand, clearer investment plans for infrastructure, and less inflationary pressure, are the determining risk factors for petrochemical industries in 2015; reduced interest rate and financial costs might lead to greater domestic consumption. Nevertheless, the industries need to focus on innovation trends such as bioplastics and Green Industry. 2015's challenge for Thailand is the AEC. Analysts have predicted that despite tax minimization following AEC, Thailand will generate more sales in polymers, especially from countries with insufficient upstream industries such as Indonesia. Cautions should be taken on the trade barriers, as they might become an obstacle for Thailand's exports.

Currency exchange rate needs to be observed as well, as the weakening USD, Euro and Yen all contribute to the volatility of financial markets. However, the appreciation of Thai Baht affects Thailand's exports and imports in both positive and negative ways. That is, it positively reduces the energy and raw material costs, especially in industries that rely heavily on the domestic market and imported raw materials.

Strategies for competition

As a rule, polymers form merchandise with high price sensitivity. The price is influenced by various factors ranging from raw materials, that is, crude oil, naphtha, and monomers, to demand and supply in the domestic and world markets. IRPC's pricing policy is therefore formulated in line with these factors. To stay competitive in both domestic and world markets, it bases its product prices on the ICIS CFR South East Asia reference price together with internal factors, including inventories and production costs. IRPC strives to be a low-cost producer, leveraging an integrated petrochemical business and supportive production factors, such as a material warehouse and its deep-sea port. As a result, IRPC has a competitive edge in terms of production costs, and is therefore able to maintain its competitiveness, even when product prices come down.

Product quality

As Thailand's petrochemical pioneer, the company has over time closely followed up customers' needs. All products are now certified with IS0 9001, resulting in customers' confidence in IRPC's international standards. It is capable of developing and providing

Propylene production unit

new products to efficiently satisfy customers' needs in domestic and world markets alike. The company can now produce polymers of different grades, that is, natural, color compounds, and composites, which are colored products mixed with additives to enhance their properties, in an effort to respond to the particular needs of customers; end-customers' outputs include electrical appliance parts and car parts. IRPC's compounding and composite plants are located in the same area as other plants under IRPC's single management system which makes it easy for it to respond to purchase orders, particularly for tailor-made products. The company also manages its own technical department, which can give advice to customers.

At all times, IRPC takes into account the environment, occupational health, and safety, in its operations. For each product line, it has a policy on the environment and safety of its own employees and the community. It has now been certified with IS0 14001 and TIS 18001 for all its products. Moreover in 2011, its ethylene, PE, PP, and PS plants were recognized with the Standard for Corporate Social Responsibility Award (CSR-DIW) by the Department of Industrial Works.

Product diversity

At present, IRPC Group has a capacity of over 800 KTA of various product types, including HDPE, PP, EPS, PS, ABS, and SAN, thus making its approach to customers more flexible. This is because some products can be a substitute for others, to suit market demand. For example, HDPE can replace PP in injection molding of household appliances, woven bags, and canvas. Selection of the right type of polymers depends on a number of factors, including the properties of each market's demand. As a rule, being a producer with diverse products opens up more business opportunities. Its sales agents can make various different offers to customers in both domestic and overseas markets, which help reduce the average sales cost per unit.

Marketing strategy

In 2014, IRPC organized sales promotional activities, improved products, attended several expos to expand customer base, and promoted the exports of polymer products to accommodate greater production capacity in the future, as well as to position the company as a leading petrochemical business under the PTT Group. IRPC also studied and developed "Prosthetic Knees for Children" made from Ultra High Molecular Weight Polyethylene (UHMW-PE) in collaboration with Prostheses Foundation of H.R.H. The Princess Mother to be a true and sustainable force for the greater good and to contribute to the society as a whole. The development and distribution of the products were also undertaken to achieve wider recognition. In addition to donating polymers and sending in voluntary team of employees under the project "Fixing, Supporting, Flourishing, Happiness" to join the prosthetics service, IRPC also launched Thailand's first "Natural Color by POLIMAXX"; plastic products that use natural coloring to provide an alternative for customers who are concerned about their health and safety. Being eco-friendly, heat-resistant, and fade-resistant, Natural Color by POLIMAXX is now ready for other plastics markets and global distribution.

Types of customers

IRPC's customers are mostly sales agents. It sells no more than 30% of its sales volumes to a given agent and is under no obligation to do so in the future, thus averting risks of being monopolized.

Distribution and distribution channels

Domestic Sale

Since polymers are basic feedstock for many other domestic consumer products, IRPC's policy focuses on domestic sales. In 2014, 56% or more of domestic sales depending on customers' needs were carried out through 21 agents to support the economic strategy of the country and entrepreneurs. The company contracts appointed sales agents, most of whom have had business ties with it for over 20 years. Its position as an integrated petrochemical producer with diverse products can help these sales agents save their marketing and management costs, resulting in a stronger relationship with them. IRPC also carried out some direct sales with reliable customers, taking into consideration their financial and credit worthiness.

Export

In 2014, IRPC exported polymers through overseas sales agents which have long business ties. Its export strategy focuses on its strengths in quality and product diversity, as well as technical services and advice on product development. Its agents have established a firm business network with end-customers in key markets with high polymer demand, including China, Indonesia, Turkey, Vietnam, and Australia. It has also expanded to other regions, including Africa, Europe, the US, Asia, the Middle East, and Australia. Currently, its products are sold in over 100 countries worldwide.

POLIMAXX warehouse

Petrochemical Products and Competition

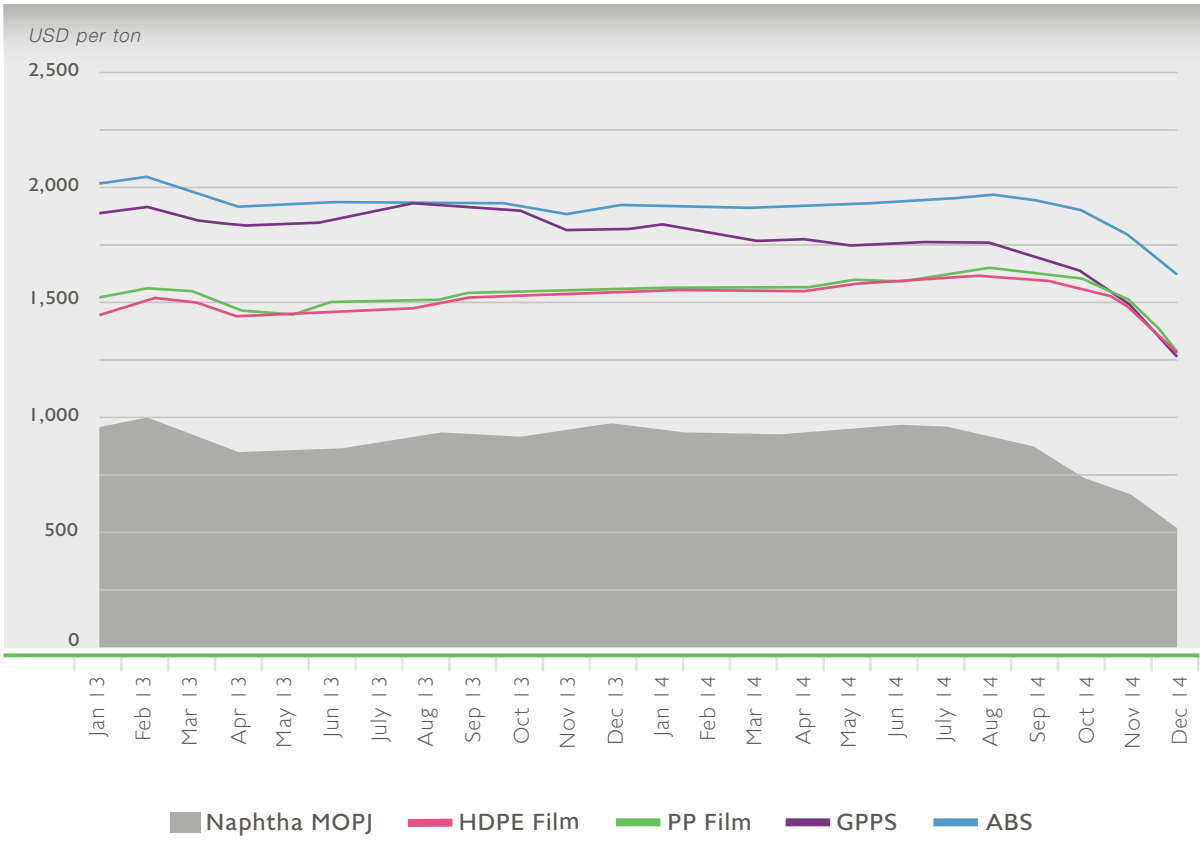
The petrochemical industry shrank in 2014 due to a decrease in import and export value. This is a result of the country's expansion of production capacity by domestic operators which lessens the need for imports. China, Thailand's core export market, also saw growth in production capacity and has begun part of its commercial trade.

However, economic conditions in Europe, US, Japan and China continued to put world market under pressure, causing the global economy to become unstable as it recovered. Unemployment rate in the EU remained high. The US economy in the third quarter continued to grow owing to increasing consumer spending and exports, as well as a low inflation rate. Japan's economy in the second quarter shrank by 0.1% compared to 1.2% in 2013. With an ongoing decline in consumption and investment, Japan's economy shrinkage is expected to continue. China initially experienced a slight slowdown caused mainly by dwindling domestic demand, but it will recover as the consumption and exports improve later on.

Currency was another factor that affected the world market in 2014. In June, there was likely an appreciation of various currencies in Asia with respect to the US dollars. Thai Baht value averaged at 32.51 Baht per USD, a 1.31% increase since January 2013 where Baht was the weakest at an average of 32.94 Baht per USD. The Indonesian Rupiah was appreciated by the most, at 3.40%, while Baht and Malaysian Ringgit strengthened by 0.9% and 1.50% respectively. Japanese Yen on the other hand, was in the spotlight as it depreciated the most in the last 7 years. Inflation rate went down steadily from 1.0% in September 2013 to 0.9% in 2014 due to the effect of sales tax increase. The latest figures for household spending are much lower than expected.

The prices of monomers and polymers in 2014 adjusted in line with the volatile directions of raw materials, namely crude oil and naptha. Compared with polymers prices of January - December 2013, PP went up by 4% to an average of USD 1,534 per ton; HDPE rose by 6% to an average of USD 1,567 per ton; PS prices decreased by 8% to USD 1,726 per ton; and ABS prices fell by 2% to an average of USD 1,913 per ton. As for monomers, ethylene prices rose by 6% to USD 1,428 per ton on average; Propylene prices went down by 3% to USD 1,289 per ton; and SM decreased by 9% to USD 1,584 per ton.

Prices of feedstock and petrochemical



Source: ICIS

Raw material storage tanks for Ethylbenzene production unit

3. Port business market and competition

In 2014, port and tanker business saw growth at a lower rate than that of 2013. The key factor was believed to be the higher demand of importing through ports and using tankers.

IRPC's port and tanker business, namely terminal and product tankers, focuses on the optimization of assets to generate profits for the business unit. A case in point was the modification of product tankers to serve international customers. IRPC Port focuses on service with an international safety standard for customer's maximum satisfaction, and on efficiently accommodating customers' business growth. In 2014, IRPC's port and tanker business raised income by 26% over that of 2013.

- **Bulk and container terminal & Liquid and chemical terminal**

IRPC holds a strategy of growing its customer bases and generating more income from existing main customers in general bulk materials, such as granite and sands, and expansion of some 70,000 square meters in bulk material yards and warehouses. In 2014, bulk and container terminal generated 162% more income than that of 2013 and throughputs of over 2 million tons, a 115% increase over that of 2013.

- **Tanker Services**

In 2014, the tanker service business served new customers and offered legal oil storage for international customers. Revenue from tanker services in 2014 was a 28% rise from that of 2013 due to the strategy to maximize the use and efficiency of existing tankers. This includes the conversion of the Rayong Oil Depot and Phra Pradaeng Oil Depot into a hub for oil storage by law, and for the transfer of ethanol and basic petrochemicals to support the expanding business.

4. Marketing and competition in asset management business

The Board of Investment announced that following the BOI conference on 25 November 2014, the BOI approved 23 investment projects worth a total of 80 billion Baht and that on 25 December 2014, the BOI approved 13 investment projects worth a total of 20 billion Baht. The approval signaled that the investment situation should be gradually improved comparing to that in the whole year 2014. The total number of

Bird-eye view seeing Nanochemical plant (white building) opposite CHP II project during construction

approved projects are 1,662 worth approximately 730 billion Baht. Foreign investors plan to use Thailand as the region's manufacturing hub. Fully equipped with essential infrastructure as well as support of the ASEAN Economic Community (AEC), Thailand is inclined to foster more domestic investment, and development of industrial estates in other regions, apart from those effective in the east, and adjust in line with the expansion of trade and investment in neighboring countries.

The development of new industrial estates continued to increase to accommodate the rising trade and investment driven by ASEAN's Free Trade agreements that benefit the members in terms of import duty reduction and investments. The agreements not only encouraged investment activities among ASEAN members, but also provided non-member foreign investors with incentive to invest in Thailand.

- **Development of land on IRPC's Eco Industrial Zone (EIZ)**

The plan is to develop and prepare the remaining 440 rai land from Phase 2 with infrastructure and utilities in 2015-2016 to accommodate both domestic and international customers mainly through renting. The development investment will be decided based on the customers of each project to suit the industrial zone. IRPC's projects and that of interested investors are all designed to promote green industry.

- **Development of Rayong Industrial Estate (Ban Khai)**

Approved by the Office of Natural Resources and Environmental Policy Planning (ONEP), the development of Rayong Industrial Estate (Ban Khai), in collaboration with The Industrial Estate Authority of Thailand (IEAT), aimed to enhance the value of IRPC's assets. IRPC obtained a license from IEAT to allocate land for sale, in an effort to encourage the development of green industrial estates and environment-friendly industries. The targeted business groups include alternative energy, bioplastics, natural polymers, eco-friendly products and growing businesses such as automotive parts. In addition, the Rayong Industrial Estate (Ban Khai) is trusted by the Industrial Estate Authority of Thailand and the Plastics Institute of Thailand to be the first domestic industrial estate to accommodate added-value plastic industries (Plastic Park), and Thailand's first small and medium industrial estate enterprises (SMEs), to manufacture high-value plastics such as medical plastics, automotive, and aircraft parts.

Management Discussion and Analysis (MD&A)

Executive Summary

In 2014, the losses amounted to Baht 5,235 million. Comparing to profit of Baht 826 million in 2013, this was a decrease of Baht 6,061 million or 734% in the net profit. The details of the changes in the financial performance are summarized below.

1. In 2014, consolidated net sales revenue was Baht 272,968 million, shrinking by Baht 9,681 million or 3% compared to 2013. This was caused by a decrease of 3% in the sale volume from 70.24 million barrels or 192 KBD in 2013 to 68.07 million barrels or 186 KBD in 2014. Although the product prices in terms of USD declined by 6%, the product prices in terms of Baht in 2013 and 2014 were relatively the same as a result of the depreciation of Baht.

2. The Market Gross Integrated Margin (Market GIM) in 2014 was Baht 15,788 million or USD 7.63 per barrel, increasing by Baht 1,582 million or USD 0.67 per barrel compared to the prior-year Market GIM. Better Market GIM was due to an increase in the product spreads, particularly gasoline and lube base oil, and Delta project, leading the Market GIM to rise by USD 0.71 per barrel and USD 0.71 per barrel, respectively. Nonetheless, reduction in the crude run due to planned maintenance shutdown during 18 March – 9 April 2014 and the VGOHT fire incident on 9 June 2014 led the Market GIM to drop by USD 0.75 per barrel.

The Accounting GIM for the full-year 2014 was Baht 7,238 million or USD 3.49 per barrel declining by Baht 9,869 million or USD 4.89 per barrel compared to the same period last year. This was because there were increases of USD 3.97 per barrel and USD 1.58 per barrel in the stock losses and provision for LCM respectively while gains from oil hedging dropped by USD 0.01 per barrel.

3. For the full-year 2014, other incomes amounted to Baht 1,648 million, decreasing by Baht 333 million compared to 2013. This was mainly because gains from sales of lands in the Eco Industrial Zone declined by Baht 545 million although there was an increase of Baht 142 million in the revenue of port and tank businesses.

4. Insurance compensation in 2014 amounted to Baht 1,710 million, since the insurance compensation relating to the fire incident has been recorded.

5. Depreciation expenses in 2014 increased by Baht 278 million compared to the year-ago period mainly to due to completion of operational improvement and expansion projects.

6. In 2014, net financing costs dropped by Baht 147 million from last year since interest payments dropped by Baht 234 million because of capitalization of interest costs while interest receipts rose by Baht 11 million and gains from Cross Currency Swap (CCS) transactions declined by Baht 98 million.

7. Losses from foreign exchange for the full-year 2014 amounted to Baht 70 million as Baht slightly depreciated. In 2013, there were losses from foreign exchange of Baht 909 million, most of which were unrealized.

8. Gains from reversal of impairments and write-off of assets in 2014 dropped by Baht 22 million, compared to last year. In 2014, there were refunded rental prepayment of Baht 470 million and gains of Baht 96 million from sales of assets mainly from land and building although these were partially offset by the impairments of assets relating to VGOHT unit, amounting to Baht 267 million. In 2013, there were gains of Baht 321 million from sales of land plots, mainly in Wang Chan district.

9. In 2014, gains from investment amounted to Baht 117 million, declining from 2013 by Baht 290 million. This was due to decreases of Baht 175 million and Baht 16 million in the gains from sales of shares and dividend receipts respectively. Shares of losses from associate companies also rose by Baht 99 million.

10. The full-year 2014 income taxes dropped by Baht 2,405 million, mainly attributed to deferred tax assets. Net losses on the basis of corporate income taxes related to release of debt involving Pornchai Enterprises Company Limited and TPI Holding Company Limited according to rehabilitation amounted to Baht 801 million.

1. Analysis of Operating Performance

1.1 Consolidated Income Statement

	(Unit : million Baht)		(Unit : USD/bbl)	
	2014	2013	2014	2013
Average FX (THB/USD)	32.62	30.86		
Total Crude Intake (Mbbl)	62.81	66.09		
Average Crude [1] (USD/bbl)	100.43	109.22		
Net Sales [2]	272,968	282,649	131.93	138.58
Cost of Feedstock (Market Price)	(257,180)	(268,443)	(124.30)	(131.62)
Market GIM	**15,788**	**14,206**	**7.63**	**6.96**
Stock Gain/(Loss)	(7,008)	1,180	(3.39)	0.58
Lower of Cost or Market (LCM)	(3,267)	-	(1.58)	-
Oil Hedging Gain/(Loss)	1,725	1,721	0.83	0.84
Accounting GIM	**7,238**	**17,107**	**3.49**	**8.38**
Other Incomes [3]	1,648	1,981	0.79	0.97
Insurance Compensation	1,710	-	0.83	-
Selling Expenses	(1,103)	(1,228)	(0.53)	(0.60)
Accounting GIM and Other Income	**9,493**	**17,860**	**4.58**	**8.75**
OPEX	(10,895)	(10,371)	(5.27)	(5.09)
EBITDA	**(1,402)**	**7,489**	**(0.69)**	**3.66**
Depreciation	(5,210)	(4,932)	(2.52)	(2.42)
EBIT	**(6,612)**	**2,557**	**(3.21)**	**1.24**
Net Financing Cost	(1,342)	(1,489)	(0.65)	(0.73)
Gain/(Loss) from Foreign Exchange	(70)	(909)	(0.03)	(0.45)
Gain/(Loss) from impairment and disposal of fixed assets	299	321	0.14	0.16
Investment Gain/(Loss)	117	407	0.05	0.20
Other Expenses	(4)	(31)	-	(0.02)
Net Profit/(Loss) before Income Tax	**(7,612)**	**856**	**(3.70)**	**0.40**
Income Tax	2,398	(7)	1.16	-
Gain/(Loss) from non-controlling interests	(21)	(23)	(0.01)	(0.01)
Net Profit/(Loss)	**(5,235)**	**826**	**2.55**	**0.39**

Note :

(1) Average market prices of crude used in the product process

(2) Including petroleum business (excluded excise taxes), petrochemical business, power and utilities business

(3) Other income consist of sale of lands, port, tank farm and service etc.

1.2 Movement of Crude Oil Price

Crude oil price remained volatile with a downward trend in 2014. One of the main causes for the downward movement of crude oil price towards the end of the year was excess supply of crude oil from US shale oil during the past four years which is likely to continue to increase. Moreover, OPEC decided in November 2014 not to cut its oil output. In particular, Saudi Arabia who is the largest OPEC oil producer with the lowest cost of production announced a decision to leave its output level unchanged in order to maintain its market share, hoping that pricing mechanism will curb the excess oil production. This has led the crude oil price to steadily decline towards the end of the year. In 2015, it is anticipated that the crude price will remain relatively volatile and face pressure from excess crude supply.

The spread between key products and raw material is summarized below.

Spread (Average)	Unit	2014	2013	Change
Dubai	USD/bbl	96.6	105.5	(9)%
Petroleum				
Naphtha - Dubai	USD/bbl	(2.3)	(4.4)	48%
ULG95 - Dubai	USD/bbl	14.3	13.7	4%
Gas Oil 0.05%S - Dubai	USD/bbl	16.1	17.9	(10)%
FO180 3.5%S - Dubai	USD/bbl	(8.3)	(8.0)	(4)%
500SN - FO180 3.5%S	USD/MT	495	486	2%
150BS - FO180 3.5%S	USD/MT	665	572	16%
Asphalt - FO180 3.5%S	USD/MT	(32)	(14)	(129)%
Naphtha	USD/MT	861	922	(7)%
Petrochemical				
Aromatics				
Benzene - Naphtha	USD/MT	354	382	(7)%
Toluene - Naphtha	USD/MT	179	241	(26)%
Mixed Xylene - Naphtha	USD/MT	168	329	(49)%
Polyolefins				
HDPE - Naphtha	USD/MT	683	566	21%
PP - Naphtha	USD/MT	699	597	17%
Styrenics				
SM - Naphtha	USD/MT	672	820	(18)%
ABS - Naphtha	USD/MT	1,027	1,021	1%
PS (GPPS) - Naphtha	USD/MT	827	946	(13)%

- Gasoline (ULG 95) – Dubai crude oil spread slightly increased relative to 2013 due to maintenance shutdown of refineries combined with improved demand from the US.

- Gasoil 0.05% - Dubai crude oil spread declined in 2014 compared to 2013 . Gasoil faced downward pressure from additional supply from newly start-up refineries in China and India and slgguish demand driven by slow-growth regional economies, particularly Chinese economy.

- FO 180 3.5%S – Dubai crude oil spread was relatively stable. Fuel oil price was under pressure due to prolonged period of weak bunker demand. However, this was offset by a sharp decline in the crude price.

- Lube base (500SN) – fuel oil 180 3.5%S spread winden in 2014. The main cause for better lube base oil spread was deterioration in the fuel oil price despite the fact that lube base oil price was under pressure due to additional supply of Group II lube base oil.

- Asphalt – FO 180 3.5%S spread declined in 2014 relatively to 2013 mainly because of ongoing sluggish regional demand, particularly in China.

- Aromatics – naphtha spread narrowed in 2014 compared to 2013. A decline in the spreads for mixed-xylene and toluene was largely attributed to an increase in the supply of paraxylene in Asia.

- Polyolefins – naphtha spread rose in 2014 compared to 2013. Better spread for HDPE was driven by a substantial drop in the price of feedstock, maintenance shutdown of large crackers in Taiwan and Japan, and reduction in the operating rates of several crackers. Likewise, in addition to a plunge in the price of feedstock and maintenance shutdown of crackers, the spread for PP increased due to stronger regional demand.

- Polystyrenics – naphtha spread was mixed. Specifically, the spread for ABS in 2014 was higher than that in 2013. ABS price slightly dropped while its feedstock price tumbled, resulting in better spread. In contrast, the spread for PS narrowed in 2014 compared to 2013.

1.3 Production

Petroleum	2014	2013	Change
Crude Intake			
Mbbl	62.81	66.09	(5)%
KBD	172	181	(5)%
Utilization Rate			
Refinery	80%	84%	(5)%
Lube Base Oil	82%	90%	(9)%

Note : nameplate capacity of refinery is 215,000 barrel per day

In 2014, the crude intake was 62.81 million barrels or 172 KBD, which was equivalent to 80% of total capacity. This amounted to a decrease of 5% compared to the crude intake in 2013. Lower crude intake was due to the recent fire incident in the VGOHT unit and the maintenance shudown. The operating rate of lube base oil unit was at 82%, declining by 9% compared to 2013 since VGOHT unit remained shut, leading to lower level of feedstock in the production process.

Petrochemical	2014	2013	Change
Utilization Rate			
Aromatics and Styrenics	82%	86%	(5)%
Olefins	87%	107%	(19)%

Note : In 2014, the nameplate capacity of Aromatics and Styrenics increase from 950 KTA to 1,070 KTA while the nameplate capacity of Olefins is 1,447 KTA

For petrochemical business, the utilization rates of aromatics and styrenics for the full-year 2014 were 82%, dropping by 5% compared to 2013, because of planned shutdown for 15 days. The utilization rate for olefins was 87%, dropping by 19% compared to last year. This was because ethylene plant had a maintenance shutdown for 25 days and HDPE unit had planned shutdowns for 40 days during June-July and for a month during August-September. Additonally, PP unit had a shutdown for 2 months during August-October.

1.4 Sales

Products	Sales Value (MB)		Proportion of Sales	
	2014	2013	Local	Export
1. Petroleum (Mbbl)	205,657	216,175	63%	37%
2. Petrochemical (KMT)	63,853	63,582	59%	41%
3. Power and Utilities	3,458	2,892	100%	-
Net Sales (Mbbl)	**272,968**	**282,649**	**63%**	**37%**
4. Other Income	3,358	1,981	100%	-
Total Revenue	**276,326**	**284,630**	**63%**	**37%**

Net sales revenue for the full-year 2014 was Baht 272,968 million, shrinking by Baht 9,681 million or 3%. This was caused by a decrease of 3% in the sale volume from 70.24 million barrels or 192 KBD in 2013 to 68.07 million barrels or 186 KBD in 2014. Although the product prices in terms of USD declined by 6%, the product prices in terms of Baht in 2013 and 2014 were relatively the same as a result of the depreciation of Baht. The details of the full-year net sales revenue are shown below.

- Net sales of petroleum businesses in 2014 were Baht 205,657 million, dropping by Baht 10,518 million or 5%, compared to 2013. The drop in sales revenue was due to a decrease of 3% in the sales volume from 59.21 million barrels in 2013 to 57.69 million barrels in 2014, which was in turn caused by a decline in the crude intake from 181 KBD to 172 KBD. The product prices in terms of Baht declined by 2% while the product prices in the terms of USD dropped by 8%.

- Net sales of petrochemical businesses in 2014 were Baht 63,853 million, increasing by Baht 271 million or 1%, compared to 2013. The rise in sales revenue was due to an increase of 5% in the product prices in terms of Baht driven by depreciation of Baht despite a decline of 1% in the product prices in terms

of USD. Sales volume in 2014 was 1,317 KTA dropping by 4% compared to that in 2013, 1,372 KTA. This was mainly contributed from a decline in sales volume of olefins.

- Net sales of power & utility businesses in 2014 rose by Baht 566 million or 20% since there was an increase in the sales of power and steam contributed from reliability management through Power System Reliabilty Improvement.

- Other incomes in 2014 were Baht 3,358 million, increasing by Baht 1,377 million from 2013. The increase was mainly driven by receipts of insurance compensation for the VGOHT fire incident amounting to Baht 1,710 million and an increase of Baht 142 million from port and tank farm businesses which was partially offset by a decline of Baht 545 million in the gains from sales of lands in the Eco Industrial Zone compared to those in 2013.

1.5 Gross Integrated Margin (GIM)

In 2014, the Market GIM was Baht 15,788 million or USD 7.63 per barrel, increasing by Baht 1,582 million or USD 0.67 per barrel compared to the prior-year Market GIM. Better Market GIM was due to an increase the product spreads, particularly gasoline and lube base oil, and Delta project, leading the Market GIM rising by USD 0.71 per barrel and USD 0.71 per barrel, respectively. Nonetheless, reduction in the crude run due to planned maintenance shutdown during 18 March – 9 April 2014 and the aforementioned VGOHT fire incident led the Market GIM to drop by USD 0.75 per barrel.

The Accounting GIM for the full-year 2014 was Baht 7,238 million or USD 3.49 per barrel declining by Baht 9,869 million or USD 4.89 per barrel compared to the same period last year. This was because there were increases of USD 3.97 per barrel and USD 1.58 per barrel in the stock losses and provision for LCM respectively where gains from hedging dropped by USD 0.01 per barrel.

1.6 Operating Expenses

The full-year operating expenses amounted to Baht 10,895 million or USD 5.27 per barrel in 2014, compared to Baht 10,371 million or USD 5.09 per barrel in the same period last year. The operating expenses therefore increased by Baht 524 million or 5% due to an increase in the expenses relating to maintenance and insurance.

(Unit : USD/bbl)

	Market GIM			Accounting GIM		
	2014	2013	Change	2014	2013	Change
Petroleum (GRM)	2.96	2.27	0.69	(0.14)	3.59	(3.73)
Petrochemical (PTF)	3.49	3.77	(0.28)	2.45	3.87	(1.42)
Power and Utilities	1.18	0.92	0.26	1.18	0.92	0.26
Total	**7.63**	**6.96**	**0.67**	**3.49**	**8.38**	**(4.89)**

1.7 Depreciation Expenses

In 2014, depreciation expenses increased by Baht 278 million compared to the year-ago period mainly due to completion of operational improvement and expansion projects such as EBSM project completed in September 2013 and Expansion of ABS (ABS6/SAN3) completed in October 2013.

1.8 Costs of Financing

Net financing costs in 2014 dropped by Baht 147 million from last year since interest payments dropped by Baht 234 million because of capitalization of interest costs while interest receipts rose by Baht 11 million and gains from Cross Currency Swap (CCS) transactions declined by Baht 98 million.

1.9 Gain/Loss from Foreign Exchange

Unrealized losses from foreign exchange for the full-year 2014 amounted to Baht 70 million as Baht slightly depreciated. In 2013, there were unrealized losses from foreign exchange of Baht 909 million, most of which were unrealized.

1.10 Gain/Loss from Impairments and Write-off of Assets

In 2014, gains from reversal of impairments and write-off of assets dropped by Baht 22 million, compared to last year. In 2014, there were refunded rental prepayment of Baht 470 million and gains of Baht 96 million from sales of assets mainly from land and building although these were partially offset by the impairments of assets relating to VGOHT unit, amounting to Baht 267 million. In 2013, there were gains of Baht 321 million from sales of land plots, mainly in Wang Chan district.

1.11 Gain/Loss from Investments

Gains from investment amounted to Baht 117 million in 2014, declining from 2013 by Baht 290 million. This was due to decreases of Baht 175 million and Baht 16 million in the gains from sales of shares and dividend receipts respectively. Shares of losses from associate companies also rose by Baht 99 million.

1.12 Income taxes

The full-year 2014 income taxes dropped by Baht 2,405 million, mainly attributed to deferred tax assets. Net losses on the basis of corporate income taxes related to release of debt involving Pornchai Enterprises Company Limited and TPI Holding Company Limited according to rehabilitation amounted to Baht 801 million.

2. Consolidated Financial Positions

(Unit : million Baht)

	Dec 31, 2014	Dec 31, 2013	Change	%
Current assets	44,142	63,772	(19,630)	(31)%
Non-current assets	118,656	98,836	19,820	20%
Total assets	**162,798**	**162,608**	**190**	**0%**
Current liabilities	46,829	49,530	(2,701)	(5)%
Non – current liabilities	48,065	37,551	10,514	28%
Total Liabilities	**94,894**	**87,081**	**7,813**	**9%**
Shareholders' Equity	67,904	75,527	(7,623)	(10)%
Total Liabilities and Shareholders' Equity	**162,798**	**162,608**	**190**	**0%**

2.1 Assets

As at 31 December 2014, consolidated assets were Baht 162,798 million. These were Baht 190 million higher than those reported as at 31 December 2013, which were due to the following reasons:

- Account receivable dropped by Baht 9,575 million or 46% largely because of a decline in the product prices. Average sale prices in December 2014 dropped by 32% compared to those in December 2013 while the sales volume in these two periods was relatively the same. As at 31 December 2014, account receivable that was more than 3 months overdue amounted to Baht 79 million or 0.7% of the total account receivable. This was incorporated in the provision for doubtful debt of Baht 79 million. The average collection period in 2014 was 21 days, increasing by 1 day compared to that at the end of 2013.

- Inventory decreased by Baht 9,454 million or 27% because the average price of inventory declined by 29% following the crude oil price. The quantity of inventory at the end of 2014 rose from 7.28 million barrels at the end of 2013 to 7.41 million barrels, amounting to an increase of 2%. Inventory day was 45 days, increasing by 4 days compared to that at the end of 2013.

- Other current assets dropped by Baht 601 million or 7% mainly due to a decrease of Baht 3,116 million in cash deposits. While other receivables increased by Baht 993 million, refundable value added tax increased by Baht 1,169 million and other current assets increased by Baht 353 million.

- Non-current assets increased by Baht 19,820 million or 20% due to an increase in fixed assets, largely contributed from the UHV project. However, these were partially offset by depreciation and amortization expenses of Baht 4,957 million.

2.2 Liabilities

As at 31 December 2014, consolidated liabilities were Baht 94,894 million, an increase of Baht 7,813 million or 9%, compared to those reported at the end of 2013 due to the following reasons:

- Account payable dropped by Baht 10,522 million or 29% due to a drop in the crude price in 4Q14. Compared to 4Q13, the account payable decreased by 30%.

- Other current liabilities rose by Baht 9,120 million or 217%, which was largely due to an increase of Baht 8,699 million in short-terms loan and an increase of Baht 551 million in other creditors most of which were contractors. However, other liabilities dropped by Baht 130 million.

- Long-terms loan including long-terms loan to be repaid within one year increased by Baht 9,061 million, mainly due to issuance of domestic debentures totaling Baht 15,000 million and long-terms loan totaling Baht 3,000 million. There were domestic debentures reaching maturity whose principal amounted to Baht 7,000 million, long-terms loan repayment of Baht 2,000 million. There were also unrealized foreign exchange losses of Baht 68 million due to the depreciation of Baht.

The details of long-terms debt are shown below.

(Unit : million Baht)

	Dec 31, 2014	Dec 31, 2013	Change
USD Bonds	7,870	7,827	43
Thai Baht Bonds	27,615	19,630	7,985
USD Loan	5,765	5,729	36
Thai Baht Loan	10,694	9,697	997
Total	**51,944**	**42,883**	**9,061**
less current portion of long-terms loan	(7,701)	(9,000)	1,299
Net Outstanding Debt	**44,243**	**33,883**	**10,360**

- Other long terms liabilities rose by Baht 154 million, which was mainly caused by an increase of Baht 268 million in the staff costs.

2.3 Shareholders' Equity

As at 31 December 2014, shareholders' equity amounted to Baht 67,904 million, which was Baht 7,623 million lower than that reported as at 31 December 2013. This was mainly because of the net loss in 2014 amounting to Baht 5,235 million and dividend payments amounting to Baht 2,041 million.

3. Statement of Cash Flow

(Unit : million Baht)

		2014	2013
1	EBITDA before stock gain/(loss) and LCM	8,873	6,309
2	EBITDA	(1,402)	7,489
3	Change in operating assets and liabilities	5,999	9,627
4	Net cash flows from operating activities	4,597	17,116
5	Net cash flows used in investing activities	(21,040)	(12,923)
6	Net cash flows from financing activities	13,328	(5,593)
7	Net increase (decrease)	(3,115)	(1,400)
8	Cash at beginning	5,124	6,524
9	Cash at ending	2,009	5,124

As at 31 December 2014, the cash balance was Baht 2,009 million. Net cash flow decreased by Baht 3,115 million, which was mainly contributed from the following items.

- Net cash inflow of Baht 4,597 million from operation: consisted of EBITDA amounted to Baht -1,402 million and cash inflow of Baht 5,999 million resulting from changes in the operating assets and liabilities. Important items contributing to cash inflow include an decrease of Baht 9,603 million of account receivable and a decrease of Baht 6,159 million in inventories. Important items resulting in cash outflow include a decrease of Baht 10,521 million in account payable.

- Net cash outflow of Baht 21,040 million for investing activities: mainly consisted of purchases of fixed assets amounting to Baht 21,523 million for important investment projects such as the UHV project. There was also cash inflow resulting from termination of lease agreement amounting to Baht 470 million.

- Net cash inflow of Baht 13,328 million from financing activities: consisted of funding raised from long-terms loan amounting to Baht 18,000 million, short-terms loan amounting to Baht 8,699 million and cash receipts of Baht 112 million from CCS transaction. However, there were funding costs of Baht 2,419 million, debt repayments of Baht 9,000 million, and dividend payments of Baht 2,041 million.

4. Key Financial Ratios

	Unit	Dec 2014	Dec 2013
Current Ratio	times	0.94	1.29
Quick Ratio	times	0.28	0.52
Net IBD to Equity	times	0.87	0.50
	Unit	**2014**	**2013**
EBITDA Margin (before stock gain/ (loss) and LCM)	%	3.15	2.16
EBITDA Margin	%	N/A	2.56
Net Profit Margin	%	N/A	0.28
Earnings per share	Baht/share	(0.26)	0.04
Return on Equity	%	N/A	1.09

CORPORATE RESPONSIBILITY

Sustainability Management

Quality, Safety, Health and Environmental Management

Corporate Social Responsibilities

The Progress of the Anti-Corruption Policy

Sustainability Management

IRPC Public Company Limited runs the business with sustainability concept and during late 2013 to 2014 the company implements DELTA strategy to support business administration to excel Operational Excellence, Marketing Excellence, Business Development Excellence, Research & Development Excellence, Financial Excellence and HR Excellence. This will add value to the company and generate more profit and growth, including focusing on sustainability management, in order to support all parties and lead us to a world sustainability organization. It will be based on economy, society and environment balance as well as good governance.

MEMBER OF
Dow Jones Sustainability Indices
In Collaboration with RobecoSAM

ROBECOSAM
Sustainability Award
Bronze Class 2015

ROBECOSAM
Sustainability Award
Industry Mover 2015

In 2014 our company reached the top 10 rank (Top 10 Percent) from the Dow Jones Sustainability Indices and become a member of Dow Jones Sustainability Indices in the category of Emerging Market amongst 1 of 14 companies from 91 selected companies of Oil and Gas Producers around the world. Moreover, RobecoSAM Yearbook 2015 has ranged IRPC in Bronze Class group based on assess points of 5-10 percent which is only lower than the leading group of Oil and Gas Producer (Industry Leader).

Besides, we received an award of the Most Developed Industry Mover because of the highest assessment score of Dow Jones Sustainability in Oil and Gas Producer group. During 2012-2013 (Top 15 Percent), we achieved the goal much more in advance which is planned in 2020 and it shows our dedication to operate our business with sustainability.

Our success couldn't have been achieved without collaboration of our directors, management and all employees who share the same goal and vision. The company aims to continue our success through all excellence management and will strengthen our sustainability.

Our continuing business management is as follow:-

- Systematic risk management: the company assesses risk in economic, society and environment including anti-corruption. We are well prepared and arrange the Stress Test to evaluate our business from economy crisis and prepare back up plans in order to continue our business efficiently.
- There is precise and clear environment management and policy which can be operated and covered all departments in factory and certified ISO 14000.
- We also concern about human rights, laboring, environment and anti-corruption. In 2014 the company is certified by UN Global Compact and moved from GC Active level to GC Advanced Level.

In the future the company plans to develop and improve sustainability management as follow:-

- Improve Human Capital Development and Talent Attraction and Retention for better result and co-relate to HR Excellence strategy of the company.
- Manage Supply Chain Management to sustain all levels as well as purchasing system which has environment, society and Good Corporate Governance (ESG) assessment.

- Improve products and services to be a quality product and response to customer's need through research department. Develop new innovation and technology of the production to response to the market trend in the world which is always changed.
- Control and improve production process to Operational Eco-Efficiency, safe and eco-friendly, including reduction of pollution release, waste management and the most effective power usage.
- Manage the Climate Change Strategy which is world crisis these days. The company aims to manage this issue with integration, setting up a responsible department and goals as well as risk management and create business opportunity.
- Manage Water Management in order to maximize water usage and reduce the risk of drought and flood situation.
- Manage the Biodiversity by setting policies and business plans not to inflict living species in the project and surroundings.
- Manage people and society to become a good citizen, Corporate Citizenship, so all employees will become good citizen in the world according to UN Global Compact. For the production area, the company invests and manages to boost city growth for Rayong province, developing quality of life, education, creating jobs and sustainable careers and most importantly emphasizing people in the community to follow the efficient economy and self-sufficiency motto.

One of the important points IRPC always emphasizes is managing IRPC employees to have sustainable DNA. We make everyone realize their duties and responsibilities, working with safety, creative and environmental concern, innovative and eager to volunteer for both the organization and community. Last, managing knowledge base within the organization to sustain and make us achieve our goal

"Leading Integrated Petrochemical Complex in Asia by 2020"

as planned as well as supporting our organization to become a world leader of sustainability organization, growing equally and sustainably with community, society and Thailand.

Quality, Safety, Health and Environment Management

IRPC Public Company Limited aims to be the leading petrochemical complex in Asia by 2020. For Sustainable Development, the organization and our groups practice methods of coexisting between business, community and environment. For sustainable development, the organization and our group emphasize on safety, occupational health and environment protection by using clean energy. The organization establish a policy of quality, safety health and environment management to accomplish sustainable development, operational excellence and to meet the needs of interested people for both inside and out of the organization. The framework of QSHE is integrated designed for each department. Using standard system to maintain the quality control, focusing on the better quality of production, services and product development and carrying out to maintain and develop the quality of products, and fulfilling the satisfaction.

For environment, the organization is practicing according to law and regulations including preventing and decreasing the impact on environment which stated in Environmental Impact Assessment and Environmental Health Impact Assessment (EIA/EHIA). Furthermore, the organization centers on developing the more efficient eco-friendly production. The organization is practicing 3R (Reduce Reuse Recycle) to limit water and air pollutions and industrial waste at the cause. Reserving energy and decreasing the greenhouse gas will lead to low carbon society and to better use of less energy.

For health and safety, the organization is focusing on protection and prevention of injuries during working period for every employee including workers, construction workers, community and those who might be involved. Process safety and personal safety are in progress which will ultimately lead to zero accident. Safety protocol has been continuously practiced and developing at the same time. Also workers are arouse to the safety first culture. In any case of changing work process, there must be risk assessment and revision at all time in order to have a better achievement.

Strategies for Quality, Safety, Health and Environment Management

The organization always reviews the vision and business plan. To achieve all excellence in every work aspect, the organization is following 4P strategy (Process, Partners, People and Professional)

1. Process: The organization has set up a safety protocol to be restrictedly followed in every work process since the beginning of the project through the developing period and carry out until the project is completed. There is always a constant development to limit the pollution at its cause, to reserve energy management, and to develop production. Endorse the Operational Excellence Management System : OEMS to create eco-friendly products. Also, the organization integrated converts information technology to increase the efficiency of QSHE management.

2. Partners: The organization emphasize on strengthen partnerships and become a leader of QSHE among the petrochemical business by networking with individuals, government and communities. Eco Industrial Zone (EIZ), Research center, Developing the environment and acknowledging locals are activities that help create a connection between each partner and to farther QSHE regulations.

3. People: The organization has developed QSHE culture through the stakeholders starting with employees by developing QSHE DNA, increasing the effectiveness of coaching process and continuously communicating. For instance, Behavior Based Safety: BBS is introduced to better concluded safety talk and environment talk in order to acknowledge the community to safety, health, environment and energy reserve.

4. Professional: The organization is willing to become a professional for QSHE management by using Knowledge Management : KM. Exchanging knowledge, experiences, lessons learned among companies to finally become the most excellent in managing of QSHE and be recognized by the business, other industrial business and throughout other organizations.

Operating Quality, Safety, Health and Environment

In 2014, IRPC strived to develop Quality, Safety, Health and Environment. Behavior Based Safety and Process Safety Management are promoted to have more efficiency in order to better prevent any injuries and to lower the impact toward organization and community. The organization adjusts the production to prevent and reduce resources such as materials, chemicals, electricity, stream etc. The organization is aiming for pollution prevention by developing projects such as…

Pollutant Release and Transfer Registers: PRTR

IRPC has joined PRTR which is disposed project between Department of Industrial works of Thailand and Japan International Cooperation Agency (JICA) of Japan. Since 2012, PRTR purpose is to report industrial sites, the industrial waste rate which has been released to air, land and water. The petroleum business of our organization had early joined the project to first construct the manual and had officers participated in the project in 2013.

In 2014, Department of Industrial Works of Thailand had requested leading factories in Rayong to submit a report online to Department of Industrial Works, which IRPC and the petrochemical business had completed the report for 80%. Department of Industrial Works of Thailand will analyze the report, and then will reach out to the locals and the society to better understanding of industrial works in 2015.

Meanwhile, the organization could use the database to develop and improve the chemical waste disposal in the encourage the efficient use of chemical, and figure out ways to reduce the loss of raw materials and chemicals in the production process.

Carbon Reduction Label Registration

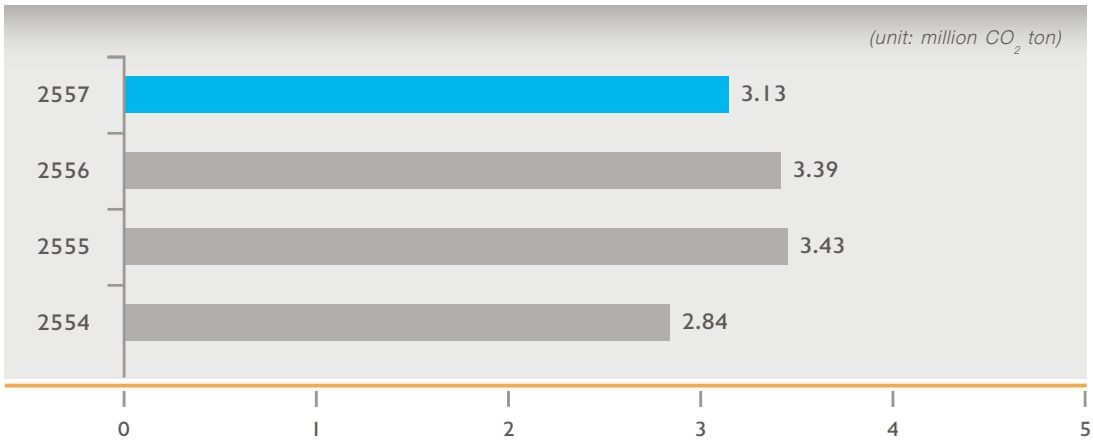
Carbon Reduction Label supports both manufacturer and consumers to have a role in reducing the global warming using the marketing strategy marking the product with a sign of carbon reduction label. The sign represents the realization and the capability of reducing greenhouse gas in production process, the electric power generating, industrial waste, and the efficiency of management. The organization has requested the guarantee of the reduced rate of greenhouse gas for 2014 from Thailand Environment Institute which is calculated from each product to compare whether it is lower than 10%, the rate of year 2013. There are products registered as Carbon Reduction Label products from HDPE, PP and EPS which has 8 groups of polymer products branded POLIMAXX.

Reducing Greenhouse gas activity

The organization has been keeping greenhouse gas records for each business in the organization since 2010 by applying the global standard from The American Petroleum Institute or API, Intergovernmental Panel on Climate Change or IPCC and the standard of managing greenhouse gas which received ISO 14064-1. In 2014, the reduce rate is 8.4% comparing to 2013 due to more efficient in managing public utility. The organization adjusts the use of stream and electricity generator by keeping a good maintenance. The fire at VGOHT : Vacuum Gas Oil Hydro Treating Unit reduces the greenhouse gas rate by 3%, 5% and 0.4%.

Besides the organization has managed to control the use of electricity of computers by adjusting the screen brightness to eye concern mode , set timer for collapse time on air-conditioners and set a suitable temperature. There is also an environmental managing inside the establishment including enlarging natural woodland which has been established since 1994. Now, there are 283,275 trees inside the establishment. In 2014, 16,000 trees had been planted in the distance of 0.5 kilometers which can adsorb 100 tons of carbon dioxide. In total, 2,500 tons of carbon dioxide is adsorbed each year which is 4% higher than the rate of 2013.

Graph – CFC release ratio (unit: million CO_2 ton) during 2011 – 2014



Note:

1. Data of CFC release from manufacturing procedure (Scope 1) and external electricity purchase (Scope 2)
2. In 2011, factories in the area had shutdown maintenance and used natural gas instead.
3. 2012 CFC release data is edited: adding data of a factory group under IRPC's governance.

Volatile Organic Compounds (VOCs) management in the establishment

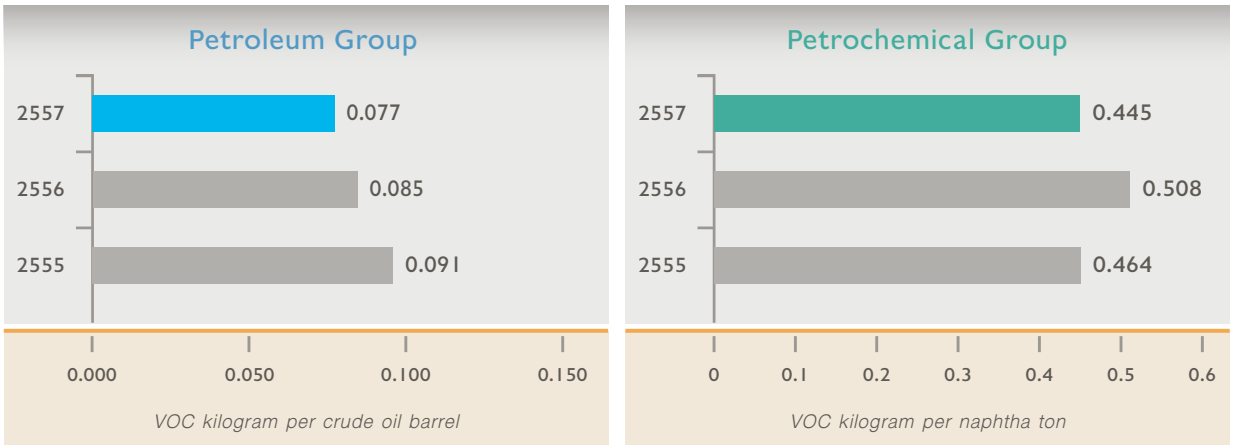
IRPC still focuses on Volatile Organic Compounds (VOCs) management. In 2014, IRPC has conducted a study on limiting the spreading of Volatile Organic Compounds (VOCs) within the IRPC industrial areas and all around to oversee the main cause of Volatile Organic Compounds (VOCs) and assess the risk of Volatile Organic Compounds (VOCs) to the community. The study includes the amount of VOC's inventory by surveying the baseline and the most suitable activity for the area. The study shows that the main cause is from transferring chemicals and storage tank. Therefore, more appliances are used to prevent the emit of Volatile Organic Compounds (VOCs) such as wet scrubber, which reduce the smell during the transferring, activated carbon, which prevent storage tank's leakage. These had reduce the intensity of emitting Volatile Organic Compounds (VOCs) within the petroleum and petrochemical business by 8% and 12%.

In order to keep the surveillance, IRPC has install the appliance to monitor the rate of Volatile Organic Compounds (VOCs) near the edge of petroleum storage which has a real time report to the emergency unit. VOC's cameras are used to check any leakage from the machines which makes it easier to fix any problems.

Resolving Complaints

IRPC Public Company Limited has rapid way to resolve complaints that can be translated to every region. For instance, the fire incident at VOGHT on June 9 2014 caused by the leakage of hydrocarbon. IRPC had shut down the system on the area of the fire which separated from other parts of the factory and able to control the fire not to spread to any other parts. The fire lasted for 2 hours and there was no casualty. In manner of acknowledging the locals and the public, the organization has many methods such as SMS (Short Message Service), open house, drive by, announcing the news to the stockholders and to the public by televised through Stock Exchange of Thailand channel, public announcement and publish formal document stated the incident. The managing directors and senior director had met the locals, and explain the incident to other organizations and local administration and publish information concerned on the radio and newspapers. After the incident, the organization still concerned about the impact on the

Graph – VOC ventilation ratio of petrochemical and petroleum group during 2012 - 2014



Note: Data of 2013 CFC amount is edited: completing the report data.

The Company together with the Department of Industrial Works and the Kitakyushu Municipal Government signed the memoranda of association in Eco Industrial Complex Development project.

community and the environment by having weather measurement on board, collecting used water into the waste tank, sending out doctors to check on the locals' health in order to reassure the health of the community. At last, there were officers sent to the community in order to resolve any complaints and to better communicate between two parties.

Eco Industrial

The organization has promoted Eco Industrial Zone (EIZ) under 5-years business developing plan launched in 2012-2017 which is prototype for Rayong to develop into Eco Industrial. Integrated plans are designed to better suit the existing policy and standard. IRPC has formally joined the eco industrial complex created by the department of Industrial works of Thailand in budget year of 2014 along with the department of Industrial work, regional industrial department and 9 other industrial zones; Pathum Thani, Ayutthaya, Saraburi, Chonburi, Rayong and Prachinburi. The main purpose of this project is to assess the satisfaction in Eco Industrial compared with the Eco Industrial of Department of Industrial Work of Thailand and to finish prototype of efficient waste management, and to constantly developing to Eco Industrial.

By the end of September 2014, IRPC has been chosen as the potential industrial zone aspired to be an Eco Industrial. The Department of Industrial Works had invited IRPC Public Company Limited and the director of Environment Department of Japan to witness the participation of developing E-co Industrial Town between IRPC Public Company Limited and the Department of Industrial Work, taking place in Kitakyushu, Japan in order for IRPC industrial zone can be a model of the industrial zone co-existing with the community along with reserving the environment. In December of 2014, IRPC Public Company Limited has signed a memorandum of understanding (MoU) on developing Eco Industrial with the city of Kitakyushu and Department of Industrial Work of Thailand at Kitakyushu, Japan. The MOU matters' are involved exchanging information in order to reduce carbon dioxide in Asia, together promoting the efficiency use of natural resources and energy. 3R (Reduce/Reuse/Recycle) activities have brought the business partnership among two countries.

Emergency Practice

IRPC Public Company Limited joins with Rayong fire and rescue Department and other interested

organizations to participate in fire drill (severity level 2). The fire drill scenario concerned chemical leakage, fire and evacuate. In order to have an effective prevention, the government unit, regional administration, individuals and people must be correctly informed and well prepared.

Acknowledging QSHE culture and awareness

The organization has safety and health management which emphasize on the safety in every work process. Safety Operation Improvement is to increase the better quality of work environment which is promoted by 6 activities.

1) Enhancing Management and Workforce Engagement Program - The senior managers strongly enforce safety and health by cooperating in safety surveillances.

2) Enhancing Contractor Safety Management Improvement Program - Conveying safety and health messages throughout the contractors on site.

3) Development of Safety Man and Implementation Plan - broaden knowledge on safety to every workforce

4) Fire and Safety Equipment Integrity Assurance Program - Have fully equipped fire extinguishers to handle any emergencies

5) Safety Performance Communication Program - Advertise information on safety especially Case Incident Lesson Learned to prevent repeated incident.

6) Safety Promotion Program of

6.1 BBS (Behavior Based Safety) is conducted throughout the employees and outsource. BBS Human Error was conducted for 20 times and BBS Basic for 16 times. BBS corner was held 3 times for workforce to participate in and the BBS award is given to the most safety recognition person.

6.1 Driving safely under the "Smart Drive- Smart drive back and forth equals safe" campaign to arouse the safe driving awareness to every employee in order to decrease road accident.

Daily Safety Talk and Safety Moment activities for contractors before starting work

Emergency plan practice for oil depot

Safety Operation Improvement is one of safety and health development programs including

- Safety Audit is to be carried out at all time. Promoting safety awareness activities to reinforce the safety at work.
- Educate safety and health to employee of the organization and other organizations, outsources and the contractors.
- PSM (Process Safety Management) is developed to control and to prevent any incidents from work process, and to limit the impact on the community and the organization. There are 3 phrases of the project.

1. Conducting PSM Awareness Training; to help employee understand the safety and health management, to be well aware, and to be involved. The training was conducted for 5 times for 318 people.

2. Conducting PSM Leadership Workshop; to help employee understand every aspect of the safety and health management and understand each element in order to help locate weak point of the organization's safety and health management. The seminar was held for 2 times for 62 people.

3. Conducting PSM Self Assessment; creating an evaluation forms and interview concerned people to locate the weak point and to later develop the management to have more efficient.

According to accident report statistic, Safety and health management's projects shows the Total Recordable Injury Rate (TRIR) at 0.46 per one million hour work which is lower than the expected rate of 0.65 per one million hour work.

The activities for better understanding the culture of QSHE is also introduce besides the activities for

Safety behavior training for employees

Safety driving project under the "Smart Drive" campaign

Employees paying attention to a safety booth in BBS Corner activity

Environmental staff training in the factory

awareness in safety and health management. There are several seminars conducted for organization's employees including

- Audit ISO 16949 seminar is to educate the standard of the automotive industry's quality development.
- ISO 50001:2001 EnMS (Energy Management System) seminar is for target audience to understand the regulations of energy management and to be able to improvise later on.
- Occupational Health Seminar is to inform employees about lung decease caused by work environment, to inform about the dangerous of the Volatile Organic Compounds, and conduct physical therapy training. The prevention of hearing impairs, and the dangerous of noise pollution are also informed to those at risk.
- Seminar on the situation and the trends on hazardous substances' regulations in products is conducted to the target employees in order to inform the change of regulations on chemical usage in each country. IRPC has always follow law and regulations on this matter, so there will be no complicated between business partners in other countries at all.
- Organize QSHE Excellence Forum 2014 on the topic of "See Through Waste Management", and "Environmental Officer of the Establishment" to instruct the guideline on waste management, and practice according to waste management's law and regulations.

Bearing and Conveying the knowledge of QSHE

The organization aims to communicate, to exchange and to convey the knowledge of QSHE. In the previous year, the convention on "developing natural resources and environment developer" for the 3rd time was held to help exchange the experiences on natural resources and environment management among private companies. The messages were conveyed to the senior manager of Ministry of Natural Resources and Environment in order to educate staff to have skill and experiences including academic knowledge and morality for new generation executives to be involved in every work aspect. The organization has introduced the environment management by using machines and prevention systems to reduce the impact in environment and the communities located near the area of IRPC industrial zone. The successful business that grows with the awareness of the environment and with an honest management throughout the organization will only last in the society.

PP customers visited a Nanochemical factory.

The organization has sent the expert to the petrochemical business and oil refining business' seminar on Safety, Occupational Health and Environment Management for the field operators from PTT Public Company Limited in order for them to portrays message and help develop their organization which considered as conveying the message and spread out the knowledge to the public.

Furthermore, the organization has conducted a seminar "criteria of project's proposal approving : experience of the project developer" on Environmental Health Impact Assessment(EHIA) to the scholars from both government organization and private organization at Faculty of Tropical Medicine, Mahidol University in order to exchange experiences and making report for Environmental Health Impact Assessment(EHIA).

The organization participated in "Safety Day - Oil Industry Environmental Safety Group Association" hosted by PTT Public Company Limited to further knowledge on Process Safety Incident in order to raise safety awareness to the employees.

The organization was invited to the discussion on "Reform EHIA" with the secretary of Office of Natural Resources and Environmental Policy and Planning, along with the experts on the board of Environmental Impact Assessment (EIA) during the EIA Monitoring Awards 2014.

The organization particularly interests in Knowledge Management by allowing each employee to exchange, to discuss, and to share knowledge within the organization and the group which leads to better quality of employee and organization to reach the Organization of Knowledge Management.

In order to sustain Quality, Safety, Health and Environment Management (QSHE) and the standard of work process within IRPC groups, each company is to follow under Quality Management ISO 9001, Environmental Management ISO 40001, and Thai Industrial Standard BS OHSAS 18001. The management system is always reviewed and revised. In 2014, the organization has managed the quality management under the global standard which received first International Organization for Standardization award which are

- Environmental Management ISO 14001 is awarded to the factory of lube oil base by International Organization for Standardization.

- BS OHSAS 18001 Occupational Health and Safety is awarded to lube oil base factory and electricity generating by stream line factory by the International Organization for Standardization.
- Energy management ISO 50001 is awarded to Polypropylene (PP) factory, methylbenzene factory, Ethylene factory and Acetylene factory by the International Organization for Standardization.
- Quality management systems ISO/TS 16949:2009 is awarded to PVC compound factory of SGS (Thailand) Limited by International Organization for Standardization.

QSHE Awards

The organization is focusing on the importance of efficient management and development in order to fulfill the satisfactions of the stakeholders including customers, partners, shareholders, employees, communities and people. By involving the community and environment reservation make recognition to the organization by both government organization and private organization which shows in awards achieved by many occasions. The awards represents the constant strive for more efficient management in every process. In 2014, the organization has received several QSHE awards including

- The organization has participated in CSR DIW Award 2014 hosted by the Department of Industrial Works, Ministry of Industry and has won 15 awards which can be separated into 2 categories as seen
  - CSR-DIW awarded to 3 factories; Polypropylene (PP) factory and 2 Water Filtration factories
  - CSR-DIW continuous awarded to 12 factories; 8 petrochemical factories, chemical factory, electricity generating factory and 2 wastewater treatment factories.
- The Prime Minister's Best Industry Award 2014 for energy management is awarded to CR managing factory
- “Best Environmental Implementation within PTT Group” was awarded at QSHE 30 Years The Celebration of Sustainability 2014.
- Shipping’s and PP’s QCC groups won the Golden and Silver Awards for their QCC presentations at the Thailand Quality Prize 2014 event, hosted by the Technology Promotion Association (Thailand-Japan).
- Polypropylene business won Thailand Quality Class: TQC 2013 Award. It is one of ten organizations awarded and shares experience in the topic of "Increase the competition capability by lessening the active production cost".
- CSR Recognition 2014 in the category of Most Improved CSR from SET
- The Environmental Impact Assessment (EIA) Monitoring Award 2014 in Excellent Category from the Ministry of Natural Resources and Environment for its three projects including Joint Vapor Power and Electricity Production, Petroleum Product Pipeline Installation, and Harbor.

Corporate Social Responsibilities

IRPC Public Company Limited has an aim to drive business under the good govern and the responsibility to the society and environment by seeking balance between business factor, society and environment to develop business. In order to grow and maintain, the interests of the stakeholders must be concerned under the concept of CSR: Corporate Social Responsibility which focus on caring, sharing and respecting the stakeholders. This concept will ultimately lead to the industrial business and the community to co-exist harmoniously in the society, and to grow together.

The policy is introduced to promote the concept of CSR as a guideline for the organization and organization groups.

1. Generating business with integrity that can be examined at all times by concerning and treating every stakeholders with equality.

2. Generating business with neutrality in order to prevent the any complications in business interests. Enforce open free trade and neglect Intellectual property infringement practices.

3. Follow the human rights law stated by international standard which is the first element for human resources development, including the manners of handling customers and business partners.

4. Be responsible to the consumers by controlling the quality, developing and improving products and services to be at the safe environment. Be honest and provide necessary information to the consumers, but never expose consumer's privacy before having consented.

5. Developing community and society by investigate, correct and improve to prevent the violation on the society from direct and indirect business operating. Sponsors the community activities and environmental activities by using the organization's Knowledge Management and Resources.

6. Enforce environmental reservation by promoting the suitable environmental management, and tracking down the improvement and assessment. Also promote the most efficient way to reserve natural resources, for example, applying energy saving standard, recycling resources, practicing eco-friendly services, working in a safe environment, and later on preparing the emergency plan for environmental problems.

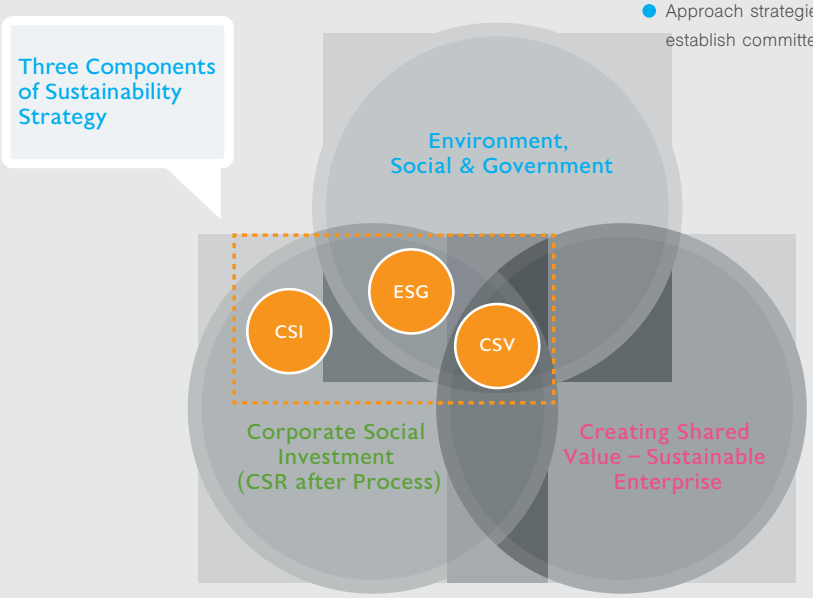
7. Developing and creating business innovations responses to the society which will increase the capability to complete with other business.

8. Conducting reports on society and environment using world standard in order to public the information on society responsibility and environmental reservation to any stakeholders.

The organization asks for the collaborations of every employee to undergo the policy in order to achieve excellence.

Examples of Corporate Social Responsibility Projects

- Using the organization's work ethic to generate business integrity
- Assessing and managing the risk in corruption tendency of every activities of the organization and groups
- Public the policy to prevent corruption – have a process of collecting the complaints inside the organization, have an open opportunity for submitting complaints to the secretary department of the organization by postal at po box 35
- Operating business according to UNGC factored by labor, human rights and environment.
- Approach strategies ; establish multilateral committee, establish committee of CSR in process and etc.



Model from the book:
Six Directions of CSR Sustainable Enterprise by Thaipat Institute

- QSHE management policy (4P : Process, Partners, People, Professional)
- Decrease greenhouse gas depute
- Manage Volatile Organic Compounds within the area of IRPC industrial zone
- Development in removal of waste and product leftovers from the business chain
- Energy reservation project
- EIZ : Eco Industrial Zone
- Develop and build the relationship with the community
- Develop society's impact management for upcoming project
- Policy and plan for oli and chemical spill
- Community Data Collection Project using GIS
- Scholarship
- Pan Nam Jai clinic
- Community center
- Historical site restoration

- Study and develop an eco-friendly products to satisfy customers' needs and global's awareness.
- Enforce employee inside the organization to share the creative idea and innovative creations
- Innovation's responsible to the society; sponsor "knee joint prosthesis for kids" Prostheses Foundation of H.R.H. The Princess Mother, The help 1 for 9 project, and supporting "Build Canal Build Generation"
- Products and projects originated from the organization creations and innovation ; ABS, BANBAX, Antibacterial, Wood Composite, Natural Color Compound and CHP I & II project and UHV.
- Exchanging Knowledge Management between senior manager and employees
- Wittayasirimethi Institute and Kamnerdwit School Establishment Project with PTT Group

CSI

Corporate Social Investment (CSR after process)

Corporate Social Responsibility by donating or sponsoring social activities

- Develop and build the relationship with the community
- Scholarship
- Pan Nam Jai clinic
- Community center
- Historical site restoration

ESG

Environment, Social & Governance

Invest in more Corporate Social Responsibility stated by law and fairly manage the impact on every stakeholder more than required.

- Approach strategies ; establish multilateral committee, establish committee of CSR in process and etc.
- Public the policy to prevent corruption – have a process of collecting the complaints inside the organization, have an open opportunity for submitting complaints to the secretary department of the organization by postal at po box 35
- Community effect management caused by new project development
- Prevention and dealing plan for oil and chemical spill
- Development in removal of waste and product leftovers from the business chain
- Community Data Collection Project using GIS

CSV

Creating Shared Value ➡ Sustainable Enterprise

Creating the project concerning developing society and the organization according to Corporate Social Responsibility for every industrial enterprise

- Products and projects originated from the organization creations and innovation ; ABS, BANBAX, Antibacterial, Wood Composite, Natural Color Compound and CHP I & II project and UHV.
- Research and development of special products that are environmentally-friendly, meet the customers' needs, and respond to the internationally important trends.
- Social responsibility innovation
- Wittayasirimethi Institute and Kamnerdwit School Establishment Project with PTT Group

From Corporate Social Responsibility's policy to practical methods for the organization, according to CSR Thailand, CSR can be translated into 8 methods.

1. Well Management

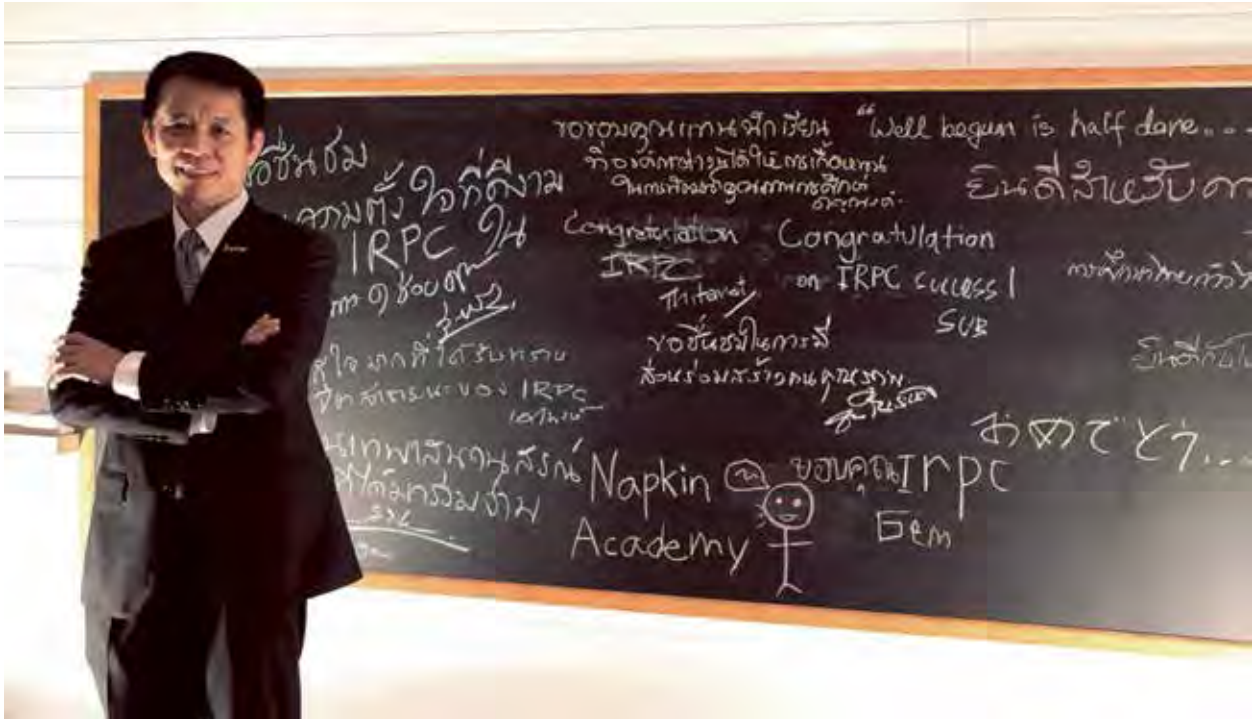
Generating business with integrity that can be examined at all times by concerning and treating every stakeholders with equality. This practice has influences on society including youth, community, shareholders, customers, and partners. There are examples of the influential activities which stated in the report of well management on page 45-67.

2. Generating business with neutrality

The management committee of the organization has a clear policy in order to register the neutrality in business including remain the stakeholders' importance, have a responsibility and equally treated to every partner and customer. The customer satisfaction assessment, for example, 37.5% of satisfaction in petroleum business, 90.8% of satisfaction in petrochemical business, 87.5% of satisfaction in IRPC Port and chemical storage, 87.6% of satisfaction in asset management which details are stated in the annually report of 2014 and the report of well management. Several seminars are conducted for employees to raise awareness of Knowledge Management and to raise awareness of good govern. The organization also supports environment, society and the disadvantage youths by creating many projects including anti-corruption seminar, prostheses unit, "Dee Kan Na" Project by Chulalongkorn University, and Support for Children with Disabilities at Rayong Panyanukul school. The organization has purchase policy following Green Procurement which has high impact on the business management. The organization allows employees to select environmental concerned dealers to provide chemical substances used in production. The acquired products must not contain banned substances. Each dealer must undergo several managements such as ISO 14000, ISO 26000, REACH and RoHs requirement in order to prevent the harmful violation to human and environment which may have caused during the use of chemical substances in the production.

3. Human rights and Labor laws

The organization has restrictedly follow the Labor laws and encourage personnel to self-development. The organization endorses Trade Union of the main organization and groups by promoting employees' opinions and complaints according to the Labor Laws, which details are stated in human resources management page 101.



PP customers visited a Nanochemical factory.

4. The responsibility toward consumers

1. Reseach and Develop harmless products for consumers' well-being

The organization operates oil refining and petrochemical business, including polymers production which is necessary to meet the requirements and spec of the client, and the environmental regulations. The organization has a strict policy in deliver the great products in good quality to consumers created by constant researching methods introducing Natural Color Compound plastic launched in 2014 such as yellow by turmeric extracts and red by carrot extracts. Banbax is an anti-bacterial plastic compound, which the organization has invested in nano-chemical base factory in order to develop the brand. The factory was officially launched in 2014. The organization has create obligation between business partners involving researching, developing and producing. Natural Color products was a joined project with Picnic Plast Industrial Co.,Ltd. in order to create Natural Color Compound which is an eco-friendly product by converting the existing plastic compound with natural color compound and still remain the original qualification. The development was under the world food grade standard. The primary natural colors are green from spinach, red from tomato or strawberry and yellow from turmeric or carrot or bell pepper. The product becomes one of the choices of food containers for health's concern consumers. The product is also eco-friendly, non-hazardous, heat bearing and remain vivid color which will be ready to launch worldwide.

Not only the organization concerns about the consumers' well-being but also have responsible for the well-being and the environment of surrounding communities nearby which may expose to the impact of the production. The organization endorses QSHE project as in

2. Conducting report on community's wellness through the use of a geographic information system (GIS)

The organization has collect database indicating the wellness of people in the surrounded IRPC industrial area by using GIS covering 5 areas under the responsibility. The database is targeted to collect information of more than 17,797 families. The Environmental Monitoring and Control committee is placed in order to maintain the quality of environment and health. Developing eco-friendly production (Environmental Monitoring and Control committee) and further indicating the wellness of environment

Mobile Medical Care Service

Annual Community Scholarship

and the health of locals in the area are activities and projects promoting.

3. "Pan nam jai clinic"

The organization has established "Pan Nam Jai clinic" at the community learning center servicing medical treatment with no charge to people living nearby the IRPC industrial area in Rayong. In 2014, the clinic has serviced 4,702 patients and the IRPC health cards was distributed for 112 cards.

4. Mobile Medical Care Service

The organization has operated mobile medical care service once a month to the locals living near the IRPC industrial for 2 communities and 3 districts, and has serviced 576 people. Database gathered on health and hygiene in the communities is assessed the impact on health and hygiene for EIA, EIZ project, is to be used to plan the medical treatment program in order to arrange medical specialist to the specific patients. The organization has constantly informed the operating period to the people who has been serviced.

5. Engaging in community and society development

1. Eco Industrial Concept

IRPC new vision to be a leading Eco Industrial Company has led to a process development according to Eco Industrial Concept. IRPC has been chosen to be one of five models of Eco Industrial Concept practicing by the Department of Industrial Work. "IRPC and the Eco Industrial Concept Plans" (IRPC-EIZ) proposes to educate the concerning people to the essential of becoming Eco Industrial Zone by utilizing the maximize usage on limited amount of natural resources, the waste reduction and pollution. The new eco-friendly technology is designed to higher the industrial management standard to reach the global standard.

2. CSR-in-Process

The organization enhances the CSR according to UN Global Compact. The CSR-is-Process become the guideline for practicing Corporate Social Responsibility. Developing and improving the production is invested to increase the production, also to be responsible to the society and the environment. The major project is Upstream Project for Hygiene and Value Add Products (UHV). The investment costs 39,600 million bahts. This project adds more value to heavy oils and decreases the sulfur dioxide since the heavy oils is no longer needed in industrial productions for other industrial factories. The project is considered uppermost value add. Muang Rayong combined Heat and Power Project costs 13,400 million baht. The project is to generate stream power, and electric power by using the natural gas with the Dry Low Nox Burner technology which complete the combustion process. The exhaust contains low polluted air. Both UHV and CHP II projects are still under construction which are planned to be launched by 2015 for UHV and 2017 for CHP II.

3. Social Development Annually social development projects according to "Happy Rayong"

1. Annual Community Scholarship 2014 – IRPC has constantly granted Annual Community Scholarship.

In 2014, the scholarships were granted to students with outstanding performance & behavior yet lack of financial support who is selected by the leader of community. The scholarships are divided for 3 recipients; primary students, secondary students and undergrad students. On 27th of October 2014, 74 scholarships worth of 616,000 baht were given out at Nong Khaw temple. On 29th of October 2014, 215 scholarships worth of 1,793,000 baht were given out at Plauk Kaet temple. The total of 289 scholarships are worth 2,409,000 baht.

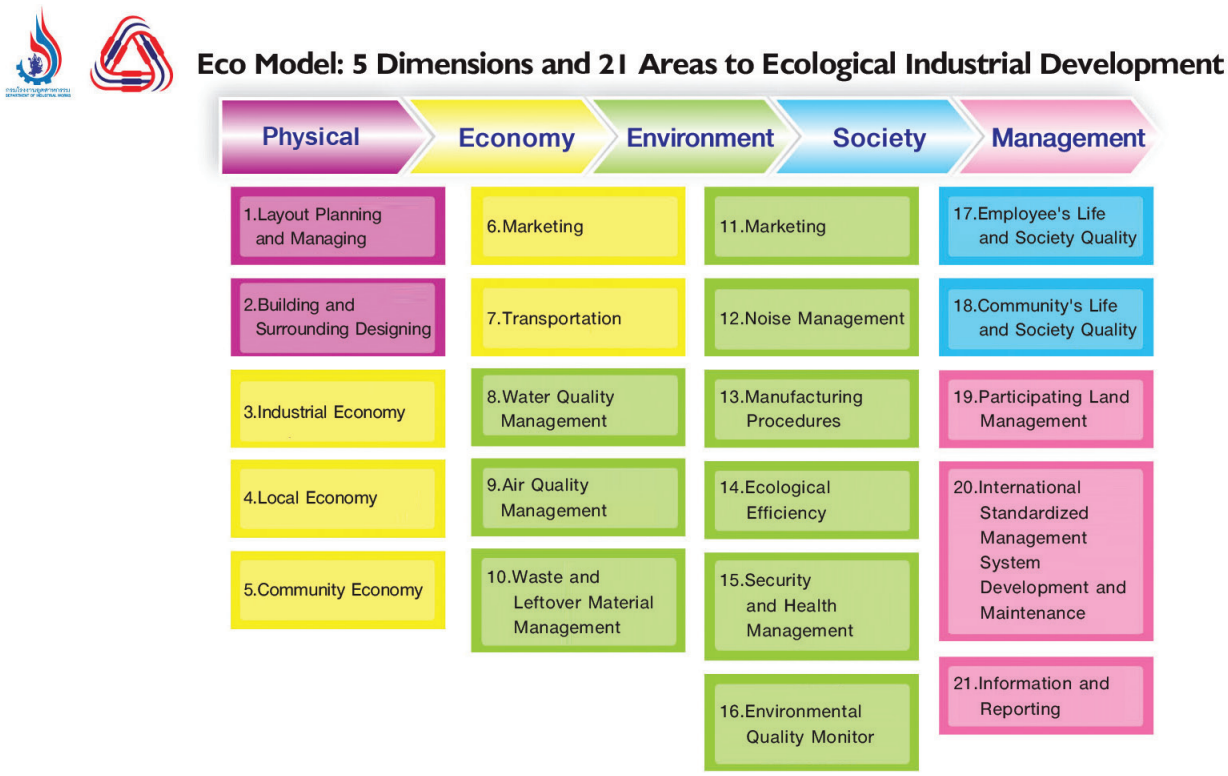
2. IRPC holds religious event of presenting robes to monks at the end of Buddhist Lent
IRPC has developed a tradition to annually hold religious ceremonies at temples around its plants to strengthen the relationships between community, government organizations and private organizations. In 2014, IRPC hold 15 religious ceremonies in different temples. IRPC was the host for Kathin Ceremony for 3 times and was co-host for 12 times.

3. Establish "Vidyasirimedhi Institute"- Rayong Advanced Institute of Science and Technology Project. Establish Kamnoetwit Science Academy. IRPC and PTT have joined to establish science and technology institute, aimed to become excellent institute of science research which will be open in 2015.

4. Strategic Communication To ensure the environmental impact awareness of industrial enterprise to the community and society. The organization has means to communicate with the stakeholders and people through following projects.

1. Open House is one of means to communicate with the community by letting people to visit and to oversee the process inside the plant to provide knowledge and to ensure the plant's management and investment. The visitors are students, bureaucrats, leader of community and press. In 2014, IRPC has held 15 Open House for 630 visitors.

2. IRPC's Community Learning Network Center and IRPC's Community Relationship Development have provided conference room, shops, community, Clinic Pan Nam Chai, and holidays' activities. There were total of 34,857 participants. In 2014, 8,549 people has participated in weekend activities, one road show activity and 110 people has participated in Rayong Fruit Festival.



3. In 2014, 4,495 people have participated in IRPC plant visitation

4. Communicating with the community is the project that convey message from the organization to the public by publishing travel journal for air plane passengers in order to creating a mutual understanding and advertise the cooperation of youth, the society and the employees. The aim for this project is to realize on practicing community activities is easy. The organization has gained new partners from Prostheses Foundation and expected more new partners to join.

6. Environment Reservation

1. CSR in Process

The organization emphasizes in creating the eco-friendly production. In 2014, Upstream Project for Hygiene and Value Add Products (UHV) was introduced. The project is to improve the quality of heavy oil from the distil tower by converting heavy oils into polypropylene, ethylene. The oil from separation process is a clean energy with high value. Sulfur which used in automotive industry can be extracted in this process.

Polypropylene is used in cottage industry. 17 projects have developed in order to improve the production and decrease in impact on the environment costing 1,432.57 million baht. Those projects includes Fuel Change Boiler Unit 04, Reduce VOCs emission from asphalt tank by installing tempered water system, and Sea Water FGD Unit02 Improvement.

2. Energy Management

The organization raises energy management awareness to every employee. According to energy management policy, everyone can participate in energy management.

IRPC is cooperating with 10 companies of PTT groups for developing innovations. Two projects have received awards in Best Practice Contest 2015. ZARUP project has received the platinum recognition award. The project is created to highlight the essence of information including production information, production plan, energy usage, environment, assessment and etc. The information will directly sent to mobile instead of computer for easy access and reducing loss cost for 106.4 million baht a year.

Decreasing Energy Consumption at 41B001 was awarded the bronze recognition. The project is to maximize the use of resources at production, to decrease resources exploit in order to lower the production cost, to decrease the exhaust rate of Sox and Nox at the fire heater, to reduce greenhouse gas which ultimately reserves 34.1 million baht per year.

The organization enforces energy management in both production and office station and encourage employee to create innovation for energy management. IRPC station in Bangkok has won an award in Energy Saver Project by decreasing the use of electricity by 27.9%. The means of energy management are used, for example, switching off lights in the office, conference room, white board hallway, lobby and at the ceiling after using, switching Halogen 50 watt to

Pan Nam Jai Clinic at the IRPC Community Network Learning Center

Bangkok IRPC Office received an award in the Energy Saver! Project.

Miss Mussima Rongrak from Trang tried wearing a prosthetic leg made of IRPC's UHMW-PE PP.

Employees joined the prosthetic leg production activity in Nakorn Pathom

LED 7 watt at the hallway, lobby, conference room and executive office, taking down half of unused lights, hibernating or switching off computers and printers during lunch period and after office hour, switching off air-conditioner after office hour, unplugging refrigerator and cooling water unit, and cleaning refrigerator on every Friday.

3. Waste Management

The organization is adapting 3R (Reduce/ Reuse/ Recycle) to develop waste management. In 2014, 80% of waste management in production can be reused, 20% of waste management needed to be recycled and the last 20% need to be landfilled.

4. Ecology

The organization enforces planting natural woodland along the industrial district since 1994. In 2014, the organization has reach out to the community in order to give out seed to the communities including Taphong Sub District, Choengnoen Sub District, Na Ta Khwan Sub District, Ban Laeng Sub District and Rayong City. The organization has requested the cooperation from plant seedling center throughout the country in order to acquire more plant seeds to accomplish its goal. The budget of 45 million baht is spent for woodland maintenances. Now, there are 267,300 trees inside the IRPC industrial area.

7. Innovation and advertising CSR culture

1. Supporting Prostheses Foundation of H.R.H. The Princess Mother.

The innovation leads to products making a happier society, and raise the bar for disabilities. POLIMAXX BANBAX ,a special type of plastic that compounds the anti-bacterial base, is donated the Prostheses Foundation of H.R.H. The Princess Mother for making prostheses.

In 2014, IRPC donates 20 tons BANBAX plastic beads as a raw material to support the Prostheses Foundation of H.R.H. The Princess Mother for making prostheses. During 23-28 March of 2014, volunteers participated in the activity with Prostheses Foundation of H.R.H The Princess Mother at Nakhon Pathum province. IRPC and Prostheses Foundation corporate to develop “knee joint prosthesis for kids” in the honor of 60th birthday celebration of Somdech Phra Debaratanarajasuda Chao Fa Maha Chakri Sirindhorn Rathasimagunakornpiyajat. On 2nd of April 2015, “knee joint prosthesis for kids” is made from Ultra High Molecular Weight Polyethylene (UHMW-PE), which IRPC has the only right to distribute within South East Asia region. This special type of plastic is designed to be long-lasting, and to have strong endurance which is favored to be used for knee joint, hip joint and the joint in human body.

2. Supporting "1 for 9" project, in cooperation with National Education Standards and Quality Assessment (Public Organization) and Banks of loaning IRPC.

IRPC cooperate with the National Education Standards and Quality Assessment (Public Organization) with its goals to develop education standards to be used in education quality assurance of all educational institutions which is similar to the IRPC CSR policy. The objectives for the project are

1. To develop qualified educational management system and administration for all education institutes.

2. To develop quality of education institute by helping 9 institutes to develop qualified educational management system.

3. To generate the organization's potential in developing quality of education institutes. The organization and participated schools have come to complete the developing system focusing on 4 dimensions which are academic, moral, safety and health of the students, and schools' roles in developing community and environment. IRPC together with the six commercial banks make a contribution to the society through the collaboration in the "One for Nine" project.

IRPC together with "Four U For You" by Chulalongkorn University students, Thammasat University students, Mahidol University students and Silpakorn University students create academic camp to broaden knowledge of Science, Maths, English and to prepare the students for O-NET exams to 900 students attending grade 4th to 6th from Thepsenanusorn School, Rittikrai-Suksa School and Kalyawit School, Bangkok.

From 28 November – 2 December of 2014, the organization has promoted safety and health management to the interest of students in the schools by bringing IRPC Technological College students to examine and to fix the electric systems and electric appliances inside the schools. The schools participated in "1 for 9" project which was performed the safety and health management are Baan Nong Thong Lim school and Baan Nong Yang school located in Narong district, Buriram Province. The organization provided motorbike maintenance service and agricultural machine maintenance service to the locals in the Baan Nong Yang Sub District with free of charge.

IRPC and debenture selling banks celebrated the success of IRPC debenture issuing by being useful to the society with "1 for 9" Project.

"Build Canal Build Generation" and "1 for 9" Projects, the innovation from IRPC's CSR operation

3. Supporting "Build Canal Build Generation" together with The Education & Public Welfare Foundation

The organization aims to develop community and the society by using the Knowledge Management. For instance, the industrial district located in Rayong Province has constantly developed water management for the sufficient use of the production process, and to resolve the lack of water consumption, and flooding for the community of 4 sub districts. The organization has built 5 water storages which can contain 5.2 million cubic meter of water, which can resolve water problems for the community such as poisoned tap water, water contamination, and water filters.

In 2014, IRPC together with The Education & Public Welfare Foundation has operated "Build Canal Build

Donjon community woodland

Generation" project which aims to developing water management within North-East region of Thailand; Moo Baan Nong Yang, Lam Sai Yong, Nang Rong District, Buri Ram. Building water reservoir and community's water system help the community water consumption problem and help grow commercial plants. 5 reservoirs were dredging for 4 meters deeper which can reserve more 100,000 cubic meter of water. The number of households who can distribute to the reservoir has risen from 350 households to 440 households. The reservoirs also raise the income of the households by 30,000 Baht per a year. The distribution 47,300 cubic meters of soil was dissolved for 1.3 million Baht. 7,000 cubic meters of soil was used for the base of tourist center welcoming eco-tourist to DONJON, the community woodland on the area of 2,800 rai which was awarded Green Earth Award in 2010.

4. Cubic Academy

The organization generates Cubic Academy to exchange and develop knowledge in ESG (Environment Social & Governance) among organization personnel, academics and the experts. Cubic Academy is conducted in form of seminar and training course, the targeted audiences are employees, youths, and people which will be launched in the second semester of 2015.

8. Delivering reports on social and environmental matters

In addition to annual reports for shareholders, IRPC has conducted a sustainability report of 2014 applying GRI level 4. (Remarks; sustainability report of 2013 applying GRI level G3.1 Checked Level A). The report on Community on Progress is presented to UN Global Compact in advanced. The organization plans to conduct a report on Integrated CSR of 2014 - 2015, details on www.irpc.co.th.

In 2015, the organization plans to further develop existing projects which were launched in 2014, adding value to stakeholders. The organization will have policy on long-term acquiring supplies by creating more demand in supplied chains among suppliers. The organization will estimate the suppliers' risk tendency using the environmental & social impact. Suppliers' regulated will be estimated considered by 4 factors.

1. Expense Analyze

2. ESG Risk ASSESSMENT of the suppliers to analyze the impact on sustainability of the organization for instance, underage labors and neglect banned substances products.

3. Critical Analysis

4. Generate Mitigation Measures by considered the risk assessment and analyze the importance of suppliers. The main measures consist of

4.1 Critical Suppliers, classified as High Risk Tier 1. The suppliers must be examine annually by visiting the site and interviewing the managers and employees in order to ensure that the suppliers can maintain the rate of risk management preventing impacts on business, society and environment.

4.2 Non-Critical Suppliers; these suppliers must undergo CSV : Creating shared value – sustainable enterprise assessment. In order to become one of the suppliers to the organization, the suppliers must realize the awareness of environment, society and good govern culture are the beneficial factor for stakeholders which will ultimately lead to the sustainable enterprise.

The Progress of the Anti-Corruption Policy

The Company has stressed out the importance and a clear goal in both promoting and supporting Anti-Corruption culture within its organization, in hope to fully accomplish and be accepted by all stakeholders. With this regards, the Company has abidingly follow its policies and implementations of anti-corruption where the Board of Directors has acknowledged the approval and shaping the guidelines to continuously producing positive results since 2013.

For the year of 2014, the Company has been accredited as members in Private Sector Collective Action Coalition against Corruption: CAC on the 4th of April 2014. The Company has shown its implementation policies and organizational structure, including action procedures to prevent any possible risk of having corruption act.

The Company has an order regarding Anti-Corruption Policy, no. 019/2013 to apply for the whole organization and its subsidiaries and to educate and create mutual understanding via the Company's communication channels by inviting an honorable guest speaker from PricewaterhouseCoopers ABAS Limited. Following the training plan, trainings were provided to Directors and employees in each division i.e. Sales and Marketing, Procurement and Management, Human Resources and Quality Controls, Health Safety and Environment, all these of which quantified of 400 head counts.

Having good governance is considered as having good managing foundation for the management of the Company and companies in PTT group. In 2014, the Company has been given privilege to host "PTT Group CG Day 2014" on 15 September 2014 under

The Board of Directors listened to the summarization of the anti-corruption practices.

The Audit Committee and executives opened a P.O Box 35 as a new complaint channel for the Office of Internal Audit to ensure transparency and fairness to related parties.

Directors and executives in PTT Group pledged to fight corruption together with employees in seven companies.

Employees paid attention to listen to the policies of the chief executive in PTT Group CG Day The Power is in Your Hands.

Anti – Corruption Policy
IRPC Public Company Limited

IRPC conducts its businesses under corporate governance, striving for management filled with efficiency, righteousness, and transparency with due regard for the optimal interests of the shareholders, stakeholders, and related parties in commercial transactions. To this end, IRPC requires that its units, subsidiaries, associates, and other companies within its control observe the following anti-corruption policy:

1. The Board, executives, and employees resist corruption in all forms, directly and indirectly, whether through offers, promises, requests, demands, giving or acceptance of bribes or behavior bordering on fraud in all areas where IRPC operates

2. IRPC will publicize this internally and externally to promote understanding and cooperation in stopping would-be fraudsters against IRPC

3. IRPC will establish explicit processes of dealing with fraud, that is, risk assessment of fraud and regular monitoring and review, so as to keep up with changes in businesses and relevant legislation

4. IRPC will fairly treat and protect employees that refuse or alert the company about fraud through proper channels. On the other hand, fraudsters will face disciplinary actions under IRPC's regulations.

To demonstrate its determination, which would lead to sustainable corporate development, IRPC has become a signatory of the Collective Action Coalition against Corruption.

the name "The power is in your Hand", focusing on the effective and transparent performance, resisting all forms of corruption and driving the free and fair audit system.

The event has taken part of giving an annual Diamond Award to the division with an excellence Internal Control system and in addition, the Audit Committee suggested opening a P.O Box 35 as one of the channel for the employees and stakeholders to be able to send any suspicious reports and complains to prevent the leak of information, protect the whistleblowers and ensure fairness to every related party.

As corporate citizenship and CSR to the local communities and youths, the Company hosted an event for educational cause through the program "1 Helps 9" by uniting with 6 financial institutes and with the Office of National Education Standards and Quality Assessment (ONESQA, Public Organization). The event has communicated its concept of the anti-corruption scheme to Faculty members, students, Media and Public Relations, and to all the guests with approximately 200 attendees.

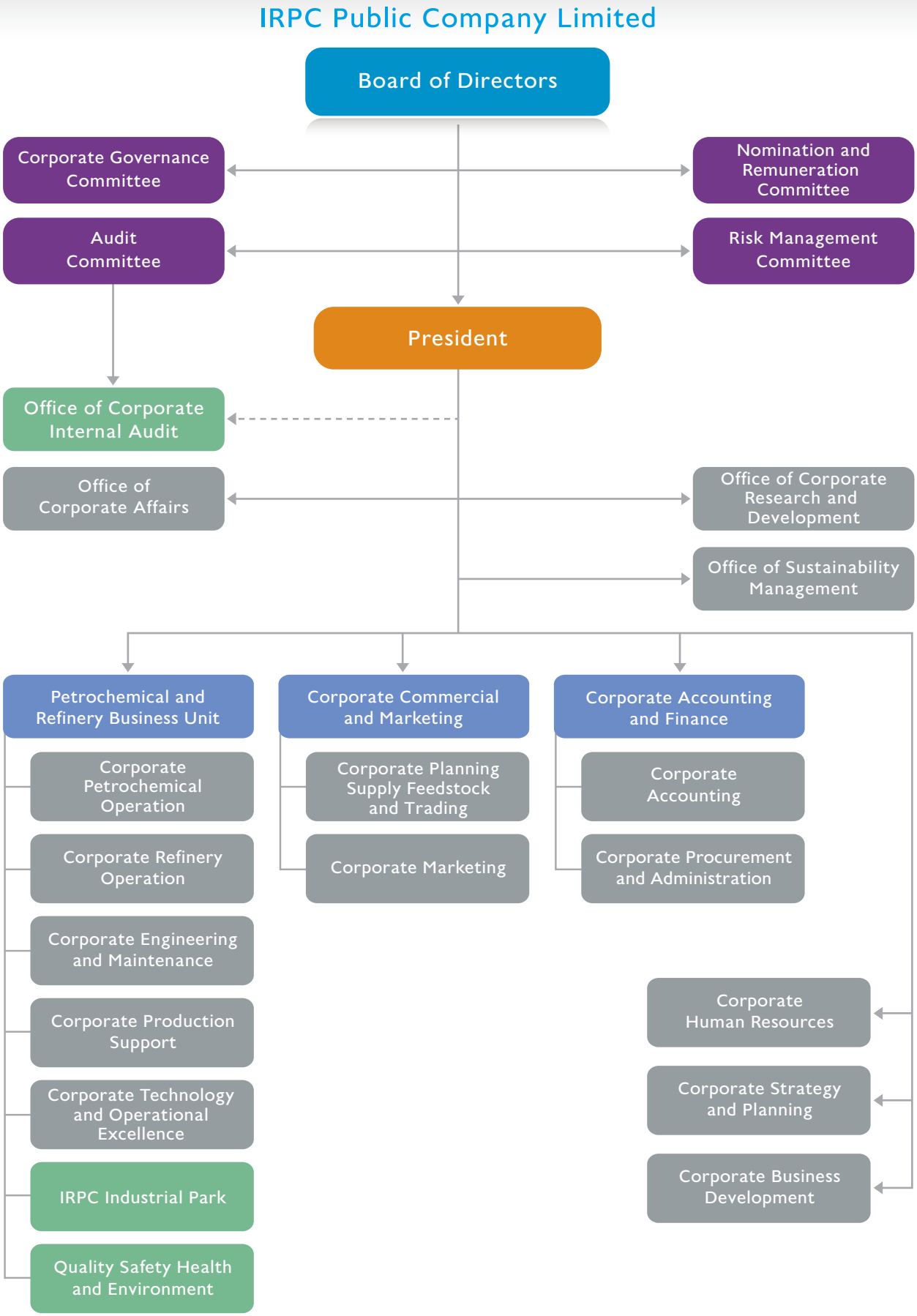
For future operations, the Company is now shaping its solid working plan and procedures to serve the Anti-Corruption Scheme as sets of guidelines for the year 2015 to come. It will be focusing on developing its practices to evaluate the possible risks where there maybe areas of corruption act, monitoring its results, improving internal controls, firming the set out rules and regulations, and conducting campaigns and trainings to the executives and employees in Bangkok and Rayong branches, covering every division by the year end of 2016.

The Company is committed to implement the scheme with the supports from all divisions from the whole organization to be the corruption-free organization, resulting in the Company to raise a strong sustainable growth and achieve its future goals.

MANAGEMENT STRUCTURE

Organization Structure
Management Structure
IRPC Information

Organization Structure



Management Structure

IRPC's organization structure consists of the Board, Sub-committees, and the management. As of 31 December 2014, the Board consisted of 15 directors (seven of whom were independent directors).

	Name	Current Position in the Board / Sub-committees
1.	Mr. Pailin Chuchottaworn [1]	Chairman
2.	Mr. Cherdpong Siriwit	Independent Director / Chairman of Audit Committee
3.	Mr. Woothisarn Tanchai	Independent Director / Chairman of Nomination and Remuneration Committee / Member of Risk Management Committee
4.	Mr. Watcharakiti Watcharothai [2]	Independent Director/ Chairman of Corporate Governance Committee
5.	Mr. Surong Bulakul	Director / Member of Nomination and Remuneration Committee
6.	Mr. Sarun Rungkasiri	Director / Chairman of Risk Management Committee
7.	Mr. Kritsda Udyanin [2]	Independent Director / Member of Audit Committee
8.	Mr. Songpope Polachan	Independent Director / Member of Nomination and Remuneration Committee
9.	Mr. Trumph Jalichandra	Independent Director / Member of Audit Committe
10.	Mr. Pramual Chanpong [3]	Director / Member of Corporate Governance Committee
11.	Mr. Somnuk Bomrungsalee [4]	Director
12.	Mr. Sombat Narawutthichai [2]	Director
13.	Lt. Gen. Sasin Thongpakdee [5]	Independent Director / Member of Corporate Governance Committee
14.	Mr. Prasit Suebchana [6]	Director
15.	Mr. Sukrit Surabotsopon	Director / Member of Risk Management Committee / President / Secretary of the Board of Directors

Note:

(1) Mr. Pailin Chuchottaworn was appointed following the resolution of the Board meeting no. 9/2014 on 29 August 2014, replacing Mr. Narongkorn Chawansantati who resigned.

(2) Mr. Watcharakiti Watcharothai, Mr. Kritsda Udyanin, and Mr. Sombat Narawuttichai were re-appointed for another term following the resolution of the 2014 AGM on 9 April 2014.

(3) Mr. Pramual Chanpong was appointed following the resolution of the Board meeting no. 4/2014 on 1 April 2014, replacing Mr. Wichit Plangsrisakul who resigned.

(4) Mr. Somnuk Bomrungsalee was appointed following the resolution of the 2014 AGM on 9 April 2014.

(5) Lt. Gen. Sasin Thongpakdee was appointed following the resolution of Board meeting no. 9/2014 on 29 August 2014, replacing Mr. Jade Thanawat who resigned.

(6) Mr. Prasit Suebchana was appointed following the resolution of Board meeting no. 12/2014 on 18 November 2014, replacing Mr. Worawit Chailimpamontri who resigned.

Directors authorized to sign for IRPC

Under IRPC's Registration Certificate of the Department of Business Development dated 19 January 2015, the directors authorized to sign on behalf of IRPC comprise of Mr. Woothisarn Tanchai, Mr. Watcharakiti Watcharothai, Mr. Sukrit Surabotsopon, Mr. Surong Bulakul and Mr. Sarun Rungkasiri. The signatures of two of these five are required together with IRPC's Seal affixed.

Composition and Qualifications of the Board

1. The Board consists of 5-17 directors, with at least half residing in Thailand. Directors' qualifications must meet the requirements of the Public Limited Company Act.

2. Directors must not be older than 70.

3. Directors must be duly qualified and be without the prohibitions stated in the Public Limited Company Act and the Securities and Exchange Act, the Capital Market Advisory Board's notifications, SEC's and SET's rule and regulations, IRPC's Articles of Association and Corporate Governance principles, and other related laws and regulations. Also, they must be free from any questionable traits for running IRPC's businesses.

4. Directors must be duly qualified and be without the prohibitions according to the Cabinet resolution on 24 January 2011 on the appointment of high-ranking government officers and the appointment of directors in state enterprises, and/or juristic persons with public enterprises as shareholders.

5. Independent directors must account for at least a third of the Board, and there must be at least three of them on the Board.

6. Directors must command knowledge, skills, capacity, and experience in various professions so that the composition of the Board is equipped with qualified persons in necessary fields to address the corporate strategy for the utmost benefit and value added of IRPC and the shareholders. As a minimum, there must be three petroleum and petro chemical experts, one legal expert, and one accounting and finance expert on the Board.

7. Directors must command characteristics and personal images complementary and supportive of their work in corporate governance to add value to IRPC, including ethic, integrity, independency, assertiveness, creativity, capability to perform the duty of care and duty of royalty with dedication, and are socially acceptable.

8. For former directors, past performance, dedication, as well as useful opinions and recommendations made will be also considered.

9. Directors can serve up to three consecutive terms (nine years). Outstanding directors may be proposed for a longer office term based on their independency, capability and efficiency, to be reviewed before proposing to the shareholders.

Term of Office

Each term of office for directors is three years, under the law and IRPC's Articles of Associations.

Appointment and Dismissal

Under IRPC's Articles of Associations, appointment and dismissal of directors are summarized as follows:

Appointment

1. Shareholders appoint directors. The Nomination and Remuneration Committee screens appropriate candidates and tables a list:

   (1) One shareholder carries one vote per share.

   (2) To elect directors, votes can be cast for individual candidates or a collective vote can be cast for the entire number of directors to be elected, as seen appropriate by the shareholders' meeting. Each candidate, by individual or collective voting, is allowed to receive the number of votes in accordance with the total number of shares held by each shareholder under (1). Shareholders cannot split their votes in favor of other candidates.

   (3) Successful candidates are ranked by the number of votes received, the number of whom matches the number of directors to be elected. If candidates get equal votes, which makes the number of successful candidates exceed that of directors to be elected, the Chairman of that meeting will cast a decisive vote.

2. The Board selects one member as the Chairman and can also select one or more members to be his/her Vice Chairman to act as stipulated in IRPCs Articles of Associations and as assigned by the Chairman.

3. If any vacancies on the Board exist for any reasons other than term expiry, the Board must select a qualified person without prohibited qualities in their following meeting. If the remaining term is less than two months, the newly elected director will stay in office for the remaining term of the former. The resolution of the Board on this matter must consist of no less than three-quarters of the votes of the remaining directors.

4. If the number of vacancies on the Board reduces its composition to less than the Board's quorum, the existing directors are allowed only to call, on behalf the Board, a shareholders' meeting to elect the replacements for all vacancies. The shareholders' meeting must be held within one month from the date of such vacancy. The newly elected directors will stay in office only for the remaining terms of the former.

Dismissal

1. As a rule, directors complete their three-year terms. IRPC's Articles of Association require that at all AGMs, one-third of the directors are to be dismissed. If the number of directors is not a multiple of three, the number of dismissal will be made closest to one-third of those due for dismissal. Dismissal must be done by drawing lots for the first and second years after IRPC's registration. For the following years, directors serving the longest will be dismissed. Dismissed ones may, however, be re-elected.

2. In addition to term completion, directorship ends by death, resignation, a lack of qualifications, or being found with prohibitions by law, the resolution of the shareholders' meeting, or court verdict.

3. Directors who wish to leave the post must tender their resignation to IRPC.

Duties and Responsibilities

The Board is bound to manage IRPC in all aspects of its operations under the law, IRPC's objectives and regulations, shareholders' meeting resolutions, and corporate governance. Their major duties and responsibilities are summarized below:

1. Ensure that the balance sheet and the profit and loss account are made at the end of IRPC's fiscal year.

2. Ensure that the balance sheet and the profit and loss account are reviewed by auditors and the documents are tabled to the AGM within four months from the fiscal year-end. Copies of IRPC's balance sheet and the profit and loss account, having been certified by auditors, together with their report and the Board's annual report, must be delivered to all shareholders whose names appear in the shareholders'' registration book at least seven days before the next shareholders' meeting date.

3. Call for a Board meeting at least once every three months.

4. Appoint and dismiss staff. The Board may assign one director or more to perform this duty.

5. Consider cash rewards for staff, contractors, and other parties working for the interests of IRPC.

6. Consider payment of the interim dividend.

7. Arrange for an AGM within four months from the end of each fiscal year.

8. Ensure compliance with the law, IRPC's objectives and regulations, and the resolutions of shareholders' meetings. The Board may appoint one director or more, or may appoint other parties to act for the Board.

In performing their responsibilities on the following matters, the Board must receive approval from the shareholders by votes of no less than three-fourths (3/4) of the total number of votes cast by eligible shareholders present.

1. Sale or transfer of the entire or essential parts of IRPC's businesses to other parties.

2. Purchase or acquisition of businesses of other companies or private companies.

3. Making, amending, or terminating the entire or essential parts of agreements on the lease of IRPC's businesses.

4. Assigning other parties to manage IRPC's business.

5. Merger of IRPC's business with other parties for profit/loss sharing.

6. Making amendments to IRPC's Memorandums of Association or Articles of Association.

7. Increase or decrease of IRPC's registered capital or issuance of debentures.

8. Merger or dissolution of IRPC.

Independent Directors

Independent directors are those independent of major shareholders and their alliances as well as IRPC's management members. In performing their duties, independent directors are free to provide opinions to protect the interests of all shareholders and stakeholders. Under the Capital Market Supervisory Board's rules and for good corporate governance, independent directors make up over one-third of the entire Board.

Qualifications stipulated by IRPC for independent directors are more stringent than those of SEC and SET:

1. Hold not more than 0.5% of the voting shares in IRPC, its subsidiaries, associated companies, major shareholders, or persons with controlling power over IRPC. Shares held by parties related to independent directors must also be included.

2. Are not or have not been directors involved in the management, employees, wage earners, or advisers on the payroll of IRPC, or any persons with controlling power over IRPC, its subsidiaries, associated or equivalent companies, major shareholders, or persons with controlling power over IRPC, except such qualifications have ended for at least two years, provided that such restrictions do not apply to independent directors who have been government officers or advisers of government agencies which are IRPC's major shareholders , or of a person with controlling power over IRPC.

3. Are not related by blood or by legal registration as parents, spouses, siblings, or children, spouses of the children of management members, major shareholders, persons with controlling power, or persons about to be nominated as management members or about to exercise controlling power over IRPC or its subsidiaries.

4. Do not have or have not had any business relation with IRPC, subsidiaries, associated companies, major shareholders, or persons with controlling power over IRPC to an extent that such independent directors' discretion may be compromised, as well as are not or have not been substantial shareholders or persons with controlling power over the person with business relation with IRPC, subsidiaries, associated companies, major shareholders, or persons with controlling power over IRPC, unless such independent directors have been a person referred to above for more than two years.

Business relations referred to in the first paragraph above include any ordinary course of business transactions, any rental or lease of properties, transactions relating to assets or services, or any financial support or acceptance of financial support by way of either lending, borrowing, guaranteeing, collateral providing, or any other manners similar to it that could result in an obligation required to be performed by the applicant or the party to it for three percent or more of the net tangible asset value of the application or 20 million baht or more, whichever is lesser. The method for calculating the value of connected transactions under the Capital Market Supervisory Board's notification on Rules of Entering

into Connected Transactions must be applied mutatis mutandis in the calculation of the amount of debt of the applicant. In calculating such debt, the debt incurred during the past year leading to the date on which such business relation with such person exists must also be included.

5. Are not or have not been auditors of IRPC, subsidiaries, associated companies, major shareholders, or of persons with controlling power over IRPC, and are not substantial shareholders, persons with controlling power, or partners of any audit firms or offices which the auditors of IRPC, subsidiaries, associated companies, major shareholders, or persons with controlling power over IRPC work for, unless such independent directors have been a person referred to above for more than two years.

6. Are not or have not been professional advisers, including legal or financial advisers with a service fee of over 2 million baht per year from IRPC, subsidiaries, associated companies, major shareholders, or persons with controlling power over IRPC, and are not substantial shareholders, persons with controlling power, or partners of such professional service providers, unless such independent directors have been a person referred to above for more than two years.

7. Are not directors appointed as a representative of a director of IRPC, a representative of a major shareholder of IRPC, or a representative of a shareholder who is related to the major shareholder of IRPC.

8. Do not engage in any similar business in competition with IRPC or subsidiaries, and are not substantial partners in a partnership, directors with a managing role, employees, wage earners, or advisers hired on the monthly payroll.

9. Must not have any characteristics which will compromise the ability to provide independent comments on the operation of IRPC.

If any independent director is out of office, IRPC will nominate a person with appropriate qualifications and those of independent directors to replace as the first option and will maintain the total number of independent directors under the regulations of the Capital Market Supervisory Board and corporate governance principles. However, if other directors command the required qualifications, they will automatically become an independent director of IRPC.

Roles and Responsibilities of the Chairman

To segregate policy making duties form those of day-to-day management, the Company has required that the Chairman and the President are always two different people. The Chairman's roles and responsibilities are as follows:

1. Call and chairing the meetings of the Board, the meeting of shareholders, and jointly with the President to decide the agenda of each meeting.

2. Ensure each meeting's efficiency and comply with laws, regulations and the Company's article of associations, as well as allowing directors' queries and expression of free views.

3. Encourage the Board to do their duties effectively in conformance with the corporate governance principles.

4. Oversee the performance of Boards and the sub-committees.

5. In the case of an equality of votes in the directors' meeting, the chairman shall have a casting vote.

Sub-Committees

In compliance with corporate governance, the Board has appointed four standing subcommittees (or committees), each of which is assigned to consider and oversee specific critical matters in their respective areas carefully and efficiently before submitting the recommendations and opinions to the Board for consideration. Each subcommittee is structured as detailed below:

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1. Audit Committee

The Audit Committee consists of three independent directors:

(1) Mr. Cherdpong Siriwit	Chairman
(2) Mr. Trumph Jalichandra	Member
(3) Mr. Kritsda Udyanin	Member

The three independent directors are duly qualified under the Capital Market Supervisory Board's notification and there is at least one director possessing sufficient knowledge and experience to review the reliability of the budget with adequate capability and experience to check the reliability of the financial statement.

Mr. Thaweesak Dejakaisaya, Executive Vice President, Office of Corporate Internal Audit, serves as Secretary.

Term of Office

The Audit Committee has a three-year term of office. Members who complete their terms of office may be reappointed.

Duties and Responsibilities

The Audit Committee performs their duties and responsibilities under an SET's announcement on the qualifications and scope of work of audit committees, B.E. 2551 (2008), and as assigned by the Board, as detailed below:

1. Review IRPC's quarterly and annual financial reports to ensure their accuracy and arrange for their appropriate disclosure by coordinating with external auditors and management members responsible for preparing the reports.

2. Review IRPC's internal control and internal audit systems to ensure their suitability and effectiveness while considering the independence of the internal audit unit.

3. Review IRPC's operations to ensure compliance with the Securities and Exchange Act, SET's regulations, and other laws relating to IRPC's businesses.

4. Select and nominate independent auditors and make recommendations on their fees, and hold a meeting with the auditors in the absence of the management at least once a year.

5. Review IRPC's connected transactions or any other transaction with possible conflicts of interest to ensure compliance with legislation and SET's regulations, and ensure justification of such transactions and the highest benefit for IRPC.

6. Arrange for an internal audit report to be included in IRPC's annual report. The report must be signed by the Chairman of the Audit Committee and must at least contain the following information:

6.1 Comments on the accuracy, completeness, and reliability of IRPC's financial reports.

6.2 Comments on the sufficiency of IRPC's internal control system.

6.3 Comments on compliance with the Securities and Exchange Act, SET's regulations, and any other legislation related to IRPC's businesses.

6.4 Comments on the suitability of internal auditors.

6.5 Comments on transactions with possible conflicts of interest.

6.6 The number of Audit Committee meetings and attendance record of each member.

6.7 Overall comments or observations on the Audit Committee's performance under the charter.

6.8 Other information useful for shareholders or general investors within the scope of work assigned by the Board.

7. Perform any other matters assigned by the Board with the consent of the Audit Committee.

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2. Nomination and Remuneration Committee

The Nomination and Remuneration Committee consists of three directors, at least one of whom must be an independent director:

(1) Mr. Woothisarn Tanchai (Independent Director)	Chairman
(2) Mr. Songpope Polachan (Independent Director)	Member
(3) Mr. Surong Bulakul	Member

Miss Monwipa Choopiban, acting Executive Vice President, Corporate Affairs and Company Secretary, serves as Secretary.

Term of Office

The Nomination and Remuneration Committee has a three-year term of office. Members who complete their terms of office may be reappointed.

Duties and Responsibilities

The Nomination and Remuneration Committee nominates candidates for new directors or President, while providing opinions for the Board, which in turn proposes the nominees to the shareholders' meeting for consideration.

1. Establish procedures and criteria for nomination of directors or President.

2. Consider and approve director's remuneration structure such as salary, bonus, benefits, meeting allowances and awards and other remuneration both monetary and non-monetary that suit the business type.

3. Consider and establish regulations, guidelines, nomination and remuneration methods for the Board, and the President transparently, fairly and reasonably.

4. Select suitable persons to nominate as directors, both in case of vacancy and the member's term completion.

5. Consider the annual director's remuneration to propose to the Board and the shareholders for consideration.

6. Consider the performance assessment criteria for the President and propose to the Board for approval.

7. Assess the Nomination and Remuneration Committee's annual operation result and report the result to the Board.

8. Conduct any other duty involving with nomination and remuneration of directors and the President.

3. Corporate Governance Committee

The Corporate Governance Committee consists of three directors, at least one of whom must be an independent director:

(1) Mr. Watcharakiti Watcharothai (Independent Director)	Chairman
(2) Mr. Pramual Chanpong	Member
(3) Lt. Gen. Sasin Thongpakdee (Independent Director)	Member

Miss Monwipa Choopiban, acting Executive Vice President, Corporate Affairs and Company Secretary, serves as Secretary.

Term of Office

The Corporate Governance Committee has a three-year term of office. Members who complete their terms of office may be reappointed.

Duties and Responsibilities

1. Propose corporate governance practices to the Board.

2. Control the Board's operation and the management according to corporate governance principles and propose effective anti-corruption prevention policies, measures and methods suitable to the business and the organization to the Board.

3. Revise corporate governance practices comparing to international standards and propose the practices to the Board to improve.

4. Approve the annual corporate government plan for the Company.

4. Risk Management Committee

The Risk Management Committee is established to ensure the flow of the Company's operation with excellent result and compliant to policies set by the Board and shareholders by considering of the risk situation in the present and future and adapting to the Company's vision, mission, business ethics and corporate governance.

Risk Management Committee

Consists of 3 directors:

(1) Mr. Sarun Rungkasiri	Chairman
(2) Mr. Woothisarn Tanchai (Independent Director)	Member
(3) Mr. Sukrit Surabotsopon	Member

Mr. Sirimeth Leepagorn, Executive Vice President, Corporate Planning, serves as Secretary.

Term of Office

The Risk Management Committee Committee has a three-year term of office. Members who complete their terms of office may be reappointed.

Duties and Responsibilities

1. Establish policies and suggest guidelines for managing risk involving with business operation suitably and effectively.

2. Establish risk management plans and processes for the whole organization.

3. Consider principles for financial tools, derivatives and contracts (such as trading future contracts, price difference contracts to lessen risk for the Company).

4. Develop an effective risk management system for the whole organization.

5. Follow up and assess the application of risk management methods in the whole organization.

6. Regularly report the risk assessment result and risk reduction operation to the Board. In case of serious incident that significantly affects the Company, the issue should be reported to the Board for consideration as fast as possible.

7. Support Risk Manager in operating and assessing main factors in risk management to follow the Corporate Plan and to be equivalent with the leading companies.

8. Conduct any other duty as assigned by the Board.

9. Establish a policy and suggest a guideline for managing risks involving with the Company's operation suitably and effectively.

10. Establish a risk management plan and risk management procedures for the whole organization.

11. Consider principles, financial tools, derivatives and contracts (such as trading future contracts, price difference contracts to lessen risk for the Company).

12. Develop an effective risk management system for the whole organization.

13. Follow up and assess the application of risk management methods in the whole organization.

14. Regularly report the risk assessment result and risk reduction operation to the Board. In case of serious incident that significantly affects the Company, the issue should be reported to the Board for consideration as fast as possible.

15. Support Risk Manager in operating and assessing main factors in risk management to follow the Corporate Plan and to be equivalent with the leading companies.

Risk Management

The Board assigned the Risk Management Committee to provide oversight of risk management. The Board provides an overall policy, while the Audit Committee reviews the practices. In addition, the Board has appointed management-level risk management committees to examine and directly control risk management, namely the Enterprise Risk Management Committee, chaired by the President and 2. Supply Chain and Finance Risk Management, chaired by the Senior Executive Vice President (Corporate Accounting and Finance). These committees are to ensure risk assessment analytical exercises, covering potential impacts on IRPC (external and internal), and to provide risk management reports to the Audit Committee and Risk Management Committee for review before submission to the Board.

Nomination of Directors and Management Members

The Nomination and Remuneration Committee was appointed by the Board to screen qualified, suitable directors for the Board or the shareholders to appoint, as applicable. IRPC makes it possible for shareholders to nominate their choices as directors. As for the nomination of IRPC executives, the Board has assigned the President to appoint qualified, experienced persons to such posts. Note that all nominees must not have prohibited qualities as specified by law. Procedures for Nomination of Directors are as follows:

Nomination Processes

When the Nomination and Remuneration Committee select the list of persons nominated as directors, the Nomination and Remuneration Committee will consider their required qualifications as follow:

1. Consider the suitability of their knowledge, experience, specific skills which the Board of Directors lack of at that time or useful for the Company and conformity to the Company's business operation direction and also consider the diversity of gender, age, expertise, skill, and experience to have effective Board of Directors.

2. Check the qualifications required by laws and regulations of the governance office.

3. Consider the Board's dedication (in case of ex-director), a number of registered companies in which each director has a position, and the cabinet's resolution on 24 January 2011 involving with government enterprise's anti-corruption measures, high-level government officer or persons in the position of director in many government enterprises.

4. In case of independent director nomination, independency should be considered based on SEC's and the Company's regulations, as well as necessity in nominating more independent directors.

5. Consider the independent directors' term of office. If the director is reappointed, his consecutive term of office should not exceed nine years.

6. Sound out the persons with qualifications matched the rules, to ensure that the persons will be pleased to be appointed in the position of director if they are appointed.

7. Propose the list of persons considered, together with their qualifications and selection reasons, and put them in order to the Board for consideration.

For the sub-committe(s), the Nomination and Remuneration committee consider the qualifications, the sub-committees' composition and a criteria of the independent director and propose to the Board.

The Board's Meeting

The Company prepared the Board's meeting schedule in advance for the whole year. In 2014, the meeting was scheduled once a year on Tuesday in the third week of the month and there may be an additional special meeting as appropriate. The Company's Secretary will submit a meeting notice containing full details of meeting agenda adequate to help participation decision 5-7 days prior to the meeting. Also directors will have enough time to prepare themselves before joining the meeting.

In 2014, there were totally 13 Board of Directors' meetings, two independent directors' meetings, one meeting without an executive, and one meeting for setting and revising the organization's vision, directions and strategies. In every meeting, the Chairman gives a chance to the Board to freely expressing their opinions.

In every meeting, to follow the corporate governance policy, the directors who are related or involved in interest of each meeting agenda will not participate in the meeting or abstain in the agenda. This will be clearly recorded in the minutes.

The Board of Directors' Authority

1. To approve the corporate's vision, mission, short-term and long-term plans and important policies such as risk management policy, Anti-corruption policy, financial goals, and annual corporate budget.

2. To approve the principles and directions of the corporate finance and investment.

3. To approve the procurement's financial amount which exceed the President's authority.

4. To approve the significant business operations under the Company's business objectives, article of associations, and the shareholders' meeting resolutions and also approve significant commented transactions follows SET's rules and regulations.

5. To approve interim dividend payment to shareholders and approve remuneration for employee.

6. To approve the President's performance evaluation and remuneration.

7. To nominate the management to serve as directors in subsidiaries and associated companies.

Meeting Attendance of the Board and Subcommittees in 2014

	Name	Board (15 directors) Number of meetings throughout the year: 13	Executive Committee (5 directors) Number of meetings throughout the year: 8	Audit Committee (3 directors) Number of meetings throughout the year: 12	Corporate Governance Committee (3 directors) Number of meetings throughout the year: 7	Nomination and Remuneration Committee (3 directors) Number of meetings throughout the year: 9
1.	Mr. Pailin Chuchottaworn (1)	4/4	-	-	-	-
2.	Mr. Cherdpong Siriwit	13/13	-	12/12	6/6	-
3.	Mr. Woothisarn Tanchai	13/13	8/8	-	-	9/9
4.	Mr. Watcharakiti Watcharothai	12/13	-	-	4/4	-
5.	Mr. Surong Bulakul	12/13	7/8	-	-	8/9
6.	Mr. Sarun Rungkasiri	13/13	7/8	-	-	-
7.	Mr. Sombat Narawuttichai (2)	10/12	-	-	-	-
8.	Mr. Songpope Polachan	13/13	-	-	-	9/9
9.	Mr. Kritsda Udyanin	12/13	-	2/2	-	-
10.	Mr. Trumph Jalichandra	13/13	-	12/12	-	-
11.	Mr. Somnuk Bomrungsalee (3)	8/9	-	-	-	-
12.	Mr. Pramual Chanpong (4)	8/9	-	7/7	1/1	-
13.	Lt. Gen. Sasin Thongpakdee (5)	4/4	-	-	1/1	-
14.	Mr. Prasit Suebchana (6)	1/1	-	-	-	-
15.	Mr. Sukrit Surabotsopon	13/13	8/8	-	-	-
16.	Mr. Chainoi Puankosoom (7)	6/6	6/6	-	-	-
17.	Mr. Wichit Plangsrisakul (8)	1/1	-	-	1/1	-
18.	Lt. Gen. Preecha Wanarat (8)	1/1	-	1/1	-	-
19.	Gen. Udomdej Sitabutr (9)	5/7	-	-	-	-
20.	Mr. Narongkorn Chawansantati (10)	9/9	-	-	-	-
21.	Mr. Jade Thanawat (10)	9/9	-	-	3/4	-
22.	Mr. Worawit Chailimpamontri (10)	6/9	-	-	-	-

Note:

(1) Mr. Pailin Chuchottaworn was appointed following the resolution of the Board meeting No. 9/2014 on 1 September 2014.

(2) Mr. Sombat Narawutthichai was appointed following the resolution of the Board meeting No.1/2014 on 29 January 2014.

(3) Mr. Somnuk Bomrungsalee was appointed following the resolution of the 2014 AGM on 9 April 2014.

(4) Mr. Pramual Chanpong was appointed following the resolution of the Board meeting No. 4/2014 on 1 April 2014.

(5) Lt. Gen. Sasin Thongpakdee was appointed following the resolution of the Board meeting No. 9/2014 on 1 September 2014.

(6) Mr. Prasit Suebchana was appointed following the resolution of the Board meeting No. 12/2014 on 18 November 2014.

(7) Mr. Chainoi Puankosoom tendered his resignation as member of the Board, with effect from 17 June 2014 (status as member of subcommittee(s) automatically terminated).

(8) Mr. Wichit Plangsrisakul, Lt. Gen. Preecha Wanarat tendered his resignation as member of the Board, with effect from 1 February 2014 (status as member of subcommittee(s) automatically terminated).

(9) Gen. Udomdej Sitabutr tendered his resignation as member of the Board, with effect from 1 July 2014.

(10) Mr. Narongkorn Chawansantati Mr. Jade Thanawat Mr. Worawit Chailimpamontri tendered his resignation as member of the Board, with effect from 31 August 2014.

(11) The Board of Directors in the meeting No. 11/2014 on 21 October 2014 had the resolution to cancel the Executive Committee and appointed the Risk Management Committee. In 2014, the Risk Management Committee did not hold any meeting.

Directors' Remuneration

The Board appoints the Nomination and Remuneration Committee to consider the compensation guidelines for the Board and the subcommittees as proposed to the Board:

1. The compensation is divided into monthly pay and meeting allowance.

2. The compensation is based on the the responsibilities and performance of the directors and IRPC's operating performance, and it should be comparable to peer companies with a comparable size and business risks as well as comparable to the compensation criteria surveyed by Thai Institute of Directors (IOD).

3. The committee defines the scope of work for directors and subcommittees.

4. The Chairman of the Board and the Chairmen of the subcommittees are entitled to an additional 30% compensation of the other directors.

5. Members of the Audit Committee, Nomination and Remuneration Committee, and Corporate Governance Committee and the Risk Management Committee, as well as other subcommittees to be established, are entitled to only the meeting allowances for the meetings attended.

The 2014 AGM (Annual General Meeting) held on 9 April 2014 approved the compensation of the Board and subcommittees at the same rate of those of 2013 as detailed below:

(The directors' compensation rate was comparable to the medium of companies of the Resource Group, according to the survey of directors' compensation in 2014 by IOD)

Board and subcommittees' compensation in 2014

Directors	Monthly compensation/person	Meeting allowance/person
1. Board		
Chairman	60,000 Baht	60,000 Baht
Director	45,000 Baht	45,000 Baht
2. Subcommittees consist of Audit Committee , Nomination and Remuneration Committee, Corporate Governance Committee, Risk Management Committee, and other committees to be established		
Chairman	-	60,000 Baht
Director	-	45,000 Baht

Bonuses for Directors: To be determined by taking into account the reference base of peer companies as well as business expansion and profit growth.

The 2014 AGM approved bonuses for directors for the performance of 2014 in the amount of 8 million baht or 0.97% of net profits. The bonuses are paid to each director depending on their meeting attendance. The Chairman's bonus will be 30% more than that of director.

The Directors' Remuneration must be approved by the shareholders in the Annual General Meeting every year.

In 2014, the compensation received by each director is summarized below:

(Unit: Baht)

	Name	Monthly compensation	Meeting allowance for Board	Meeting allowance for subcommittees	Bonus	Total
1.	Mr. Pailin Chuchottaworn [1]	232,500	240,000	-	176,056	648,556
2.	Mr. Cherdpong Siriwit	540,000	585,000	1,080,000	492,957	2,697,957
3.	Mr. Woothisarn Tanchai	540,000	585,000	900,000	422,535	2,447,535
4.	Mr. Watcharakiti Watcharothai	540,000	540,000	195,000	492,957	1,767,957
5.	Mr. Surong Bulakul	540,000	540,000	675,000	176,056	1,931,056
6.	Mr. Sarun Rungkasiri	540,000	585,000	315,000	70,422	1,510,422
7.	Mr. Sombat Narawuttichai [2]	499,355	450,000	-	-	949,355
8.	Mr. Songpope Polachan	540,000	585,000	405,000	352,112	1,882,112
9.	Mr. Kritsda Udyanin	540,000	540,000	90,000	492,957	1,662,957
10.	Mr. Trumph Jalichandra	540,000	585,000	540,000	492,957	2,157,957
11.	Mr. Somnuk Bomrungsalee [3]	393,000	360,000	-	-	753,000
12.	Mr. Pramual Chanpong [4]	405,000	360,000	360,000	-	1,125,000
13.	Lt. Gen. Sasin Thongpakdee [5]	180,000	180,000	45,000	-	405,000
14.	Mr. Prasit Suebchana [6]	64,500	45,000	-	-	109,500
15.	Mr. Sukrit Surabotsopon	540,000	585,000	360,000	105,633	1,590,633
16.	Mr. Chainoi Puankosoom [7]	334,000	360,000	360,000	457,746	1,511,746
17.	Mr. Wichit Plangsrisakul [8]	45,000	45,000	45,000	352,112	487,112
18.	Lt. Gen. Preecha Wanarat [8]	45,000	45,000	45,000	492,957	627,957
19.	Gen. Udomdej Sitabutr [9]	270,000	225,000	-	387,323	882,323
20.	Mr. Narongkorn Chawansantati [10]	360,000	405,000	-	492,957	1,257,957
21.	Mr. Jade Thanawat [10]	360,000	405,000	135,000	492,957	1,392,957
22.	Mr. Worawit Chailimpamontri [10]	360,000	270,000	-	387,323	1,017,323
	Total	**8,408,355**	**8,520,000**	**5,550,000**	**6,338,017**	**28,816,372**

Note: **(Apart from the above remuneration, the Company does not pay any compensation or benefits in other form to directors)**

(1) Mr. Pairin Chuchottaworn was appointed following the resolution of the Board meeting NO. 9/2014 on 1 September 2014.
(2) Mr. Sombat Narawuttichaiwas appointed following the resolution of the Board meeting NO. 1/2014 on 29 January 2014.
(3) Mr. Somnuk Bomrungsalee was appointed following the resolution of the 2014 AGM on 9 April 2014.
(4) Mr. Pramual Chanpong was appointed following the resolution of the Board meeting NO. 4/2014 on 1 April 2014.
(5) Lt. Gen. Sasin Thongpakdee was appointed following the resolution of the Board meeting NO. 9/2014 on 1 September 2014.
(6) Mr. Prasit Suebchana was appointed following the resolution of the Board meeting NO. 12/2014 on 18 November 2014.
(7) Mr. Chainoi Puankosoom tendered his resignation as member of the Board, with effect from 17 June 2014 (status as member of subcommittee(s) automatically terminated).
(8) Mr. Wichit Plangsrisakul Lt. Gen. Preecha Wanarat tendered his resignation as member of the Board, with effect from 1 February 2014 (status as member of subcommittee(s) automatically terminated).
(9) Gen. Udomdej Sitabutr tendered his resignation as member of the Board, with effect from 1 July 2014.
(10) Mr. Narongkorn Chawansantati Mr. Jade Thanawat Mr. Worawit Chailimpamontri tendered his resignation as member of the Board, with effect from 31 August 2014.

IRPC's management list under the Capital Market Supervisory Board's announcement No. 23/2551 and number of shares held by the directors during 2014

No.	Name [1]	As of 31 Dec 2013 Paid-up capital 20,434,419,246 Baht	As of 31 Dec 2014 Paid-up capital 20,434,419,246 Baht	Number of share increase (decrease) during the year
		Shareholding/ number of shares	Shareholding/ number of shares	
1.	Mr. Pailin Chuchottaworn [2]	-	0.00005 10,000	-
	Spouse	-	0.00044 90,000	-
2.	Mr. Cherdpong Siriwit	-	-	-
	Spouse	-	-	-
3.	Mr. Woothisarn Tanchai	-	-	-
4.	Mr. Watcharakiti Watcharothai	0.00127 260,250	0.00127 260,250	-
	Spouse	-	-	-
5.	Mr. Surong Bulakul	0.00017 35,000	0.00017 35,000	-
	Spouse and children under legal age	-	-	-
6.	Mr. Sarun Rungkasiri	-	-	-
	Spouse	-	-	-
7.	Mr. Kritsda Udyanin	-	-	-
8.	Mr. Songpope Polachan	-	-	-
	Spouse	-	-	-
9.	Mr. Trumph Jalichandra	-	-	-
	Spouse	-	-	-
10.	Mr. Pramual Chanpong	-	-	-
	Spouse	-	-	-
11.	Mr. Somnuk Bomrungsalee	-	-	-
	Spouse	-	-	-
12.	Mr. Sombat Narawutthichai	-	-	-
	Spouse	-	-	-
13.	Lt. Gen. Sasin Thongpakdee	-	-	-
	Spouse	-	-	-
14.	Mr. Prasit Suebchana	-	-	-
	Spouse	-	-	-
15.	Mr. Sukrit Surabotsopon [3]	0.02447 5,000,000	0.02936 6,000,000	1,000,000
	Spouse	-	-	-

Note: (1) IRPC's management list as of 31 December 2014.
(2) Mr. Pailin Chuchottaworn was appointed as a committee following the resolution of the Board meeting NO. 9/2014 on 29 August 2014.
(3) Mr. Sukrit Surabotsopon bought 1,000,000 shares on 16 December 2014.

Company Secretary

Under the Securities and Exchange Act, B.E. 2535 (1992), amended in B.E. 2551 (2008), and the corporate governance principles of registered companies, the Board appointed a Company Secretary to perform duties under Article 89/51 of the above-mentioned act and the announcements of the Capital Market Supervisory Board.

The Company Secretary must perform with accountability, care, and integrity, in compliance with the law, IRPC's objectives and regulations, and resolutions of the Board and shareholders' meetings. The main duties and responsibilities are summarized as follows:

- Provide to directors recommendations about laws and IRPC's rules and regulations, and ensure that IRPC's businesses comply with the laws and regulations, and report to the Board any significant changes.
- Arrange Board Meetings and Shareholders's Meetings in compliance with the IRPC's regulations, as well as general practices.
- Prepare the minutes of the Board's Meetings and Shareholders's Meetings and ensure that their resolutions are complied with and carried out.
- Ensure that the information and data under his/her responsibilities are disclosed to regulators and governing units as required.
- Prepare and file important documents, director registration, Board meeting notices, minutes of the meeting of the Board, IRPC's annual report, invitation to shareholders' meetings, reports on conflicts of interest by directors and executives, and other duties defined by the Capital Market Supervisory Board and related laws.

Secretary of Audit Committee

For efficiency and compliance of good corporate governance, the Audit Committee appointed the secretary of Audit Committee to help with the Audit Committee's operation in meeting appointment, meeting agenda preparation, accompanying document submission and meeting minutes preparation by considering people with diverse knowledge, capability and working experiences, as well as independency in performing to help the Audit Committee.

Company Secretary

Miss Monwipa Choopiban

Company Secretary (since 24 January 2012 – present)

Shareholding: None

Education
- Bachelor of Education (English), Chulalongkorn University
- Master of Arts (English), Chulalongkorn University
- Master of Political Science (Political Communication), Political Communication College, Krirk University

Training record from the Thai Institute of Directors Association (IOD)
- Company Secretary Program
- Director Certificate Program (DCP)
- Director Certification Program Update (DCPU)

Other Training/Seminar
- Fundamental Practice for Corporate Secretary, Thai Listed Companies Association (TLCA)
- Fundamentals of Law for Corporate Secretaries, Thai Listed Companies Association (TLCA)
- CGR Workshop: Enhancing Good Corporate based on CGR Scorecard
- CSR Thailand Conference: CSR Roadmap for ASEAN
- London Global Convention on Corporate Governance and Sustainability Year 2011 and 2014
- Thailand's 5th National Conference on Collective Action Against Corruption (CAC)

Working experience
- Vice President, Corporate Compliance and Communication and Company Secretary PTT Aromatics and Refining Public Company Limited

Present
- Acting Vice President for Corporate Affairs, and Company Secretary, IRPC
- Secretary of Corporate Governance Committee
- Secretary of Nomination and Remuneration Committee
- Secretary of the Management Committee

Relationship between executives: N/A

Office of Internal Audit Manager and Secretary of Audit Committee

Mr. Taveesak Dejakaisaya

Position starting date: (Since 10 January 2014 – present)

Shareholding: None

Education
- Bachelor of Science (Economics), Kasetsart University
- Master of Business Administration, University of Central Oklahoma, USA
- Master of Economics, Middle Tennessee State University, USA

Working experience
- Manager, Department of intellectual property management
- Manager, Department of Quality, Safety, Occupational Health, and Environmental Management

Present
- Manager of Office of Internal Audit Manager and Secretary of Audit Committee

Relationship between executives: N/A

IRPC's director list under the Capital Market Supervisory Board's announcement No. 23/2551 and Number of Shares Held by the Management (as of 2 January 2015)

	Name [1]	Age	As of 31 December 2013 Paid-up capital 20,434,419,246 Baht	As of 2 January 2015 Paid-up capital 20,434,419,246 Baht	Share increase (decrease) during the year
			Shareholding/ Number of shares	Shareholding/ Number of shares	
1.	Mr. Sukrit Surabotsopon [2] President	57	0.02447 5,000,000	0.02936 6,000,000	1,000,000
	Spouse		-	-	-
2.	Mr. Peerapong Achariyacheevin [3] Senior Executive Vice President, Petrochemical & Refinery Business Unit	63	0.0411 840,000	0.00656 1,340,000	500,000
	Spouse		-	-	-
3.	Miss Duangkamol Settanung Senior Executive Vice President, Corporate Accounting & Finance	56	-	-	-
4.	Mr. Thammasak Panyowatkool Executive Vice President, Corporate Accounting	49	-	-	-
	Spouse and children under legal age		-	-	-
5.	Mr. Somkiat Lertritpuwadol Executive Vice President, Corporate Marketing	53	-	0.00145 295,580	-
	Spouse		-	0.00008 15,900	-
6.	Mrs. Srisuda Suralertrungsun Executive Vice President, Corporate Purchasing and Management	60	-	0.00226 462,109	-
	Spouse		-	-	-
7.	Mr. Kraisit Anukoolutaiwong Executive Vice President, Corporate Human Resources		-	0.00000 1	-
	Spouse and children under legal age		-	-	-
8.	Mr. Pongprapan Titathavewatana Executive Vice President, Refinery Business Unit	57	-	0.00129 264,478	-
	Spouse		-	-	-
9.	Mr. Chalor Panutrakul Executive Vice President, Corporate Business Development	57	-	-	-
	Spouse		-	-	-
10.	Mr. Pravet Assawadakorn Executive Vice President, Research and Development Unit	57	-	0.00051 103,600	-
	Spouse		-	0.00012 25,000	-
11.	Mrs. Awrapin Ketratanakul Executive Vice President, Sustainability Management Unit	56	-	0.00045 92,721	-
	Spouse		-	-	-

	Name [1]	Age	As of 31 December 2013 Paid-up capital 20,434,419,246 Baht	As of 2 January 2015 Paid-up capital 20,434,419,246 Baht	Share increase (decrease) during the year
			Shareholding/ Number of shares	Shareholding/ Number of shares	
12.	Mr. Trisdee Wattanangkun Executive Vice President, Production Support Unit	59	-	0.00174 335,866	-
	Spouse and children under legal age		-	-	-
13.	Mr. Woravuth Sivapetranat Executive Vice President, Technology and Operation Excellence	52	-	0.00063 129,351	-
	Spouse and children under legal age		-	-	-
14.	Mr. Vichit Nittayanonte Executive Vice President, Petrochemical Operation and managing director of Thai ABS	56	-	0.00161 330,000	-
	Spouse and children under legal age		-	-	-
15.	Mr. Boondej Phuriyakorn Executive Vice President, Managing director of IRPC Polyol	60	-	0.00174 355,801	-
	Spouse		-	-	-
16.	Mr. Veerawat Srinoradithlert Executive Vice President, Engineering and Maintenance	53	-	0.00005 10,579	-
	Spouse and children under legal age		-	-	-
17.	Mr. Sirimet Leepagorn Executive Vice President, Corporate Strategy & Planning	48	-	0.00031 63,292	-
	Spouse		-	0.00015 29,862	-
18.	Miss Wanida Utaisomnapa Executive Vice President, Raw Material Supply and Trading Plan	49	-	0.00103 201,440	-
	Spouse and children under legal age		-	-	-
19.	Mr. Phothiwat Paopongchuang Executive Vice President, Managing Director of Technology IRPC	54	-	0.00031 64,320	-
	Spouse		-	-	-
20.	Miss Monwipa Choopiban Acting Vice President for Corporate Affairs	57	-	-	-

Note: (1) List of management team members under the Capital Market Supervisory Board's announcement No. 23/2551.
(2) Mr. Sukrit Surabotsopon bought 1,000,000 shares on 16 December 2014.
(3) Mr. Peerapong Achariyacheevin bought 200,000 shares on 24 December 2014 and 300,000 shares on 30 December 2014.

Management team members must have no record of wrongful acts regarding:

1. Allegation or criminal charge by authorized agencies involving unlawful acts in the sale and purchase of shares or futures, as well as fraudulent, corrupt, or dishonest management;

2. Being specified by the order of an authorized agency under international law prohibiting such persons from holding a management position in a company;

3. Having been sentenced by the criminal court according to (1) or having been fined for wrongful acts in (1).

Duties and Responsibilities of the President

The Board assigns the President to manage IRPC's business under its policy. His authority to grant approvals on significant matters is clearly defined in writing in IRPC's regulations and announcements, for example, regulations on finance, accounting, budget, and credit; announcements on the management of human resources; and announcements on the authority to grant approval to accounting processes.

Below is the scope of the President's authorities, mandated by the Board:

1. Manage IRPC's business under the laws, objectives, regulations, and resolutions of the shareholders' meeting, which include:

a. Entering into contracts, agreements or legal acts; and terminating contracts, agreements or legal acts; as well as demanding, pursuing, and accepting money, debts, and assets from any party;

b. Entering into transactions with financial institutions, which includes opening and closing of deposit accounts; transactions involving deposits and loans; providing guarantees, and making other business connections.

c. Signing to certify true copies of certificates, memoranda of association, regulations, and documents involving company registration, as well as contracts, agreements, and legal actions;

d. Filing complaints or allegations with the authority for IRPC to proceed with legal actions against a juristic person or an individual, and handing over the case to inquiry officials, withdrawing complaints or allegations; and filing complaints for losses of IRPC's documents or assets;

e. Taking actions to pursue all forms of debt, accepting and chasing for money or other assets of IRPC from an individual or a juristic person as well as from the court, comptroller in bankruptcy, and ministries, departments, state-enterprises and all other involving government agencies;

f. Making allegations, filing lawsuits, preparing answers, defending in cases, making counter-claims, undertaking all legal proceedings, exercising or waiving rights in appeal to the Appeal Court and the Supreme Court, accepting claims made by the other party, withdrawing lawsuits, entering into compromise agreements, filing applications for retrials, enforcing judgment or orders issued by all courts, filing plaints, applications for withdrawals or amendments of plaints, answers, petitions, declarations, legal defenses, filing applications for debt repayment, opposing applications for debt repayment in all bankruptcy cases, rehabilitation cases, all legal proceedings to which IRPC is entitled to undertake against any juristic person or person for payment of debt, damages or monies or assets to IRPC or for such person to assume civil or criminal liability or according to offences under all other laws or to undertake all other actions;

g. Accepting pledges, enforcing pledges, redeeming, pledging, accepting mortgages, enforcing mortgages, releasing pledges, redeeming mortgages, transferring or accepting transfers of rights of mortgages, giving consent as a mortgagee, a pledgee in relation to assets placed as security with IRPC, accepting transfers of land and properties on foreclosed land, exercising rights in set-offs, accepting transfers of assets from debtors or third parties for payments of debt on behalf of the debtors, transferring and accepting transfers of rights of claim;

h. Filing statements of claim, statements of defense in arbitral proceedings or undertaking all arbitral proceedings including appointing arbitrators, requesting or submitting petitions or plaints to any court, government authority or institution for enforcement of arbitral awards;

i. Liaising with government authorities, ministries, bureaus, state departments and other state authorities, state enterprises, local administrative authorities, persons or juristic persons in relation to applications for approvals, permits, registration, agreements, renewals of agreements, applications for permits, renewals of permits, transfers, and cancellations, filing of property tax (Por Ror Dor 2), applications for reconsideration (appeals), filing of local maintenance tax (Por Bor Tor 5), signage tax, revenue tax, tariff, excise tax and other related taxes, filing an appeal for all related tax assessment, payment of taxes, fees, escorting an officer for inspection of IRPC's premises, undertaking any related actions and filing applications for a refund of related monies;

j. Filing applications for cadastral surveys, requesting land value estimates, witnessing boundary lines, certifying boundaries, filing applications for issuance of land title deeds or land title documents, leasing land, filing applications for use of state land to the Land Department, provincial land offices, or related authorities;

k. Signing on request forms and other documents and making declaration on behalf of IRPC to government agencies, ministries, departments, and other government-related agencies, state enterprises, local administration offices, individuals, or juristic persons; and signing on requests to make copies of such documents as IRPC's certificates, memoranda of association, company regulations, identification cards, and household registrations, and to certify such copies.

2. Managing executives, staff, and contractors, including:

a. Drawing up regulations, orders, and terms that executives, staff, and contractors are required to follow;

b. Appointing, transferring, or dismissing executives, staff, and contractors.

3. Taking other actions to achieve the objectives of this delegation of authority.

4. Exercising his voting rights at shareholders' meetings in various companies where IRPC holds shares. Voting must follow the Board's guidelines.

The above delegation of authority excludes granting approvals for dealing with connected parties, those with vested interests, or those with potential conflicts of interest.

Managing Committee

To ensure the flow, efficiency, connection support and good business cooperation of the Company's operation, the Company appoints the Managing Committee, consisting of President, Executive Vice President and Senior Executive Vice President in every business unit with acting Executive Vice President, Corporate Business Unit and Company Secretary serves as Secretary of the Managing Committee.

The Managing Committee schedules a meeting in advance once a week on Monday of every week. In 2014, total meetings were held 43 times.

Duties and Responsibilities

The Company's Managing Committee gives advices and suggestions to the managing directors in deciding in the issues important to the strategies, business operation direction, long-term operation plan, operation result, investment result, resource allocation to the Company and its subsidiaries, as well as manages the working systems in those companies.

- Consider the investment management, budget allocation for investment and support business operation for the Company and its subsidiaries;
- Set a human resource policy and build a human resource management mechanical;
- Follow up progress and operation result of the Company and its subsidiaries; and
- Consider risk management in the business operation.

Management Compensation

IRPC annually measures the operation result of executives in every level by setting performance assessing policy under the Performance Management System (PMS), consisting of (1) Key Performance Indicators (KPIs), representing key missions cascaded from the corporate level each year and matching organization's goals, and (2) job competency, a behavioral assessment tool for a person's ability. These two elements help IRPC achieve its goals with quality and sustainability.

Compensation of the President is designed by IRPC in comparable with the other companies under clear, transparent, fair, accountable and reasonable principles, considering duties and responsibilities and IRPC's operation results. Nomination and Remuneration Committee considers the compensation and proposes to the Board for approval.

The process are as follows:

1. The Nomination and Remuneration Committee propose the President's KPI to the Board of Directors' consideration in January every year.

2. The President agrees with the KPI and remuneration criteria after the Board of Directors approval.

3. In December, the Nomination and Remuneration Committee evaluates the President's operational results and propose the Board of Directors for approval.

In 2014, IRPC paid a total of Baht 54.60 million to seven management team members: Baht 48.38 million in monthly compensation, Baht 5.93 million in bonuses, and Baht 0.30 million in contribution to the provident fund.

Name [1]	Position
1. Mr. Sukrit Surabotsopon	President
2. Mr. Peerapong Achariyacheevin	Senior Executive Vice President, Petrochemical & Refinery Business Unit
3. Mr. Manit Suthaporn [2]	Senior Executive Vice President, Corporate Legal
4. Mr. Chansin Treenuchagorn [3]	Senior Executive Vice President, Corporate Commercial & Marketing
5. Miss Duangkamol Settanung	Senior Executive Vice President, Corporate Accounting & Finance
6. Mr. Wittawat Svasti-Xuto [4]	Senior Executive Vice President, Corporate Strategy & Planning
7. Miss Oravan Leelarasamee [5]	Senior Executive Vice President, Corporate Human Resources & Administration

Note: (1) List of Management team members as of 31 December 2014 required to disclose compensation under SEC regulations.
(2) Mr. Manit Suthaporn completed his term as a Senior Executive Vice President, Corporate Legal and is in the position of counselor on 2 January 2015.
(3) Mr. Chansin Treenuchagorn completed his term as a Senior Executive Vice President, Corporate Commercial & Marketing on 1 October 2014.
(4) Mr. Wittawat Svasti-Xuto completed his term as a Senior Executive Vice President, Corporate Strategy & Planning on 1 August 2014.
(5) Miss Oravan Leelarasamee completed her term as a Senior Executive Vice President, Corporate Human Resources & Administration on 1 November 2014.

Position Table of Directors and Executives (as of 31 December 2014)

Name	Mr. Pailin Chuchottaworn	Mr. Cherdpong Siriwit	Mr. Woothisarn Tanchai	Mr. Watcharakiti Watcharothai	Mr. Surong Bulakul	Mr. Sarun Rungkasiri	Mr. Songpope Polachan	Mr. Kritsda Udyanin	Mr. Pramual Chanpong	Mr. Somnuk Bemrungsalee	Mr. Trumph Jalichandra	Mr. Sombat Narawutthichai	Lt. Gen. Sasin Thongpakdee	Mr. Prasit Suebchana	Mr. Sukrit Surabotsopon	Mr. Peerapong Acharyacheevin	Miss Duangkamol Settanung	Mr. Manit Suthaporn
IRPC																		
1. IRPC Plc.	X	/	/	/	/	/	/	/	/	/	/	/	/	/	/, //	//	//	//
Subsidiaries																		
2. IRPC															X		/	/
3. Thai ABS Co., Ltd.															X		/	/
4. IRPC Oil Co., Ltd.															X		/	/
5. IRPC Technology Co., Ltd.																		X
6. IRPC Polyol Co., Ltd.															X	/	/	
7. Rakpasak Co., Ltd.																		
8. Thai Polypropylene Co., Ltd.																		X
9. IRPC Energy Co., Ltd.																	/	X
Associated Companies																		
10. PTT Polymer Marketing Co., Ltd.															/		/	
11. PTT Energy Solutions Co., Ltd.																/		
12. UBE Chemical (Asia) Plc.															/		/	
13. Rayong Acethelene Co. Ltd.																		
14. IRPC Clean Power Co., Ltd.																/	/	
Related Companies																		
15. PTT Plc.	/, //			/	//	//									//		//	
16. PTTEP Plc.	/																	
17. PTT Global Chemical Plc.						/												
18. Thai Oil Plc.																		
19. Thai Loop Base Plc.																		
20. Bangchak Petroleum Plc.																		
21. Star Petroleum Refining Plc.																		
22. PTT Plolymer Logistics Co., Ltd.																		
23. PTT ICT Solutions Co., Ltd.																		
24. Business Service Alliance Co., Ltd.																		
25. Energy Complex Co., Ltd.																		
26. PTT International Trading Co., Ltd.																		
27. PTT Phenol Co., Ltd.																		
28. PTT Asahi Chemical Co., Ltd.																		

Note: X = Chairman / = Chairman // = Chairman

Director of Subsidiaries (as of 31 December 2014)

1. IRPC Oil Co., Ltd.

Name	Position
1. Mr. Sukrit Surabotsopon	Chairman
2. Mr. Sommai Khowkachaporn	Member
3. Miss Duangkamol Settanung	Member
4. Mr. Manit Suthaporn (resigned with effect from 2 January 2015)	Member
5. Mr. Sirimet Leepagorn	Member
6. Mr. Songklod Charoenphorn	Member
7. Mr. Veerawat Srinoradithlert	Member
8. Miss Monwipa Choopiban	Member
9. Mr. Payom Boonyang	Member
10. Mr. Somkiat Lertritpuwadol	Member
11. Mr. Woravuth Sivapetranart	Member
12. Mr. Chalermchai Somboonpakorn	Managing Director

2. IRPC Polyol Co., Ltd.

Name	Position
1. Mr. Sukrit Surabotsopon	Chairman
2. Mr. Sommai Khowkachaporn	Member
3. Miss Duangkamol Settanung	Member
4. Mr. Manit Suthaporn (resigned with effect from 2 January 2015)	Member
5. Mr. Pranach Kosayanon	Member
6. Mr. Payom Boonyang	Member
7. Mr. Kraisri Pantakijnirandorn	Member
8. Mr. Somkiat Lertritpuwadol	Member
9. Mr. Trisdee Wattanangkun	Member
10. Mr. Rathapol Unakanporn	Member
11. Mr. Vichit Nittayanonte	Member
12. Mr. Suwan Srinuan	Member
13. Mr. Boondej Phuriyakorn	Managing Director

3. Thai ABS Co., Ltd.

Name	Position
1. Mr. Sukrit Surabotsopon	Chairman
2. Mr. Sommai Khowkachaporn	Member
3. Miss Duangkamol Settanung	Member
4. Mr. Manit Suthaporn (resigned with effect from 2 January 2015)	Member
5. Mr. Chalermchai Somboonpakorn	Member
6. Mr. Sirimet Leepagorn	Member
7. Miss Monwipa Choopiban	Member
8. Mr. Payom Boonyang	Member
9. Mr. Kraisri Pantakijnirandorn	Member
10. Mr. Somkiat Lertritpuwadol	Member
11. Mr. Woravuth Sivapetranart	Member
12. Mr. Trisdee Wattanangkun	Member
13. Mr. Rathapol Unakanporn	Member
14. Mr. Vichit Nittayanonte	Managing Director

4. IRPC Energy Co., Ltd.

Name	Position
1. Mr. Manit Suthaporn (resigned with effect from 2 January 2015)	Chairman
2. Mr. Weerachai Ariyapornpiroon	Member
3. Mr. Chalermchai Somboonpakorn	Member
4. Miss Duangkamol Settanung	Member
5. Mr. Sirimet Leepagorn	Member
6. Mr. Payom Boonyang	Member
7. Mr. Woravuth Sivapetranart	Member
8. Mr. Kraisri Pantakijnirandorn	Member

5. IRPC Technology Co., Ltd.

Name	Position
1. Mr. Manit Suthaporn (resigned with effect from 2 January 2015)	Chairman
2. Mr. Chalermchai Somboonpakorn	Member
3. Mr. Weerawat Srinoraditlert	Member
4. Mrs. Srisuda Suralertrungsan	Member
5. Mr. Thammasak Panyowattanakul	Member
6. Mr. Pothiwat Paopongchuang	Managing Director

6. IRPC A&L Co., Ltd.

Name	Position
1. Mr. Sukrit Surabotsopon	Chairman
2. Miss Duangkamol Settanung	Member
3. Mr. Peerapong Achariyacheevin	Member
4. Mr. Junpei Kojima	Member
5. Mr. Tochiro Kojima	Member
6. Mr. Hideyuki Tokimasa	Member
7. Mr. Kazumasa Imai	Member
8. Mr. Somkiat Lertritpuwadol	Member
9. Mr. Vichit Nittayanonte	Member
10 Mr. Chalermchai Somboonpakorn	Managing Director

7. Rakpasak Co., Ltd. (TPI Oil (2001) Co., Ltd.)

Name	Position
1. Mr. Weerachai Ariyapornpiroon	Member
2. Mr. Songklod Charoenphorn	Member
3. Mr. Chalermchai Somboonpakorn	Member
4. Mr. Somboon Satsin	Managing Director

8. Thai Polyurethane Industry Co., Ltd.

Name	Position
1. Mr. Manit Suthaporn (resigned with effect from 2 January 2015)	Chairman
2. Mr. Chalermchai Somboonpakorn	Member
3. Mr. Sirimet Leepagorn	Member
4. Mr. Songklod Charoenphorn	Member
5. Miss Monwipa Choopiban	Member
6. Mr. Payom Boonyang	Member
7. Mr. Kraisri Pantakijnirandorn	Member
8. Mr. Somkiat Lertritpuwadol	Member
9. Mr. Woravuth Sivapetranart	Member
10. Mr. Rathapol Unakanporn	Member
11. Mr. Vichit Nittayanonte	Member
12. Mr. Weerachai Ariyapornpiroon	Member
13. Mr. Peerasich Inthong	Member

9. TPI Internet Portal Co., Ltd.

Name	Position
1. Mr. Kraisit Anukoolutaiwong	Member
2. Mr. Somkiat Lertritpuwadol	Member
3. Miss Monwipa Choopiban	Member
4. Mr. Songklod Charoenphorn	Member

IRPC Information

Company Name	IRPC Public Company Limited
Symbol	IRPC
Company Registration	0107537002567
Type of Business	Petroleum and Petrochemical
Industry	Resources
Sector	Energy & Utilities
Registered Capital	Baht 20,475,000,000 including 20,475,000,000 common shares, Baht 1 per share
Paid - up Capital	Baht 20,434,419,246 including 20,434,419,246 common shares, Baht 1 per share
Location	**Headquarters and Plant** 299 Moo 5 Sukhumvit Road, Choengoen, Rayong, Thailand Tel. +66 (0) 38-611333 Fax. +66 (0) 38-612813
	Bangkok Office 555/2, Energy Complex, Building B, 6th Floor, Vibhavadi Rangsit Road, Chatuchak, Bangkok 10900 Tel. +66 (0) 2-649-7000 Fax. +66 (0) 2-649-7001
Website	www.irpc.co.th
Investor Relations	Tel. +66 (0)2-649-7380 Electronic email: ir@irpc.co.th
Company Secretary	Tel. +66 (0)2-649-7890 Electronic email: cg@irpc.co.th

References

Share Registrar	Thailand Securities Depository Company Limited 62 Stock Exchange of Thailand Building Ratchadapisek Road, Klong Toey, Bangkok, 10110 Tel. +66 (0)2-229-2800 Fax. +66 (0)2-359-1259
Auditor	Mr. Wichian Kingmontree CPA No. 3977 PricewaterhouseCoopers ABAS Limited. 179/74-80 Bangkok City Tower, 15th Floor, South Sathorn Road, Thungmahamake, Sathorn, Bangkok, Thailand 10120 Tel. +66 (0)2-344-1000 Fax. +66(0)2-286-5050
Baht Bond Registrar	TMB Bank Public Company Limited 3000 Phaholypthin Road, Chompon, Chatuchak, Bangkok, Thailand 10900 Tel. +66(0)2-299-1111

Investors can receive additional information from the annual information disclosure form (Form 56-1) via SEC's website at www.sec.or.th or IRPC's website at www.irpc.co.th

Major Shareholders

The following list reveals the top 10 shareholders of IRPC Public Company Limited at the share register book closing date on March 6, 2014.

Shareholders	Number of Shares	% Shares
1. PTT PUBLIC COMPANY LIMITED (THAILAND)	7,869,694,600	38.51%
2. GOVERNMENT SAVINGS BANK	1,950,000,000	9.54%
3. GOVERNMENT PENSION FUND	1,183,796,970	5.79%
4. THAI NVDR COMPANY LIMITED	824,795,993	4.04%
5. BANGKOK BANK PUBLIC COMPANY LIMITED	504,906,708	2.47%
6. HSBC (SINGAPORE) NOMINEES PTE LTD	216,796,690	1.06%
7. STATE STREET BANK AND TRUST COMPANY	179,297,803	0.88%
8. SOCIAL SECURITY OFFICE (2 CASES)	169,686,900	0.83%
9. STATE STREET BANK EUROPE LIMITED	169,068,569	0.83%
10. EAST FOURTEEN LIMITED-DIMENSIONAL EMER MKTS VALUE FD	144,740,600	0.71%

Juristic persons whose 10% shares or more are hold by the Company

No.	Company	% of share holding	Paid up Capital
1	**Thai ABS Co., Ltd.** Address: 555/2 Energy Complex, Building B, 7th Floor, Vibhavadi Rangsit Road, Chatuchak, Bangkok Tel. +66(0) 2-646-6700 Fax. +66(0) 2-646-6750 Type of Business: manufacturing and sales of plastic resin	99.99%	2,500 Million Baht
2	**IRPC Oil Co., Ltd.** Address: 555/2 Energy Complex, Building B, 7th Floor, Vibhavadi Rangsit Road, Chatuchak, Bangkok Tel. +66(0) 2-646-6666 Fax. +66(0) 2-646-6677/6688 Type of Business: sales of refined products	99.99%	2,000 Million Baht
3	**Rakpasak Co., Ltd** Address: 555/2 Energy Complex, Building B, 7th Floor, Vibhavadi Rangsit Road, Chatuchak, Bangkok Tel. +66(0) 2-646-6666 Fax. +66(0) 2-646-6677/6688 Type of Business: marine transportation services Remark: Subsidiaries of IRPC Oil Co., Ltd	99.99%	110 Million Baht
4	**IRPC Polyol Co., Ltd.** Address: 555/2 Energy Complex, Building B, 7th Floor, Vibhavadi Rangsit Road, Chatuchak, Bangkok Tel. +66(0) 2-646-6700 Fax. +66(0) 2-646-6702 Type of Business: manufacturing and sales of polyol	99.99%	300 Million Baht

No.	Company	% of share holding	Paid up Capital
5	**IRPC Technology Co., Ltd.** Address: 309 Moo 5 Sukhumvit Road, Choengnoen, Rayong Tel. +66(0) 38-899-130-2 Fax. +66(0) 38-899-130-2 ext. 301 Type of Business: vocational school	99.99%	750 Million Baht
6	**IRPC A&L Co., Ltd.** Address: 555/2 Energy Complex, Building B, 9th Floor, Vibhavadi Rangsit Road, Chatuchak, Bangkok Tel. +66(0) 2-649-7511 Fax. +66(0) 2-649-7550 Type of Business: manufacturing and sales of petrochemical Remark: Subsidiaries of Thai ABS Co., Ltd.	59.94%	10 Million Baht
7	**IRPC Clean Power Co., Ltd.** Address: 299 Moo 5 Sukhumvit Road, Choengnoen, Rayong Tel. +66(0) 38-611333 Fax. +66(0) 38-612813 Type of Business: producing steam, electricity and other utilities.	48.99%	1,516 Million Baht
8	**PTT Polymer Marketing Co., Ltd.** Address: 555/1 Energy Complex, Building A, 9th Floor, Vibhavadi Rangsit Road, Chatuchak, Bangkok Tel. +66(0) 2-348-6399 Fax. +66(0) 2-140-4333 Type of Business: sales of plastic resin	25.00%	40 Million Baht
9	**UBE Chemicals (Asia) Plc** Address: 98 Sathorn Square Office Tower, 18th Floor, North Sathorn Road, Silom, Bangrak, Bangkok Tel. +66(0) -2206-9300 Type of Business: manufacturing and sales of petrochemical	25.00%	10,739 Million Baht
10	**PTT Energy Solutions Co., Ltd.** Address: 555/1 Energy Complex, Building A, 4th -5th Floors, Vibhavadi Rangsit Road, Chatuchak, Bangkok Tel. +66(0) 2-140-2000 Type of Business: engineering consultants	20.00%	150 Million Baht
11	**Rayong Acetylene Co., Ltd.** Address: 2/3 Moo 14, Bangna-Trad Road, Km. 6.5. Bangkaew, Bangplee, Samutprakarn Tel. +66(0) 2-338-6100 Fax. +66(0) 38-621-602 Type of Business: manufacturing and sales of acetylene gases	13.04%	115 Million Baht

Remarks: The table only includes companies that has active operations.

FINANCIAL STATEMENT

Report of Board of Director's Responsibility for Financial Reporting

Auditor's Report

Financial Statement

Appendix

Abbreviations and Technical Terms

Compliance with Corporate Social Responsibilities

Compliance with Corporate Governance

Report of Board of Director's Responsibility for Financial Reporting

To the Shareholders

IRPC Plc.'s Board of Directors is responsible for the consolidated financial statements of IRPC and its subsidiaries, including the financial data of this annual report. The financial statements were developed under generally accepted accounting standards, with suitable policies chosen and constantly upheld. Information disclosure contained in the notes to the financial statements is complete and adequate, and has undergone due audit to earn unqualified opinions from an independent certified auditor.

The Board has appointed an Audit Committee, consisting of independent directors, to ensure efficient and effective supervision of the financial statements and assessment of the internal control system. The Committee's opinions also appear in this annual report.

In the opinion of the Board, IRPC's overall internal control system can bolster the confidence that IRPC's consolidated financial statements illustrate an essentially accurate financial standing, performance, and consolidated cash flow for the year 2013.

(Dr. Pailin Chuchottaworn)
Chairman
IRPC Public Company Limited

(Mr. Sukrit Surabotsopon)
President
IRPC Public Company Limited

AUDITOR'S REPORT

To the shareholders of IRPC Public Company Limited

I have audited the accompanying consolidated and company financial statements of IRPC Public Company Limited and its subsidiaries and of IRPC Public Company Limited, which comprise the consolidated and company statements of financial position as at 31 December 2014, and the related consolidated and company income statements, statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and a summary of significant accounting policies and other notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Thai Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the consolidated and company financial statements referred to above present fairly, in all material respects, the consolidated and company financial position of IRPC Public Company Limited and its subsidiaries and of IRPC Public Company Limited as at 31 December 2014, and its consolidated and company results of operations and its cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Vichien Khingmontri
Certified Public Accountant (Thailand) No. 3977
PricewaterhouseCoopers ABAS Ltd.

Bangkok
10 February 2015

IRPC Public Company Limited
Statement of Financial Position
As at 31 December 2014

		Consolidated		Company	
		2014	2013	2014	2013
	Notes	Baht	Baht	Baht	Baht
Assets					
Current assets					
Cash and cash equivalents	7	2,008,634,173	5,124,204,584	1,693,329,193	4,551,614,755
Trade accounts receivable - net	8	11,192,220,002	20,766,924,808	11,883,941,714	22,261,590,378
Amounts due from related parties - net	33	1,029,720,603	36,847,451	1,044,969,021	52,156,179
Short-term loans to and interest receivables from related parties - net	33	-	-	650,874,034	630,765,888
Inventories - net	9	25,344,146,875	34,798,365,754	23,179,370,996	32,681,279,278
Other receivables	10	135,999,168	396,250,027	120,830,402	388,343,184
Refundable value added tax		3,077,804,594	1,908,707,379	2,960,358,056	1,766,606,909
Prepaid excise tax		144,366,282	91,660,432	144,366,282	91,660,433
Other current assets		1,209,010,571	648,776,119	1,115,047,741	575,752,912
Total current assets		44,141,902,268	63,771,736,554	42,793,087,439	62,999,769,916
Non-current assets					
Investments in subsidiaries - net	11	-	-	4,358,265,314	4,358,259,953
Investments in associates - net	11	6,144,394,936	6,005,607,546	6,130,770,151	5,829,138,401
Other long-term investments - net	12	731,664,318	1,094,763,124	731,664,320	1,036,539,120
Loans to and interest receivables from related parties - net	33	3,309,971,902	3,292,812,913	6,587,607,392	6,565,291,381
Transactions with the former company's management and entities relating to the former management - net	34	-	71,843,498	-	37,566,792
Investment properties - net	13	1,248,033,864	1,286,854,570	1,152,522,363	1,167,164,483
Property, plant and equipment - net	14	100,871,789,961	83,141,307,309	92,719,298,473	75,070,461,960
Intangible assets - net	15	1,331,028,979	1,516,451,912	1,328,916,310	1,515,725,250
Deferred tax assets - net	16	4,930,772,629	2,373,774,595	4,607,859,762	2,030,527,241
Other non-current assets - net	17	88,830,291	52,522,995	85,079,211	48,613,633
Total non-current assets		118,656,486,880	98,835,938,462	117,701,983,296	97,659,288,214
Total assets		162,798,389,148	162,607,675,016	160,495,070,735	160,659,058,130

IRPC Public Company Limited
Statement of Financial Position
As at 31 December 2014

		Consolidated		Company	
		2014	2013	2014	2013
	Notes	Baht	Baht	Baht	Baht
Liabilities and shareholders' equity					
Current liabilities					
Short-term loans from financial institutions	18	8,846,585,173	147,580,833	8,792,329,452	-
Trade accounts payable	19	25,815,278,568	36,337,358,131	26,381,022,327	37,411,852,047
Amounts due to related parties	33	155,102,941	40,237,068	161,414,527	46,069,990
Loans from and interest payables to related parties	33	-	-	168,977,723	21,717,623
Current portion of long-term loans due within one year	18	7,701,132,000	9,000,000,000	7,701,132,000	9,000,000,000
Other payables		1,938,164,837	1,386,763,309	1,845,778,505	1,249,668,606
Interest payables		485,448,139	507,846,683	485,447,710	507,830,213
Accrued bonus expenses		846,576,879	1,064,899,000	780,538,350	984,308,329
Advance receipts for goods		375,377,235	404,952,498	253,047,264	401,234,278
Other current liabilities		665,479,625	640,819,821	505,536,758	527,586,681
Total current liabilities		46,829,145,397	49,530,457,343	47,075,224,616	50,150,267,767
Non-current liabilities					
Long-term borrowings - net	18	44,243,337,309	33,882,877,372	44,243,337,309	33,882,877,372
Finance lease liabilities		-	42,442	-	42,442
Loans from and interest payables to related parties	33	2,254,892,788	2,254,892,788	2,254,892,788	2,254,892,788
Employee benefit obligations	20	1,567,088,025	1,299,243,053	1,452,770,837	1,190,677,236
Transactions with the former company's management and entities relating to the former management	34	-	113,565,949	-	112,843,246
Total non-current liabilities		48,065,318,122	37,550,621,604	47,951,000,934	37,441,333,084
Total liabilities		94,894,463,519	87,081,078,947	95,026,225,550	87,591,600,851

IRPC Public Company Limited
Statement of Financial Position
As at 31 December 2014

		Consolidated		Company	
		2014	2013	2014	2013
	Notes	Baht	Baht	Baht	Baht
Liabilities and shareholders' equity (continued)					
Shareholders' equity					
Share capital	21				
Authorised shares		20,475,000,000	20,475,000,000	20,475,000,000	20,475,000,000
(Ordinary shares 20,475 million shares of par Baht 1)					
Issued and paid-up shares		20,434,419,246	20,434,419,246	20,434,419,246	20,434,419,246
(Ordinary shares 20,434.42 million shares of par Baht 1)					
Premium on share capital	21	28,554,212,397	28,554,212,397	28,554,212,397	28,554,212,397
Retained earnings					
- Appropriated for legal reserve	22	2,047,500,000	2,047,500,000	2,047,500,000	2,047,500,000
- Unappropriated		17,252,352,664	24,683,897,749	14,778,394,962	22,183,827,856
Less Treasury stock - ordinary shares					
- own shares held by a subsidiary	23	(124,282,649)	(124,282,649)	-	-
Premium on treasury stock - ordinary shares					
- own shares held by a subsidiary		15,177,080	15,177,080	-	-
Other components of shareholders' equity		(345,681,420)	(152,502,220)	(345,681,420)	(152,502,220)
Total equity attributable to the parent company		67,833,697,318	75,458,421,603	65,468,845,185	73,067,457,279
Non-controlling interests	24	70,228,311	68,174,466	-	-
Total shareholders' equity		67,903,925,629	75,526,596,069	65,468,845,185	73,067,457,279
Total liabilities and shareholders' equity		162,798,389,148	162,607,675,016	160,495,070,735	160,659,058,130

IRPC Public Company Limited
Income Statements
For the year ended 31 December 2014

		Consolidated		Company	
		2014	2013	2014	2013
	Notes	Baht	Baht	Baht	Baht
Sales	32, 33	281,589,437,340	292,592,523,695	293,071,434,062	303,541,079,387
Cost of sales	33	(287,930,221,470)	(287,695,252,599)	(299,989,690,382)	(299,103,164,886)
Gross profit (loss)		(6,340,784,130)	4,897,271,096	(6,918,256,320)	4,437,914,501
Other income - net	25	5,806,190,276	3,961,492,855	6,156,490,409	4,829,055,927
Selling expenses	33	(1,103,256,870)	(1,227,825,316)	(1,262,855,546)	(1,389,943,672)
Administrative expenses	26, 33	(4,341,133,106)	(4,266,603,034)	(4,146,419,259)	(4,098,196,928)
Profit (loss) from operations		(5,978,983,830)	3,364,335,601	(6,171,040,716)	3,778,829,828
Finance costs	28	(1,493,650,272)	(2,469,441,703)	(1,531,545,471)	(2,564,131,313)
Share of loss of investments in associates	11	(138,544,260)	(39,066,570)	-	-
Profit (loss) before income tax		(7,611,178,362)	855,827,328	(7,702,586,187)	1,214,698,515
Income tax	29	2,397,751,749	(7,032,612)	2,491,344,928	58,302,689
Net profit (loss) for the year		(5,213,426,613)	848,794,716	(5,211,241,259)	1,273,001,204
Profit (loss) attributable to:					
Owners of the parent		(5,234,637,216)	826,271,981	(5,211,241,259)	1,273,001,204
Non-controlling interests		21,210,603	22,522,735	-	-
Net profit (loss) for the year		(5,213,426,613)	848,794,716	(5,211,241,259)	1,273,001,204
Earnings (losses) per share	30				
Basic earnings (losses) per share		(0.26)	0.04	(0.26)	0.06

The notes to the consolidated and company financial statements from pages 199 to 261 are an integral part of these financial statements.

IRPC Public Company Limited
Statements of Comprehensive Income
For the year ended 31 December 2014

	Consolidated		Company	
	2014	**2013**	**2014**	**2013**
	Baht	**Baht**	**Baht**	**Baht**
Net profit (loss) for the year	(5,213,426,613)	848,794,716	(5,211,241,259)	1,273,001,204
Other comprehensive income (loss):				
- Losses on revaluation of available-for-sale investments	(241,474,000)	(192,163,000)	(241,474,000)	(192,163,000)
- Income tax relating to revaluation of available-for-sale investments	48,294,800	38,432,600	48,294,800	38,432,600
- Losses on changes in actuarial assumptions	(194,724,628)	-	(188,463,965)	-
- Income tax relating to actuarial assumptions	38,854,381	-	37,692,793	-
Other comprehensive loss for the year, net of tax	(349,049,447)	(153,730,400)	(343,950,372)	(153,730,400)
Total comprehensive income (loss) for the year	(5,562,476,060)	695,064,316	(5,555,191,631)	1,119,270,804
Total comprehensive income (loss) attributable to:				
Owners of the parent	(5,583,686,663)	672,541,581	(5,555,191,631)	1,119,270,804
Non-controlling interests	21,210,603	22,522,735	-	-
	(5,562,476,060)	695,064,316	(5,555,191,631)	1,119,270,804

IRPC Public Company Limited
Statement of Changes in Shareholders' equity
For the year ended 31 December 2014

	Consolidated									
	Shareholders of the Parent									
					Other components of shareholders' equity					
					Other comprehensive income					
	Issued and paid-up share capital Baht	Premium on share capital Baht	Retained earnings		Available-for-sale investments Baht	Shares held by the subsidiaries Baht	Premium on treasury stock Baht	Total shareholders of the Parent Baht	Non-controlling interests Baht	Total shareholders' equity Baht
			Legal reserve Baht	Unappropriated Baht						
Balance at 1 January 2013	20,434,419,246	28,554,212,397	2,047,500,000	25,490,278,594	1,228,180	(124,282,649)	15,177,080	76,418,532,848	61,924,414	76,480,457,262
Dividends paid	-	-	-	(1,632,652,826)	-	-	-	(1,632,652,826)	(16,272,683)	(1,648,925,509)
Net profit for the year	-	-	-	826,271,981	-	-	-	826,271,981	22,522,735	848,794,716
Other comprehensive loss for the year	-	-	-	-	(153,730,400)	-	-	(153,730,400)	-	(153,730,400)
Balance at 31 December 2013	20,434,419,246	28,554,212,397	2,047,500,000	24,683,897,749	(152,502,220)	(124,282,649)	15,177,080	75,458,421,603	68,174,466	75,526,596,069
Balance at 1 January 2014	20,434,419,246	28,554,212,397	2,047,500,000	24,683,897,749	(152,502,220)	(124,282,649)	15,177,080	75,458,421,603	68,174,466	75,526,596,069
Dividends paid	-	-	-	(2,041,037,622)	-	-	-	(2,041,037,622)	(19,156,758)	(2,060,194,380)
Net loss for the year	-	-	-	(5,234,637,216)	-	-	-	(5,234,637,216)	21,210,603	(5,213,426,613)
Other comprehensive loss for the year	-	-	-	(155,870,247)	(193,179,200)	-	-	(349,049,447)	-	(349,049,447)
Balance at 31 December 2014	20,434,419,246	28,554,212,397	2,047,500,000	17,252,352,664	(345,681,420)	(124,282,649)	15,177,080	67,833,697,318	70,228,311	67,903,925,629

The notes to the consolidated and company financial statements from pages 199 to 261 are an integral part of these financial statements.

IRPC Public Company Limited
Statement of Changes in Shareholders' equity
For the year ended 31 December 2014

							Company
						Other components of shareholders' equity	
						Other comprehensive income	
		Issued and paid-up	Premium on	Retained earnings		Available-for-sale	Total shareholders'
		share capital	share capital	Legal reserve	Unappropriated	investments	equity
	Notes	Baht	Baht	Baht	Baht	Baht	Baht
Balance at 1 January 2013		20,434,419,246	28,554,212,397	2,047,500,000	22,545,385,750	1,228,180	73,582,745,573
Dividends paid	31	-	-	-	(1,634,559,098)	-	(1,634,559,098)
Net profit for the year		-	-	-	1,273,001,204	-	1,273,001,204
Other comprehensive loss for the year		-	-	-	-	(153,730,400)	(153,730,400)
Balance at 31 December 2013		20,434,419,246	28,554,212,397	2,047,500,000	22,183,827,856	(152,502,220)	73,067,457,279
Balance at 1 January 2014		20,434,419,246	28,554,212,397	2,047,500,000	22,183,827,856	(152,502,220)	73,067,457,279
Dividends paid	31	-	-	-	(2,043,420,463)	-	(2,043,420,463)
Net loss for the year		-	-	-	(5,211,241,259)	-	(5,211,241,259)
Other comprehensive loss for the year		-	-	-	(150,771,172)	(193,179,200)	(343,950,372)
Balance at 31 December 2014		20,434,419,246	28,554,212,397	2,047,500,000	14,778,394,962	(345,681,420)	65,468,845,185

The notes to the consolidated and company financial statements from pages 199 to 261 are an integral part of these financial statements.

IRPC Public Company Limited
Statements of Cash Flows
For the year ended 31 December 2014

		Consolidated		Company	
		2014	2013	2014	2013
	Notes	Baht	Baht	Baht	Baht
Cash flows from operating activities					
Profit (loss) before income tax		(7,611,178,362)	855,827,328	(7,702,586,187)	1,214,698,515
Adjustments to reconcile net profit (loss) to net cash provided by operating activities					
- Depreciation	14	4,959,203,564	4,690,542,598	4,543,489,210	4,361,656,471
- Amortisation		250,723,385	241,804,682	250,337,948	241,712,558
- Interest income	25	(82,023,302)	(70,987,272)	(274,963,151)	(225,251,223)
- Dividends income	25	(38,337,252)	(54,130,998)	(258,637,030)	(493,398,215)
- Bad debts and doubtful accounts		3,716,078	30,857,049	3,894,042	45,290,945
- Allowance for declining in value of inventories		3,295,616,283	79,293,600	3,288,606,123	76,301,489
- Unrealised (gains) losses on exchange rate		(24,009,262)	650,089,578	(22,973,914)	649,327,716
- Reversal of allowance for doubtful debts of transactions with the former company's management and entities relating to the former management					
- Deposit from a long-term building rental agreement	25	(470,000,000)	-	(420,140,000)	-
- Loans to the former company's management	25	(3,289,189,780)	-	(3,287,299,780)	-
- Provision for impairment of other long-term investments	12, 25	3,289,189,780	-	3,287,299,780	-
- Gains from sales of investment in a subsidiary	25	(50,000,000)	(192,755,066)	(50,000,000)	(192,755,066)
- Gains on the revaluation of retained interest from sales of investment in a subsidiary	11, 25	-	(192,156,908)	-	-
- Reversal of impairment of investment in a subsidiary, net	25	-	-	-	(500,091,791)
- Gains from disposal of other long-term investments	25	(166,905,594)	(7,174,371)	(78,499,594)	(7,174,371)
- Gains from disposals of fixed assets and investment properties	25	(253,316,175)	(823,988,721)	(252,458,707)	(907,852,041)
- Losses from write off intangible assets	25	-	25,808,774	-	25,808,774
- Allowance for (reversal of) impairment of fixed assets and investment properties		256,990,117	(233,760,983)	267,048,080	(17,535,900)
- Share of loss of investments in associates - equity method	11	138,544,260	39,066,570	-	-
- Finance costs	28	1,493,650,272	2,469,441,703	1,531,545,471	2,564,131,313
- Gains on actuarial revaluation					
- Other long-term benefits		(52,198,948)	-	(43,469,964)	-
- Employee benefit expenses	20	149,176,717	203,303,044	140,264,855	183,381,815
		1,799,651,781	7,711,080,607	921,457,182	7,018,250,989
Changes in operating assets and liabilities					
- Trade accounts receivable		9,602,977,038	(6,508,789,562)	10,404,769,587	(6,671,721,433)
- Inventories		6,158,602,595	(3,624,674,383)	6,213,302,159	(3,583,206,946)
- Other receivables		248,122,154	(91,371,782)	255,503,077	(169,910,541)
- Amounts due from related parties		(992,873,152)	24,498,876	(992,812,842)	26,541,953
- Refundable value added tax		(1,169,097,215)	(417,234,956)	(1,193,751,147)	(283,397,628)
- Prepaid excise tax		(52,705,849)	77,496,077	(52,705,849)	77,496,077
- Other current assets		(460,468,329)	124,313,747	(415,164,261)	107,072,207
- Trade accounts payable		(10,522,168,185)	20,033,811,948	(11,030,168,816)	20,623,232,591
- Other payables		275,919,957	(200,304,394)	284,497,578	(171,812,144)
- Amounts due to related parties		114,865,873	(120,910,988)	115,344,537	(124,865,807)
- Accrued bonus expenses		(218,322,121)	180,718,927	(203,769,978)	166,251,994
- Advance receipts for goods		(29,575,264)	(125,620,870)	(148,187,014)	(125,619,426)
- Other current liabilities		36,890,901	166,872,099	(43,372,830)	183,000,622
- Employee benefits paid		(23,857,425)	(25,539,156)	(23,165,255)	(24,955,019)
Net cash provided by operating activities		4,767,962,759	17,204,346,190	4,091,776,128	17,046,357,489
- Income tax paid		(171,863,226)	(87,689,130)	(124,130,568)	(64,256,910)
Cash flows from operating activities		4,596,099,533	17,116,657,060	3,967,645,560	16,982,100,579

IRPC Public Company Limited
Statements of Cash Flows
For the year ended 31 December 2014

		Consolidated		Company	
		2014	2013	2014	2013
	Notes	Baht	Baht	Baht	Baht
Cash flows from investing activities					
Interest received		82,023,302	22,941,503	270,027,984	201,841,054
Dividends received		62,637,251	161,523,381	258,637,030	493,398,215
Net proceeds (payments) on short-term loans to related parties		-	48,045,769	(20,330,000)	1,052,104,559
Long-term loans made to related parties		(17,158,990)	-	(17,158,990)	(3,000,000,000)
Proceeds from reduction of registered share capital of subsidiaries	11	-	-	-	591,881,210
Payments for investing in subsidiaries and associates	11	(301,632,173)	(899,999,950)	(301,637,691)	(899,999,950)
Proceeds from disposals of investments in a subsidiary		-	701,755,066	-	701,755,066
Proceeds from disposals of other long-term investments		288,530,394	65,145,371	141,900,394	65,145,371
Payments for purchases of fixed assets and investment properties		(22,104,032,193)	(15,042,219,275)	(21,573,667,697)	(13,035,753,281)
Proceeds from disposals of fixed assets and investment properties		581,402,641	2,099,372,428	548,504,892	1,867,610,431
Proceeds from cancellation of a long-term rental agreement		470,000,000	-	420,140,000	-
Payments for purchases of intangible assets		(65,300,452)	(77,069,645)	(63,529,008)	(80,903,777)
Increase in other non-current assets		(36,307,296)	(3,192,849)	(36,465,579)	(1,038,983)
Net cash used in investing activities		(21,039,837,516)	(12,923,698,201)	(20,373,578,665)	(12,043,960,085)
Cash flows from financing activities					
Interest paid and financing costs		(2,418,997,741)	(2,049,636,600)	(2,452,874,009)	(2,177,428,997)
Dividends paid		(2,041,037,622)	(1,632,652,826)	(2,043,420,463)	(1,634,559,098)
Net proceeds from derivatives settlement		112,443,606	210,274,343	112,443,606	210,274,343
Net proceeds (payments) on short-term loans from related parties		-	-	146,800,000	(552,907,400)
Net proceeds (payments) on short-term loans from financial institutions		8,698,912,077	(100,345,864)	8,788,694,399	(155,943,232)
Payments on long-term loans from financial institutions		(9,000,000,000)	(2,000,000,000)	(9,000,000,000)	(2,000,000,000)
Proceeds from long-term loans from financial institutions	18	3,000,000,000	-	3,000,000,000	-
Proceeds from debentures issuance	18	15,000,000,000	-	15,000,000,000	-
Payments on finance lease		(3,995,990)	(4,146,036)	(3,995,990)	(4,146,036)
Dividends paid to non-controlling interests	24	(19,156,758)	(16,272,683)	-	-
Net cash generated from (used in) financing activities		13,328,167,572	(5,592,779,666)	13,547,647,543	(6,314,710,420)
Net decrease in cash and cash equivalents		(3,115,570,411)	(1,399,820,807)	(2,858,285,562)	(1,376,569,926)
Cash and cash equivalents at beginning of the year		5,124,204,584	6,524,025,391	4,551,614,755	5,928,184,681
Cash and cash equivalents at end of the year		2,008,634,173	5,124,204,584	1,693,329,193	4,551,614,755
Non-cash transactions					
Accounts payable - purchases of fixed assets		684,468,450	403,391,043	640,023,316	323,745,687
Other long-term investments from debt to equity swap	12, 25	3,289,189,780	-	3,287,299,780	-

IRPC Public Company Limited
Notes to the consolidated and company financial statements
For the year ended 31 December 2014

1 General information

IRPC Public Company Limited ("the Company") is a public company incorporated and resident in Thailand. The address of the Company's registered office is 299 Moo 5, Sukhumvit Road, Choengnuen District, Aumphur Muang, Rayong Province. The Company and subsidiaries' office is at 555/2 Energy Complex, Building B, 6th floor, Vibhavadi Rangsit Road, Chatuchak, Khet Chatuchak, Bangkok 10900.

The Company is listed on the Stock Exchange of Thailand. For reporting purposes, the Company and its subsidiaries are referred to as 'the Group'.

The Group is engaged in petrochemicals and petroleum with its products being plastic resins, refinery products, lubricant base oil and other petrochemical products.

These consolidated and company financial statements were authorised for issue by the Board of Directors on 10 February 2015.

2 Accounting policies

The principal accounting policies applied in the preparation of these consolidated and company financial statements are set out below:

2.1 Basis of preparation

The consolidated and company financial statements have been prepared in accordance with Thai generally accepted accounting principles under the Accounting Act B.E. 2543, being those Thai Accounting Standards issued under the Accounting Profession Act B.E. 2547, and the financial reporting requirements of the Securities and Exchange Commission under the Securities and Exchange Act.

The consolidated and company financial statements have been prepared under the historical cost convention except the measurement of available-for-sale investments at fair value, which has been explained in the relevant accounting policies.

The preparation of financial statements in conformity with Thai generally accepted accounting principles requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 4.

An English version of the consolidated and company financial statements has been prepared from the statutory financial statements that are in the Thai language. In the event of a conflict or a difference in interpretation between the two languages, the Thai language statutory financial statements shall prevail.

As at 1 January 2014, the Group changed its accounting policy in relation to the recognition of actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions for retirement benefits under TAS 19 "Employee benefits". The Group has changed the accounting policy for recognition of actuarial gains and losses from profit and loss to other comprehensive income. The change in this accounting policy has no impact to the Group's prior year financial statements because there was significant change in actuarial assumptions. Therefore, no retrospective adjustment for the comparative financial statements is presented.

IRPC Public Company Limited
Notes to the consolidated and company financial statements
For the year ended 31 December 2014

2 Accounting policies (continued)

2.2 Revised accounting standards and financial reporting standards, new financial reporting standards, interpretation of accounting standards and financial reporting standards

a) Revised accounting standards and financial reporting standards, new interpretation of accounting standards and financial reporting standards which are effective on 1 January 2014 are:

TAS 1 (revised 2012)	Presentation of financial statements
TAS 7 (revised 2012)	Statement of cash flows
TAS 12 (revised 2012)	Income taxes
TAS 17 (revised 2012)	Leases
TAS 18 (revised 2012)	Revenue
TAS 19 (revised 2012)	Employee benefits
TAS 21 (revised 2012)	The effects of changes in foreign exchange rates
TAS 24 (revised 2012)	Related party disclosures
TAS 28 (revised 2012)	Investments in associates
TAS 31 (revised 2012)	Interest in joint ventures
TAS 34 (revised 2012)	Interim financial reporting
TAS 36 (revised 2012)	Impairment of assets
TAS 38 (revised 2012)	Intangible assets
TFRS 2 (revised 2012)	Share-based payment
TFRS 3 (revised 2012)	Business combinations
TFRS 5 (revised 2012)	Non-current assets held for sale and discontinued operations
TFRS 8 (revised 2012)	Operating segments
TFRIC 1	Changes in existing decommissioning, restoration and similar liabilities
TFRIC 4	Determining whether an arrangement contains a lease
TFRIC 5	Rights to interests arising from decommissioning, restoration and environmental rehabilitation funds
TFRIC 7	Applying the restatement approach under TAS 29 financial reporting in hyperinflationary economies
TFRIC 10	Interim financial reporting and impairment
TFRIC 12	Service concession arrangements
TFRIC 13	Customer loyalty programmes
TFRIC 17	Distributions of non-cash assets to owners
TFRIC 18	Transfers of assets from customers
TSIC 15	Operating leases - incentives
TSIC 27	Evaluating the substance of transactions in the legal form of a lease
TSIC 29	Service concession arrangements: Disclosure
TSIC 32	Intangible assets - Web site costs

These revised accounting standards and financial reporting standards and new accounting interpretations have no impact to the Group.

IRPC Public Company Limited
Notes to the consolidated and company financial statements
For the year ended 31 December 2014

2 Accounting policies (continued)

2.2 Revised accounting standards and financial reporting standards, new financial reporting standards, interpretation of accounting standards and financial reporting standards (continued)

b) Revised accounting standards and financial reporting standards, new financial reporting standards and revised interpretation of accounting standards and financial reporting standards which are effective on 1 January 2015

1) Revised accounting standards and new financial reporting standards which are relevant to the Group are:

TAS 1 (revised 2014)	Presentation of financial statements
TAS 16 (revised 2014)	Property, plant and equipment
TAS 19 (revised 2014)	Employee benefits
TAS 34 (revised 2014)	Interim financial reporting
TFRS 13	Fair value measurement

TAS 1 (revised 2014), the key change is that an entity is required to group items presented in 'other comprehensive income' (OCI) on the basis of whether they are potentially declassifiable to profit or loss subsequently. This standard will only impact the Group presentation of other comprehensive income items in the statement of other comprehensive income.

TAS 16 (revised 2014), the key change is in relation to spare parts, stand-by equipment and servicing equipment which shall be recognised in accordance with this standard when they meet the definition of property, plant and equipment. Otherwise, such items are classified as inventory. The Group is yet to assess the full impact of the amendments.

TAS 19 (revised 2014), the key changes are (a) actuarial gains and losses will be recognised immediately in 'other comprehensive income'. Actuarial gains and losses will no longer be deferred using the corridor approach or recognised in profit or loss; and (b) past-service costs will be recognised in the period of a plan amendment; unvested benefits will no longer be spread over a future-service period. This standard will impact the Group's unrecognised past-service costs. However, this will not significantly impact the Group's financial statements.

TAS 34 (revised 2014), the key change is the disclosure requirements for the operating segment. An entity shall disclose information of a measure of total assets and liabilities for a particular reportable segment if such amounts are regularly provided to the chief operating decision maker and if there has been a material change from the amount disclosed in the last annual financial statements for that reportable segment. This standard will impact the operating segment disclosure of the Group's interim financial information.

TFRS 13 provides a single source of fair value measurement for use across IFRSs and sets out the fair value disclosure requirement. This standard will only impact the Group disclosure in relation to fair value.

IRPC Public Company Limited
Notes to the consolidated and company financial statements
For the year ended 31 December 2014

2 Accounting policies (continued)

2.2 Revised accounting standards and financial reporting standards, new financial reporting standards, interpretation of accounting standards and financial reporting standards (continued)

b) Revised accounting standards and financial reporting standards, new financial reporting standards and revised interpretation of accounting standards and financial reporting standards which are effective on 1 January 2015 (continued)

2) Revised accounting standards, financial reporting standards, interpretation for accounting standards and financial reporting standards which have no impact to the Group are:

TAS 2 (revised 2014)	Inventories
TAS 7 (revised 2014)	Cash flow statements
TAS 8 (revised 2014)	Accounting policies, changes in accounting estimates and errors
TAS 10 (revised 2014)	Events after the reporting period
TAS 11 (revised 2014)	Construction contract
TAS 12 (revised 2014)	Income taxes
TAS 17 (revised 2014)	Leases
TAS 18 (revised 2014)	Revenue
TAS 20 (revised 2014)	Accounting for government grants and disclosure of government assistance
TAS 21 (revised 2014)	The effects of changes in foreign exchange rates
TAS 23 (revised 2014)	Borrowing costs
TAS 24 (revised 2014)	Related party disclosures
TAS 26 (revised 2014)	Accounting and reporting by retirement benefit plans
TAS 27 (revised 2014)	Separate financial statements
TAS 28 (revised 2014)	Investments in associates and joint ventures
TAS 29 (revised 2014)	Financial reporting in hyperinflationary economies
TAS 33 (revised 2014)	Earnings per share
TAS 36 (revised 2014)	Impairment of assets
TAS 37 (revised 2014)	Provisions, contingent liabilities and contingent assets
TAS 38 (revised 2014)	Intangible assets
TAS 40 (revised 2014)	Investment property
TFRS 2 (revised 2014)	Share-based payments
TFRS 3 (revised 2014)	Business combinations
TFRS 5 (revised 2014)	Non-current asset held for sale and discontinued operations
TFRS 6 (revised 2014)	Exploration for and evaluation of mineral resources
TFRS 8 (revised 2014)	Operating segments
TFRS 10	Consolidated financial statements
TFRS 11	Joint arrangements
TFRS 12	Disclosure of interest in other entities
TSIC 10 (revised 2014)	Government assistance – No specific relation to operating activities
TSIC 15 (revised 2014)	Operating leases - Incentives
TSIC 25 (revised 2014)	Income taxes – changes in the tax status of an entity or its shareholders
TSIC 27 (revised 2014)	Evaluating the substance of transactions involving the legal form of a lease
TSIC 29 (revised 2014)	Service concession arrangements: Disclosures
TSIC 31 (revised 2014)	Revenue – barter transactions involving advertising services

IRPC Public Company Limited
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For the year ended 31 December 2014

2 Accounting policies (continued)

2.2 Revised accounting standards and financial reporting standards, new financial reporting standards, interpretation of accounting standards and financial reporting standards (continued)

b) Revised accounting standards and financial reporting standards, new financial reporting standards and revised interpretation of accounting standards and financial reporting standards which are effective on 1 January 2015 (continued)

2) Revised accounting standards, financial reporting standards, interpretation for accounting standards and financial reporting standards which have no impact to the Group are: (continued)

TSIC 32 (revised 2014)	Intangible assets - Web site costs
TFRIC 1 (revised 2014)	Changes in existing decommissioning, restoration and similar liabilities
TFRIC 4 (revised 2014)	Determining whether an arrangement contains a lease
TFRIC 5 (revised 2014)	Rights to interests arising from decommissioning, restoration and environmental rehabilitation funds
TFRIC 7 (revised 2014)	Applying the restatement approach under IAS29 Financial reporting in hyperinflationary economies
TFRIC 10 (revised 2014)	Interim financial reporting and impairment
TFRIC 12 (revised 2014)	Service concession arrangements
TFRIC 13 (revised 2014)	Customer loyalty programmes
TFRIC 14	TAS 19 – The limit on a defined benefit asset, minimum funding requirements and their interaction
TFRIC 15 (revised 2014)	Agreements for the construction of real estate
TFRIC 17 (revised 2014)	Distributions of non-cash assets to owners
TFRIC 18 (revised 2014)	Transfers of assets from customers
TFRIC 20	Stripping costs in the production phase of a surface mine

c) New accounting standard which is effective on 1 January 2016 is:

TFRS 4 (revised 2014) Insurance Contracts

TFRS 4 applies to all insurance contracts (including reinsurance contracts) that an entity issues and to reinsurance contracts that it holds. TFRS 4 is not relevant to the Group's operations.

IRPC Public Company Limited
Notes to the consolidated and company financial statements
For the year ended 31 December 2014

2 Accounting policies (continued)

2.3 Financial statements of a subsidiary

2.3.1 Subsidiaries - TPI Aromatics Public Company Limited

The subsidiary were filed for bankruptcy by a creditor claiming that the subsidiary had not repaid its debts, had excessive liabilities and was no longer in operation. On 7 June 2010, the Central Bankruptcy Court sentenced the subsidiary to absolute receivership. At the Creditors' meeting on 25 January 2011, it unanimously passed the resolution to allow the Custodian Officer to further request the Court to file bankruptcy to such subsidiary.

As the subsidiary is under the supervision of the Custodian Officer; the Company has not included the financial statements of the subsidiary in the consolidated financial statements since the fourth quarter of 2010 onwards. The outstanding balances of assets and liabilities of the Group transacted with TPI Aromatics Public Company Limited presented in the consolidated and company statements of financial position as at 31 December 2014 and 2013 are as follows:

	Consolidated		Company	
As at 31 December	**2014**	**2013**	**2014**	**2013**
	Baht million	**Baht million**	**Baht million**	**Baht million**
Assets				
Investment in subsidiary, net of allowance for impairment of Baht 4,100 million	-	-	-	-
Loans to and interest receivable, net of allowances - Note 33 (e)	3,310	3,293	3,093	3,076
Total assets	3,310	3,293	3,093	3,076
Liabilities				
Loans from and interest payables - Note 33 (h)	2,255	2,255	2,255	2,255
Total liabilities	2,255	2,255	2,255	2,255

As the assets and liabilities are with the same company, the balances after offsetting of assets and liabilities in the consolidated and company statements of financial position are approximately Baht 1,055 million and Baht 838 million (2013: Baht 1,038 million and Baht 821 million), respectively. The Group has anticipated that the recoverable amount will flow from the subsidiary's assets that are to be sold; this is mainly land. In addition as explained in Note 37 that on 30 September 2014, the Liaopairattana family; which was a creditor of TPI Aromatics Public Company Limited, filed a request for withdrawal with regard to debt settlement. The Company already settled their portion of debts. Therefore, the only creditor of this subsidiary is the IRPC Group.

2.3.2 Subsidiaries - R . Solution Company Limited

During 2013, R. Solution Company Limited (formerly IRPC Service Company Limited) which is the Company's subsidiary was sentenced by the Central Bankruptcy Court to absolute receivership on September 24, 2013. The company is now under the supervision of the Custodian Officer; the Company has not included the financial statements of the subsidiary in the consolidated financial statements since the fourth quarter of 2013 onwards.

IRPC Public Company Limited
Notes to the consolidated and company financial statements
For the year ended 31 December 2014

2 Accounting policies (continued)

2.3 Financial statements of a subsidiary

2.3.2 Subsidiaries - R . Solution Company Limited (continued)

The outstanding balances of assets and liabilities of the Group transacted with R. Solution Company Limited presented in the consolidated and company statements of financial position as at 31 December 2014 and 2013 are as follows:

As at 31 December 2014 and 2013	**Consolidated Baht million**	**Company Baht million**
Assets		
Advances	56	56
Short-term loans and interest receivables	145	145
Less Allowance for doubtful debts	(201)	(201)
Net - Note 33 (d)	-	-

2.4 Group accounting - Investment in subsidiaries and associates

(1) Subsidiaries

Subsidiaries are all entities (including special purpose entities) over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one-half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

The Group uses the acquisition method of accounting to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If this is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in profit or loss.

Intercompany transactions, balances and unrealised gains or loss on transactions between Group companies are eliminated. Unrealised losses are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Investments in subsidiaries are accounted for at cost less impairment. Cost is adjusted to reflect changes in consideration arising from contingent consideration amendments. Cost also includes direct attributable costs of investment.

A list of the Group's principal subsidiaries and the effect from the acquisition and disposal of subsidiaries have been disclosed in Note 11.

IRPC Public Company Limited
Notes to the consolidated and company financial statements
For the year ended 31 December 2014

2 Accounting policies (continued)

2.4 Group accounting - Investment in subsidiaries and associates (continued)

(2) Transaction and non-controlling interests

The Group treats transactions with non-controlling interests as transactions with equity owners of the Group. For purchases from non-controlling interests, the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

(3) Disposal of subsidiaries

When the Group ceases to have control or significant influence, any retained interest in the entity is remeasured to its fair value in the consolidated financial statements, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities.

If the ownership of an interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit or loss where appropriate.

(4) Associates

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting and are initially recognised at cost. The Group's investment in associates includes goodwill identified on acquisition, net of any accumulated impairment loss. (See Note 2.13 for the impairment of assets including goodwill).

The Group's share of its associates' post-acquisition profits or losses is recognised in the profit or loss, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transfer.

Accounting policies of associates will be changed where necessary to ensure consistency with the policies adopted by the Group. Dilution gains and losses arising in investments in associates are recognised in the income statements.

In the Company's separate financial statements, investments in associates are accounted for using the cost method.

A list of the Group's principal associates and the effects acquisitions and disposals of associates is set out in Note 11.

IRPC Public Company Limited
Notes to the consolidated and company financial statements
For the year ended 31 December 2014

2 Accounting policies (continued)

2.5 Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements of each of the group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Thai Baht, which is the company's functional and the group's presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit or loss.

When a gain or loss on a non-monetary item is recognised in other comprehensive income, any exchange component of that gain or loss is recognised other comprehensive income. Conversely, when a gain or loss on a non-monetary item is recognised in profit and loss, any exchange component of that gain or loss is recognised in profit and loss.

2.6 Cash and cash equivalents

In the consolidated and company statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. In the consolidated and company statement of financial position, bank overdrafts are shown within borrowings in current liabilities.

2.7 Trade accounts receivable

Trade accounts receivable are carried at the original invoice amount and subsequently measured at the remaining amount less any allowance for doubtful receivables based on a review of all outstanding amounts at the year-end. The amount of the allowance is the difference between the carrying amount of the receivable and the amount expected to be collectible. Bad debts are written-off during the year in which they are identified and recognised in profit or loss within administrative expenses.

2.8 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined by the weighted average method.

The cost of purchase comprises both the purchase price and costs directly attributable to the acquisition of the inventory, such as import duties and transportation charges, less all attributable discounts, allowances or rebates. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity). It excludes borrowing costs.

Net realisable value is the estimate of the selling price in the ordinary course of business, less the necessary costs of completion and selling expenses. The Group recognises allowances for obsolete, slow moving and defective inventories by considering the future use of those inventories.

IRPC Public Company Limited
Notes to the consolidated and company financial statements
For the year ended 31 December 2014

2 Accounting policies (continued)

2.9 Other investments

The Group classifies investments other than investments in subsidiaries and associates into the two categories which are (1) available-for-sale investments and (2) general investments. The classification is dependent on the purpose for which the investments were acquired. Management determines the appropriate classification of its investments at the time of the purchase and re-evaluates such designation on a regular basis.

(1) Investments intended to be held for an indefinite period of time, which may be sold in response to liquidity needs or changes in interest rates, are classified as available-for-sale; and are included in non-current assets unless management has expressed the intention of holding the investment for less than 12 months from the statement of financial position date or unless they will need to be sold to raise operating capital, in which case they are included in current assets.
(2) Investments in non-marketable equity securities are classified as general investments.

All categories of investment are initially recognised at cost, which is equal to the fair value of consideration paid plus transaction cost.

Available-for-sale investments are subsequently measured at fair value. The fair value of investments is based on quoted bid price at the close of business on the statement of financial position date by reference to the Stock Exchange of Thailand. The unrealised gains and losses of available-for-sale investments are recognised in the statement of comprehensive income.

General investments are carried at cost less impairment loss.

A test for impairment is carried out when there is a factor indicating that an investment might be impaired. If the carrying value of the investment is higher than its recoverable amount, impairment loss is charged to the income statement.

On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged to the income statement (including gain/loss from change in fair value which was previously recorded in equity). When disposing of part of the Group's holding of a particular investment in debt or equity securities, the carrying amount of the disposed part is determined by the weighted average carrying amount of the total holding of the investment.

2.10 Investment property

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the companies in the consolidated Group, is classified as investment property. Investment property also includes property that is being constructed or developed for future use as investment property.

Investment property of the Group is land and building held for long-term rental yields or for capital appreciation, including certain land which is currently undetermined for future use.

Investment property is measured initially at its cost, including related transaction costs and borrowing costs. Borrowing costs incurred for the purpose of acquiring, constructing or producing a qualifying investment property are capitalised as part of its cost. Borrowing costs are capitalised while acquisition or construction is actively underway and cease once the asset is substantially complete, or suspended if the development of the asset is suspended.

After initial recognition, investment property is carried at cost less any accumulated depreciation and any accumulated impairment losses.

Land is not depreciated. Depreciation on other investment properties which are buildings is calculated using the straight line method to allocate their cost to their residual values over their estimated useful lives for 20 to 40 years.

Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

IRPC Public Company Limited
Notes to the consolidated and company financial statements
For the year ended 31 December 2014

2.11 Property, plant and equipment

Land and land improvement is stated at cost less allowance for impairment. Plant and equipment are initially recorded at cost and subsequently stated at historical cost less accumulated depreciation. Costs include directly attributable expenses in acquiring such asset.

Depreciation is recorded as expense in the income statement and calculated on the straight-line method or units of production to write-off the costs of each asset, except for land and land improvement which is considered to have an indefinite life.

	Depreciation rates
Buildings and building improvements	20 - 40 years
Machinery and pipes	20 - 30 years
Other machinery	Unit of production
Mechanical equipment	8 - 20 years
Tools and factory equipment	10 years
Furniture, fixtures and office equipment	5 - 10 years
Vehicles	5 - 10 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

The asset's carrying amount is written-down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

Gains or losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'Other (losses)/gains - net' in profit or loss.

Interest costs on borrowings to finance the construction of property, plant and equipment are capitalised as part of cost of the asset, during the period of time required to complete and prepare the property for its intended use.

2.12 Intangible assets

Intangible assets are dredging expenses, computer program and computer development expenses which are stated at cost less accumulated amortisation and impairment loss.

Dredging expenses is expenditure paid to prepare the undersea area around the jetty.

Intangible assets of the Group are definite life assets which are amortised on a straight-line basis over the estimated useful lives of the assets. Amortisation is charged to the income statement.

	Amortisation rates
Dredging expenses	10 - 20 years
Deferred charges: Computer programs and computer development expenses	5 - 10 years

2.13 Impairment of assets

Assets that have an indefinite useful life, for example goodwill, are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the assets exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest level for which there are separately identifiable cash flows. Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

IRPC Public Company Limited
Notes to the consolidated and company financial statements
For the year ended 31 December 2014

2 Accounting policies (continued)

2.14 Leases - where a Group company is the lessee

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease.

Leases of property, plant or equipment where the Group has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the inception of the lease at the lower of the fair value of the leased property and the present value of the minimum lease payments.

Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding rental obligations, net of finance charges, are included in other long-term payables. The interest element of the finance cost is charged to profit or loss over the lease period so as to achieve a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant or equipment acquired under finance leases is depreciated over the shorter period of the useful life of the asset and the lease term.

Leases - where a Group company is the lessor

When assets are leased out under a finance lease, the present value of the lease payments is recognised as a receivable. The difference between the gross receivable and the present value of the receivable is recognised as unearned finance income. Lease income is recognised over the term of the lease using the net investment method, which reflects a constant periodic rate of return. Initial direct costs are included in initial measurement of the finance lease receivable and reduce the amount of income recognised over the lease term.

Assets leased out under operating leases are included in property, plant and equipment in the statement of financial position. They are depreciated over their expected useful lives on a basis consistent with other similar property, plant and equipment owned by the Group. Rental income (net of any incentives given to lessees) is recognised on a straight-line basis over the lease term.

2.15 Borrowings and debentures

Borrowings and debentures are recognised initially at the fair value, net of transaction costs incurred. Borrowings and debentures are subsequently stated at amortised cost using the effective yield method; any difference between proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent that there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the end of reporting date.

IRPC Public Company Limited
Notes to the consolidated and company financial statements
For the year ended 31 December 2014

2 Accounting policies (continued)

2.16 Current and deferred income taxes

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of reporting period in the countries where the Company and the subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised, using the liability method, on temporary differences arising from differences between the tax base of assets and liabilities and their carrying amounts in the statement of financial position. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. Deferred income tax is provided on temporary differences arising from investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

2.17 Employee benefits

The Group has both defined contribution plans and defined benefit. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. A defined benefit plan is a pension plan that is not a defined contribution plan. Typically defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

- ***Defined contribution plans***

  - Provident fund
    The Group operates a provident fund, being a defined contribution plan, the assets for which are held in a separate trust fund. The provident fund is funded by payments from employees and by the Group. The Group's contributions to the provident fund are charged to the income statement in the years to which they relate.

IRPC Public Company Limited
Notes to the consolidated and company financial statements
For the year ended 31 December 2014

2 Accounting policies (continued)

2.17 Employee benefits (continued)

- ***Defined benefit plans***

  - Retirement benefits
    Under Labour Laws applicable in Thailand and the Group's employment policy, all employees completing 120 days of service are entitled to severance pay on termination or retrenchment without cause or upon retirement age of 60. The severance pay will be at the rate according to number of years of service as stipulated in the Labour Law which is currently at a maximum rate of 300 days of final salary. In addition, the Group has a policy to reward gold to the employees upon retirement. This policy is effective from 1 January 2014.

  - Other long-term benefits
    The Group has a policy to reward gold to employees who have provided their services to the Group at their 10 and 20 year anniversaries. On 1 January 2013, the Group approved an additional policy to reward gold to employees who have provided their services to the Group for 30 years.

The liability recognised in the statement of financial position in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period together with adjustments for unrecognised past-service costs. The defined benefit obligation is calculated by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using market yield of government bonds that that have terms to maturity approximating to the terms of the related pension liability. The estimated future cash flows shall reflect employee salaries, turnover rate, mortality, length of service and other.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income in the period in which they arise.

Past-service costs are recognised immediately in profit or loss, unless the changes to the pension plan are conditional on the employees remaining in service for a specified period of time (the vesting period). In this case, the past-service costs are amortised on a straight-line basis over the vesting period.

2.18 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made. Where the Group expects a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

2.19 Treasury stock

Treasury stock is carried at cost and shown as a deduction from total shareholders' equity. Gains on disposal of treasury stock are determined by referring to its carrying amount and are taken to "Premium on treasury stock". Losses on disposal of treasury stock are determined by referring to its carrying amount and are taken to "Premium on treasury stock" and "Retained earnings" consecutively.

IRPC Public Company Limited
Notes to the consolidated and company financial statements
For the year ended 31 December 2014

2 Accounting policies (continued)

2.20 Revenue recognition

Sale of goods and services rendered
Revenue comprises the fair value of the consideration received or receivable for the sale of goods and service including excise tax, municipal tax and oil fund. Revenue is shown net of rebates and discounts, and after eliminating sales within the Group. Revenue from sales of goods is recognised when significant risks and rewards of ownership of the goods are transferred to the buyer. Service income is recognised as services are provided.

Interest and dividend income
Interest income is recognised on a time proportion basis, taking account the principal outstanding and the effective rate over the period to maturity, when it is determined that such income will accrue to the Group. Dividends are recognised when the right to receive payment is established.

Other income
Other income is recognised in the income statement on an accrual basis.

2.21 Government grants

Government grants are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Government grants relating to income are deducted in reporting the relating costs over the period necessary to match them with the costs that they are intended to compensate.

2.22 Dividends

Dividends are recorded in the consolidated and company's financial statements in the period in which they are approved by the shareholders of the Company and the related companies. Interim dividends are recorded in the consolidated and company's financial statements in the period in which they are approved by the Board of directors' of the Company and the subsidiaries.

2.23 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as Chief Executive Officer that makes strategic decisions.

Segment information is presented in respect of the Group's business segments which is based on the Group's management and internal reporting structure (See more information in Note 6).

IRPC Public Company Limited
Notes to the consolidated and company financial statements
For the year ended 31 December 2014

3 Financial risk and pricing risk management regarding raw materials and products

3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks, including the effects of changes in foreign currency exchange rate and interest rates. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group, if possible. The Group uses derivative financial instruments which are forward foreign exchange contracts and interest rate swap contracts to protect certain exposures. In execution of the afore mentioned derivative transactions, it should be in line with the policies determined by the Board of Directors. Management is approved to execute the transactions according to the table of authority of the Group and has to report the results to the Board of Directors.

3.1.1 Foreign exchange rate risk

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures primarily with respect to US Dollars as well as US Dollar bonds which the Group has entered into foreign currency forward contracts to mitigate risk from exchange rate fluctuation.

3.1.2 Interest rate risk

The Group's income and operating cash flows are substantially independent of changes in market interest rates. The Group has interest rate risk arising from borrowings and debentures with floating and fixed interest rates. The Group uses interest rate swap contracts by agreeing with the counterparties to exchange, at specified intervals, the difference between fixed contract rates and floating rate interest amounts calculated by reference to the agreed notional principal amounts.

3.1.3 Credit risk

The Group has no significant concentrations of credit risks. The Group has policies in place to ensure that sales of products and services are made to customers with an appropriate credit history. Derivative counterparties and cash transactions are limited to high-credit quality financial institutions. The Group has policies that limit the amount of credit exposure to any one financial institution.

3.1.4 Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding and the ability to manage risk. Due to the dynamic nature of the underlying business, the Group's treasury aims at maintaining flexibility in funding by keeping committed credit lines available.

3.2 Pricing risk factors regarding raw materials and products

The Group has managed the pricing risks of raw materials and products by setting up the Hedging Committee so as to manage risk exposures following policies approved by the Board of Directors. The Hedging Committee identifies, evaluates and hedges product risks by working closely with the Group's operating units under the approved framework. The Group uses financial instruments such as crack spread swap contracts, time spread swap contracts and crude oil and petroleum products swap contracts to minimise its exposure to the fluctuation in oil prices and products. In execution of the aforementioned derivative transactions, it should be in line with the policies determined by the Board of Directors. The Hedging Committee is authorised to execute the transactions according to the specified policies.

Crude oil price fluctuation risk

The Group is exposed to oil price risk from substantial fluctuations in oil prices which arise from the movement of oil prices in the world market. The Group uses crack spread swap contracts, time spread swap contracts and crude oil and petroleum products swap contracts to minimise its exposure to the fluctuation of oil prices in its business operations.

3 Financial risk and pricing risk management regarding raw materials and products (continued)

3.3 Accounting for derivative financial instruments

The Group is a party to derivative financial instruments, which mainly comprise foreign currency forward contracts, interest rate swap agreements, and commodity derivatives. Such financial instruments are not recognised in the financial statement on inception but only when they are settled according to the contract terms.

Foreign currency forward contracts protect the Group from movements in exchange rates by establishing the rate at which a foreign currency asset will be realised or a foreign currency liability settled. Any increase or decrease in the amount required to realise the asset or settle the liability is offset by a corresponding movement in the value of the forward exchange contract. The gains and losses on the derivative instruments which relate to borrowings are offset for financial reporting purposes and are recognised as finance costs in the income statement, whereas the gains and losses on the derivative instruments which relate to trading business are offset for financial reporting purposes and are recognised as other income - net in the income statement.

Interest rate swap agreements protect the Group from movements in interest rates. Any difference to be paid or received on an interest rate swap agreements is recognised as a component of interest revenue or expense over the period of the agreements. Gains and losses on early termination of interest rate swap contracts or on repayment of the borrowings are presented as part of finance costs in the income statement.

Crack spread swap contracts, time spread swap contracts and crude oil and petroleum products swap contracts protect the Group from movements in crude oil price by establishing the agreed price. The difference between the price at contract settlement date and agreed price will be recognised as realised gains and losses in the income statement under other income - net at settlement date.

3.4 Fair value estimation of derivatives for disclosure in the financial statement

The fair value of publicly traded derivatives is based on quoted market prices at the financial position date. The fair value of forward foreign exchange contracts and the interest rate swap contracts is determined by the market rate of each agreement which is calculated by financial institutions dealing with the Group at the financial position date. The fair values of commodity derivatives are calculated by the offering selling and buying price at the statement of financial position date quoted by the financial institutions of the Group at the financial position date. Details of derivatives are disclosed in Note 35.

4 Critical accounting estimates and judgments

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below.

4.1 Impairment of short-term loans to related parties, amount due from related parties and investment in subsidiaries, associates and other long-term investments

The Group estimates the possibility of the recoverability of loans to and receivables from related parties by considering the ability of settlement. For the investments in subsidiaries, associates and other long-term investments, the Group reviews whether the investments have suffered any impairment. The recoverable amounts have been determined based on their expected future cash flow.

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4 Critical accounting estimates and judgments (continued)

4.2 Impairment of balances with former management and entities relating to the former management

The Group has estimated and set up allowance for doubtful debt of the outstanding amounts with the former management and entities relating to the former management. Most of them have been fully provided the allowance for doubtful debt. The Company's management has determined the recoverable amounts by considering the offsetting assets and liabilities, timing, and the possibility to receive those outstanding amounts.

4.3 Recognition of deferred tax assets

The recognition of deferred tax assets is based upon whether it is probably that sufficient taxable profits will be available in the future against which the reversal of temporary differences can be deducted. The Group has determined the future taxable profits by referencing to the latest available financial forecasts. The recognition, therefore, involves judgement regarding the future financial performance of the Group in which the deferred tax assets have been recognised.

4.4 Employee benefits

The present value of the defined benefit plans depend on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used include the discount rate, salary increase rate and turnover. Any changes in these assumptions will have an impact on the carrying amount the employee benefit obligations. Additional information is disclosed in Note 20.

5 Capital risk management

The Group's objectives of capital management are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

6 Segment information

Segment information is presented in respect of the Group's business segments which are based on the Group's management and internal reporting structure.

The Group's main business segments are:

Petrochemical products	Olefins, aromatics that are raw materials used in the production of plastic resins
Petroleum products	Refinery oil, lubricant oil, asphalt
Other business segments	Power plant, jetty and other utilities

The accounting policies for the operating segments are in accordance with the summaries accounting policies above.

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6 Segment information (continued)

				Consolidated
	Petrochemical products Baht million	Petroleum products Baht million	Other businesses Baht million	Total Baht million
For the year ended 31 December 2014				
Sales	63,853	213,341	4,395	281,589
Operating profit (loss)	(1,589)	(5,674)	651	(6,612)
Unallocated other income				634
Finance costs				(1,494)
Share of loss of investment in associates				(139)
Income tax				2,398
Net loss for the year				(5,213)

	Petrochemical products Baht million	Petroleum products Baht million	Other business segment Baht million	Elimination entries Baht million	Total Baht million
Segment fixed assets	26,321	22,422	16,709	10	65,462
Unallocated fixed assets					35,409
Segment other assets	13,014	25,338	3,928	(2,818)	39,462
Unallocated other assets					22,465
Consolidated total assets					162,798

				Consolidated
	Petrochemical products Baht million	Petroleum products Baht million	Other businesses Baht million	Total Baht million
For the year ended 31 December 2013				
Sales	63,581	225,377	3,635	292,593
Operating profit	1,394	228	935	2,557
Unallocated other income				807
Finance costs				(2,469)
Share of loss of investment in associates				(39)
Income tax				(7)
Net profit for the year				849

	Petrochemical products Baht million	Petroleum products Baht million	Other business segment Baht million	Elimination entries Baht million	Total Baht million
Segment fixed assets	26,681	23,661	16,843	(40)	67,145
Unallocated fixed assets					15,996
Segment other assets	16,080	41,951	3,614	(4,219)	57,426
Unallocated other assets					22,041
Consolidated total assets					162,608

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6 Segment information (continued)

Geographic information

The Group's revenue from external customers approximately 60% is generated in the country. Revenue attributed to foreign counties are mainly from countries in Asia Pacific. In addition, most non-current assets of the Group are located in Thailand.

Major customers

The Group has no revenue from transactions with a single external customer that amounts to 10% or more of the Group's revenue. Therefore, the Group does not present the information about major customers.

7 Cash and cash equivalents

	Consolidated		Company	
	2014	2013	2014	2013
	Baht million	Baht million	Baht million	Baht million
Cash on hand	1	3	-	1
Current accounts	1,397	2,735	1,166	2,496
Savings accounts	611	2,386	527	2,055
Total	2,009	5,124	1,693	4,552

As at 31 December 2014, current accounts and savings accounts bear interest at rates between 0.10% and 1.40% per annum (2013: 0.05% and 1.65% per annum). Cash and cash equivalents are mainly in Thai Baht.

8 Trade accounts receivable - net

		Consolidated		Company	
		2014	2013	2014	2013
	Note	Baht million	Baht million	Baht million	Baht million
Trade accounts receivable					
- Other parties		7,295	13,356	7,053	13,052
- Related parties	33	3,976	7,651	4,899	9,443
Total		11,271	21,007	11,952	22,495
Less Allowance for doubtful debts		(79)	(240)	(68)	(233)
Net		11,192	20,767	11,884	22,262

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8 Trade accounts receivable - net (continued)

Aging analysis of trade accounts receivable as at 31 December 2014 and 2013 is as follows:

	Consolidated		Company	
	2014	**2013**	**2014**	**2013**
	Baht million	**Baht million**	**Baht million**	**Baht million**
Other parties				
Current	7,185	11,267	6,968	10,989
Overdue				
- less than 3 months	38	1,848	24	1,831
- over 3 months but less than 12 months	-	16	-	16
- over 12 months	72	225	61	216
	110	2,089	85	2,063
	7,295	13,356	7,053	13,052
Less Allowance for doubtful debts	(72)	(240)	(61)	(233)
Net	7,223	13,116	6,992	12,819
Related parties				
Current	3,969	7,430	4,892	9,210
Overdue				
- less than 3 months	-	221	-	233
- over 3 months but less than 12 months	2	-	2	-
- over 12 months	5	-	5	-
	7	221	7	233
	3,976	7,651	4,899	9,443
Less Allowance for doubtful debts	(7)	-	(7)	-
Net	3,969	7,651	4,892	9,443
Net	11,192	20,767	11,884	22,262

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9 Inventories - net

	Consolidated		Company	
	2014 Baht million	2013 Baht million	2014 Baht million	2013 Baht million
Raw materials	5,886	7,051	5,489	6,751
Work in process	21	23	10	7
Finished goods	16,233	18,623	14,960	17,351
Chemicals and fuel oil	863	875	634	651
Spare parts and repair materials	1,995	2,191	1,838	2,031
Goods in transit	346	6,035	248	5,890
Net	25,344	34,798	23,179	32,681

According to the Ministry of Energy's regulations, the Company is required to reserve crude oil, liquid petroleum gas, and petroleum products at 6% and lube base oil at 5% of the total production output in each period. As at 31 December 2014, the inventories included a minimum mandatory reserve on crude oil, liquid petroleum gas, and petroleum product amounting to Baht 6,572 million and Baht 6,530 million in the consolidated and company financial statements, respectively (2013: Baht 10,640 million and Baht 10,589 million in the consolidated and company financial statements, respectively). These amounts were net of allowance for net realisable value.

The cost of inventories recognised as expense and included in 'cost of sales' amounting to Baht 274,163 million and Baht 286,350 million in the consolidated and company financial statement, respectively (2013: Baht 273,513 million and Baht 285,099 million in the consolidated and company financial statements, respectively).

Inventories are presented net of allowance for net realisable value. The allowance for net realisable value amounting to Baht 3,296 million and Baht 3,289 million are recognised in the consolidated and company income statement, respectively (2013: Baht 79 million and Baht 76 million in the consolidated and company income statement, respectively).

10 Other receivables

	Consolidated		Company	
	2014 Baht million	2013 Baht million	2014 Baht million	2013 Baht million
Receivables from Excise Department and Oil Fund	92	193	91	193
Others	44	203	30	195
Total	136	396	121	388

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11 Investments in subsidiaries and associates - net

Movement of investments in subsidiaries and associates for the years ended 31 December 2014 and 2013 are as follows:

	Consolidated		Company	
	2014 Baht million	2013 Baht million	2014 Baht million	2013 Baht million
Opening net book amount	6,006	5,519	10,187	9,838
Share of loss of associates - equity method	(139)	(39)	-	-
Dividend from associates	(25)	(107)	-	-
Reduction of registered share capital of subsidiaries	-	-	-	(592)
Reversal of provision for impairment of investment in a subsidiary, net	-	-	-	500
Additional investment in a subsidiary and an associate	302	900	302	900
Disposal of investment in a subsidiary	-	(459)	-	(459)
Gain on the revaluation of retained non-controlling investment	-	192	-	-
Closing net book amount	6,144	6,006	10,489	10,187

Movements of investments in subsidiaries and associates for the year ended 31 December 2014 are as follows:

(1) IRPC Clean Power Company Limited, which is an associate of the Company, issued new ordinary shares of 246 million shares at a par value of Baht 10 each. The associate called for the additional paid-up shares of Baht 2.50 each. The Company purchased the newly-issued ordinary shares at the same investment portion of 121 million shares at Baht 2.50 each, totalling Baht 302 million.

(2) At the Extraordinary Shareholders' meeting of the Rayong Tank Terminal Company Limited, it was resolved to liquidate the company. The company already registered for the dissolution with the Ministry of Commerce.

(3) The Company disposed of its total investment in an associate, Kapuluan Holding Corp. for Baht 0.14 million. The associate ceased its operations and the provision for impairment was fully provided.

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11 Investments in subsidiaries and associates - net (continued)

a) Details of investments in subsidiaries and associates as at 31 December 2014 and 2013 are as follows:

	Paid-up capital		Cost method		Equity method		Impairment		Net		Dividend income	
	2014 Baht million	2013 Baht million	2014 Baht million	2013 Baht million	2014 Baht million	2013 Baht million	2014 Baht million	2013 Baht million	2014 Baht million	2013 Baht million	2014 Baht million	2013 Baht million
Subsidiaries under bankruptcy process (Note 2.3)												
TPI Aromatics Public Co., Ltd.	4,100	4,100	4,100	4,100	-	-	(4,100)	(4,100)	-	-	-	-
R.Solution Co., Ltd. (Below Baht 1 million) (formerly IRPC Service Co., Ltd.)	-	-	-	-	-	-	-	-	-	-	-	-
A subsidiary under liquidation process												
Rayong Tank Terminal Co., Ltd.	-	-	1,000	-	-	-	(1,000)	-	-	-	-	-
Associates												
- **Active associates**												
PTT Polymer Marketing Co., Ltd.	40	40	58	58	235	223	-	-	235	223	23	-
PTT Energy Solutions Co., Ltd.	150	150	30	30	39	35	-	-	39	35	2	-
UBE Chemicals (Asia) Public Co., Ltd.	10,739	10,739	5,300	5,300	4,938	5,115	-	-	4,938	5,115	-	107
IRPC Clean Power Co., Ltd.	1,516	900	743	441	932	633	-	-	932	633	-	-
- **Non-active associates**												
Kapuluan Holding Corp.	-	Peso 1	-	-	-	-	-	-	-	-	-	-
Total			11,231	9,929	6,144	6,006	(5,100)	(4,100)	6,144	6,006	25	107

b) The Group's share of assets, liabilities, revenue, and share of profit (loss) of its associates according to the percentage of shareholding are as follows:

Associates	Business	Incorporated countries	Assets (Baht million)	Liabilities (Baht million)	Revenue (Baht million)	Share of profit (loss) (Baht million)	% Interest held
As at 31 December 2014							
PTT Polymer Marketing Co., Ltd.	Sales of plastic resin	Thailand	2,222	1,987	22,592	34	25.00
PTT Energy Solutions Co., Ltd.	Engineering consulting	Thailand	85	42	111	6	20.00
UBE Chemicals (Asia) Public Co., Ltd.	Produce and sale petrochemical	Thailand	3,918	761	3,593	(177)	25.00
IRPC Clean Power Co., Ltd	Manufacturing and sales of electricity and steam	Thailand	2,077	1,274	-	(3)	48.99
As at 31 December 2013							
PTT Polymer Marketing Co., Ltd.	Sales of plastic resin	Thailand	2,299	2,076	19,087	64	25.00
PTT Energy Solutions Co., Ltd.	Engineering consulting	Thailand	82	45	91	2	20.00
UBE Chemicals (Asia) Public Co., Ltd.	Produce and sale petrochemical	Thailand	3,962	669	3,332	(105)	25.00
Kapuluan Holding Corp.	Investing in other business	Philippines	-	-	-	-	39.99
IRPC Clean Power Co., Ltd	Manufacturing and sales of electricity and steam	Thailand	835	401	-	-	48.99

11 Investments in subsidiaries and associates - net (continued)

c) Details of investments in subsidiaries and associates as at 31 December 2014 and 2013 are as follows:

													Company
		Ownership interest		Paid-up capital		Cost method		Impairment		Net		Dividend income	
		2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
Subsidiaries	**Business**	(%)	(%)	Baht million	Baht million	Baht million	Baht million	Baht million	Baht million	Baht million	Baht million	Baht million	Baht million
- **Active subsidiaries**													
Thai ABS Co., Ltd. And a subsidiary	Manufacturing and sales of plastic resin	99.99	99.99	2,500	2,500	2,500	2,500	-	-	2,500	2,500	40	300
- IRPC A&L Co., Ltd.	Manufacturing and distributing petrochemical product	59.94	59.94										
IRPC Oil Co., Ltd. And a subsidiary	Sales of oil products and gas	99.99	99.99	2,000	2,000	2,000	2,000	(718)	(718)	1,282	1,282	150	-
- Rak Phasuk Co., Ltd. (formerly TPI Oil (2001) Co., Ltd.)	Oil vessel renting	99.99	99.99										
IRPC Polyol Co., Ltd.	Manufacturing and sales of polyol	99.99	99.99	300	300	300	300	-	-	300	300	6	30
IRPC Technology Co., Ltd	Vocational school	99.99	99.99	750	750	750	750	(476)	(476)	274	274	-	-
- **Non-active subsidiaries**													
Thai Polyurethane Industry Co., Ltd.	Manufacturing and sales of polyurethane	99.99	99.99	2	2	2	2	-	-	2	2	-	2
IRPC Energy Co., Ltd.	Manufacturing and sales of electricity	99.99	99.99	2,757	2,757	2,757	2,757	(2,757)	(2,757)	-	-	-	-
TPI Internet Portal Co., Ltd. (Below Baht 1 million)	Sales of oil products	99.89	99.89	-	-	-	-	-	-	-	-	-	-
- ***Subsidiary under bankruptcy process***													
TPI Aromatics Public Co., Ltd.	Manufacturing and sales of petrochemical products	99.99	99.99	4,100	4,100	4,100	4,100	(4,100)	(4,100)	-	-	-	-
R. Solution Co., Ltd. (formerly IRPC Service Co., Ltd.) (Below Baht 1 million)	Service for security	99.50	99.50	-	-	-	-	-	-	-	-	-	-
- ***A subsidiary under liquidation process***													
Rayong Tank Terminal Co., Ltd.	Rental service for chemical tank	99.99	99.99	-	-	1,000	1,000	(1,000)	(1,000)	-	-	-	-
Total subsidiaries						13,409	13,409	(9,051)	(9,051)	4,358	4,358	196	332
Associates													
Active associates													
PTT Polymer Marketing Co., Ltd.	Sales of plastic resin	25.00	25.00	40	40	58	58	-	-	58	58	23	-
PTT Energy Solutions Co., Ltd.	Engineering consulting	20.00	20.00	150	150	30	30	-	-	30	30	2	-
UBC Chemicals (Asia) Public Co., Ltd.	Produce and sale petrochemical	25.00	25.00	10,739	10,739	5,300	5,300	-	-	5,300	5,300	-	107
IRPC Clean Power Co., Ltd.	Manufacturing and sales of electricity and stream	48.99	48.99	1,516	900	743	441	-	-	743	441	-	-
Non-active associates													
Kapuluan Holding Corp.	Investing in other businesses	-	39.99	-	Peso 1	-	-	-	-	-	-	-	-
Total associates						6,131	5,829	-	-	6,131	5,829	25	107
Total investment in subsidiaries and associates						19,540	19,238	(9,051)	(9,051)	10,489	10,187	221	439

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12 Other long-term investments - net

	Consolidated		Company	
	2014 Baht million	**2013 Baht million**	**2014 Baht million**	**2013 Baht million**
Marketable equity securities				
- available-for sales	1,442	1,674	1,442	1,674
Less Allowances for revaluation of investments	(731)	(704)	(731)	(704)
	711	970	711	970
General investments (equity)				
- cost method	4,061	884	4,059	826
Less Allowances for impairment	(4,040)	(759)	(4,038)	(759)
	21	125	21	67
Net	732	1,095	732	1,037

Movement of other long-term investments for the year ended 31 December 2014 are as follows:

			Consolidated
	General investments - cost method Baht million	**Available-for-sale securities Baht million**	**Total Baht million**
Opening net book amount	125	970	1,095
Investments from debt to equity swap	3,289	-	3,289
Disposal of investments	(104)	(23)	(127)
Changes in fair value	-	(236)	(236)
Allowance for impairment of investments	(3,289)	-	(3,289)
Closing net book amount	21	711	732

			Company
	General investments - cost method Baht million	**Available-for-sale securities Baht million**	**Total Baht million**
Opening net book amount	67	970	1,037
Investments from debt to equity swap	3,287	-	3,287
Disposal of investments	(46)	(23)	(69)
Changes in fair value	-	(236)	(236)
Allowance for impairment of investments	(3,287)	-	(3,287)
Closing net book amount	21	711	732

At 30 September 2014, the Group signed the Memorandum of Understanding (MOU) with the former Company's management to settle all of the existing disputes and the movements in relation to the transactions. These are:

1) The Group sold the general investments in United Grain Industry Company Limited to the former management with the carrying amount of Baht 100 million and Baht 42 million in the consolidated and company financial statement, respectively.

2) The Group has recognised the transactions in relation to the rehabilitation plan of three companies, which are TPI EOEG Company Limited, Pornchai Enterprise Company Limited and TPI Holding Company Limited, as the Central Bankruptcy Court orders these companies to rehabilitate in 2011 and 2012. Partial debt amounts owed by these companies are swap to equity amounting to Baht 3,289 million and Baht 3,287 million in the consolidated and company financial statement, respectively. The Group has also considered the recoverable amount of these investments which is lower than the investments amount. Therefore, the Group has provided the allowance for impairment for these investments in the full amount in the same period.

The Group is considering whether to dispose of or do other possible alternatives regarding the above investments to maximise the benefits to the Group.

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13 Investment properties - net

The Group has investment properties which are land that mostly has not been determined for the purpose of use, and major buildings which are for rent presented in the consolidated and company financial statements as follows:

			Consolidated
	Land Baht million	Buildings Baht million	Total Baht million
As at 31 December 2012			
Cost	2,438	98	2,536
Less Accumulated depreciation	-	(64)	(64)
Less Allowance for impairment	(599)	-	(599)
Net book amount	1,839	34	1,873
For the year ended 31 December 2013			
Opening net book amount	1,839	34	1,873
Disposals - net	(814)	(2)	(816)
Depreciation	-	(4)	(4)
Reversal of impairment	234	-	234
Closing net book amount	1,259	28	1,287
As at 31 December 2013			
Cost	1,624	88	1,712
Less Accumulated depreciation	-	(60)	(60)
Less Allowance for impairment	(365)	-	(365)
Net book amount	1,259	28	1,287
For the year ended 31 December 2014			
Opening net book amount	1,259	28	1,287
Disposals - net	(38)	(8)	(46)
Depreciation	-	(3)	(3)
Reversal of impairment	10	-	10
Closing net book amount	1,231	17	1,248
As at 31 December 2014			
Cost	1,586	50	1,636
Less Accumulated depreciation	-	(33)	(33)
Less Allowance for impairment	(355)	-	(355)
Net book amount	1,231	17	1,248
Fair value as at 31 December 2013	1,686	116	1,802
Fair value as at 31 December 2014	1,651	31	1,682

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13 Investment properties - net (continued)

			Company
	Land	**Buildings**	**Total**
	Baht million	**Baht million**	**Baht million**
As at 31 December 2012			
Cost	1,906	24	1,930
Less Accumulated depreciation	-	(16)	(16)
Less Allowance for impairment	(347)	-	(347)
Net book amount	1,559	8	1,567
For the year ended 31 December 2013			
Opening net book amount	1,559	8	1,567
Disposals - net	(416)	(1)	(417)
Depreciation	-	(1)	(1)
Reversal of impairment	18	-	18
Closing net book amount	1,161	6	1,167
As at 31 December 2013			
Cost	1,490	21	1,511
Less Accumulated depreciation	-	(15)	(15)
Less Allowance for impairment	(329)	-	(329)
Net book amount	1,161	6	1,167
For the year ended 31 December 2014			
Opening net book amount	1,161	6	1,167
Disposals - net	(9)	(4)	(13)
Depreciation	-	(1)	(1)
Closing net book amount	1,152	1	1,153
As at 31 December 2014			
Cost	1,481	3	1,484
Less Accumulated depreciation	-	(2)	(2)
Less Allowance for impairment	(329)	-	(329)
Net book amount	1,152	1	1,153
Fair value as at 31 December 2013	1,576	86	1,662
Fair value as at 31 December 2014	1,560	8	1,568

During 2014, the Group reversed allowance for impairment of Baht 10 million in the consolidated financial statements. (2013: Baht 234 million and Baht 18 million in the consolidated and company financial statements, respectively) because of sale of land.

Amounts recognised in profit and loss that are related to investment properties are as follows:

	Consolidated		Company	
	2014	**2013**	**2014**	**2013**
	Baht million	**Baht million**	**Baht million**	**Baht million**
Rental income	40	31	37	29

14 Property, plant and equipment - net

	Land and land improvement Baht million	Buildings and building improvements Baht million	Machinery and pipes Baht million	Tools and factory equipment Baht million	Furniture, fixtures and office equipment Baht million	Vehicles Baht million	Assets under construction Baht million	Total Baht million
								Consolidated
As at 31 December 2012								
Cost	4,403	24,948	81,299	2,046	820	751	8,645	122,912
Less Accumulated depreciation	-	(10,935)	(35,975)	(1,239)	(493)	(579)	-	(49,221)
Allowance for impairment	(181)	(159)	(203)	-	-	-	-	(543)
Net book amount	4,222	13,854	45,121	807	327	172	8,645	73,148
For the year ended 31 December 2013								
Opening net book amount	4,222	13,854	45,121	807	327	172	8,645	73,148
Additions	281	6	167	107	40	11	14,230	14,842
Disposals - net book value	(122)	-	(29)	-	-	(11)	-	(162)
Reclassification	118	908	5,991	39	55	-	(7,111)	-
Depreciation charge	-	(853)	(3,570)	(132)	(103)	(29)	-	(4,687)
Closing net book amount	4,499	13,915	47,680	821	319	143	15,764	83,141
As at 31 December 2013								
Cost	4,680	25,861	87,428	2,191	909	730	15,764	137,563
Less Accumulated depreciation	-	(11,784)	(39,545)	(1,370)	(590)	(587)	-	(53,876)
Allowance for impairment	(181)	(162)	(203)	-	-	-	-	(546)
Net book amount	4,499	13,915	47,680	821	319	143	15,764	83,141

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14 Property, plant and equipment - net (continued)

	Land and land improvement Baht million	Buildings and building improvements Baht million	Machinery and pipes Baht million	Tools and factory equipment Baht million	Furniture, fixtures and office equipment Baht million	Vehicles Baht million	Assets under construction Baht million	Total Baht million
								Consolidated
As at 31 December 2013								
Cost	4,680	25,861	87,428	2,191	909	730	15,764	137,563
Less Accumulated depreciation	-	(11,784)	(39,545)	(1,370)	(590)	(587)	-	(53,876)
Allowance for impairment	(181)	(162)	(203)	-	-	-	-	(546)
Net book amount	4,499	13,915	47,680	821	319	143	15,764	83,141
For the year ended 31 December 2014								
Opening net book amount	4,499	13,915	47,680	821	319	143	15,764	83,141
Additions	-	11	152	140	28	41	22,864	23,236
Disposals - net book value	(20)	-	(261)	-	-	(1)	-	(282)
Reclassification	-	357	1,865	74	8	-	(2,304)	-
Depreciation charge	-	(887)	(3,795)	(150)	(98)	(26)	-	(4,956)
Allowance for impairment	-	-	(267)	-	-	-	-	(267)
Closing net book amount	4,479	13,396	45,374	885	257	157	36,324	100,872
As at 31 December 2014								
Cost	4,660	26,229	89,184	2,382	941	741	36,324	160,461
Less Accumulated depreciation	-	(12,671)	(43,340)	(1,497)	(684)	(584)	-	(58,776)
Allowance for impairment	(181)	(162)	(470)	-	-	-	-	(813)
Net book amount	4,479	13,396	45,374	885	257	157	36,324	100,872

14 Property, plant and equipment - net (continued)

	Company							
	Land and land improvement Baht million	Buildings and building improvements Baht million	Machinery and pipes Baht million	Tools and factory equipment Baht million	Furniture, fixtures and office equipment Baht million	Vehicles Baht million	Assets under construction Baht million	Total Baht million
As at 31 December 2012								
Cost	3,852	22,225	74,472	1,613	738	557	6,329	109,786
Less Accumulated depreciation	-	(8,930)	(32,115)	(933)	(448)	(408)	-	(42,834)
Allowance for impairment	-	-	(189)	-	-	-	-	(189)
Net book amount	3,852	13,295	42,168	680	290	149	6,329	66,763
For the year ended 31 December 2013								
Opening net book amount	3,852	13,295	42,168	680	290	149	6,329	66,763
Additions	281	-	153	103	31	11	12,335	12,914
Disposals - net book value	(208)	-	(28)	-	-	(9)	-	(245)
Reclassification	119	220	3,899	21	50	-	(4,309)	-
Depreciation charge	-	(830)	(3,300)	(116)	(93)	(23)	-	(4,362)
Closing net book amount	4,044	12,685	42,892	688	278	128	14,355	75,070
As at 31 December 2013								
Cost	4,044	22,445	78,496	1,737	815	548	14,355	122,440
Less Accumulated depreciation	-	(9,760)	(35,415)	(1,049)	(537)	(420)	-	(47,181)
Allowance for impairment	-	-	(189)	-	-	-	-	(189)
Net book amount	4,044	12,685	42,892	688	278	128	14,355	75,070

14 Property, plant and equipment - net (continued)

	Company							
	Land and land improvement Baht million	Buildings and building improvements Baht million	Machinery and pipes Baht million	Tools and factory equipment Baht million	Furniture, fixtures and office equipment Baht million	Vehicles Baht million	Assets under construction Baht million	Total Baht million
As at 31 December 2013								
Cost	4,044	22,445	78,496	1,737	815	548	14,355	122,440
Less Accumulated depreciation	-	(9,760)	(35,415)	(1,049)	(537)	(420)	-	(47,181)
Allowance for impairment	-	-	(189)	-	-	-	-	(189)
Net book amount	4,044	12,685	42,892	688	278	128	14,355	75,070
For the year ended 31 December 2014								
Opening net book amount	4,044	12,685	42,892	688	278	128	14,355	75,070
Additions	-	6	148	128	21	41	22,397	22,741
Disposals - net book value	(20)	-	(261)	-	-	(1)	-	(282)
Reclassification	-	339	1,689	29	7	-	(2,064)	-
Depreciation charge	-	(844)	(3,461)	(129)	(89)	(20)	-	(4,543)
Allowance for impairment	-	-	(267)	-	-	-	-	(267)
Closing net book amount	4,024	12,186	40,740	716	217	148	34,688	92,719
As at 31 December 2014								
Cost	4,024	22,790	80,072	1,873	838	559	34,688	144,844
Less Accumulated depreciation	-	(10,604)	(38,876)	(1,157)	(621)	(411)	-	(51,669)
Allowance for impairment	-	-	(456)	-	-	-	-	(456)
Net book amount	4,024	12,186	40,740	716	217	148	34,688	92,719

As at 31 December 2014, the Group has no asset under finance leases in the consolidated and company financial statements (2013: Baht 4 million in the consolidated and company financial statements).

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14 Property, plant and equipment - net (continued)

On 9 June 2014, one of the Company's plants in Choengnern District, Rayong Province, there was a fire at the VGO/HT: Vacuum Gas Oil Hydro Treating Unit. This unit produced fuel oil to feed the Cracker unit to produce propylene. After the fire VGOHT and the plant nearby had to temporarily cease operations. However, the refinery plant and all other petrochemical plants still continued their normal operations, except for the VGO/HT unit that has ceased its operations for repairs and replacement of certain equipment. The cessation is expected to be approximately 10 months due to the lead time for replacement equipment. As at 31 December 2014, the Company has provided an allowance for impairment of damaged assets of Baht 267 million.

The Company has insurance coverage of US Dollars 1,200 million. The management of the Company, insurers and surveyors are assessing the total damages, which had not been completed by at the report date. Nevertheless, the Company has recognised the claims to the insurance company amounting to Baht 1,710 million presented as other income in the consolidated and company income statement for the year ended 31 December 2014.

Borrowing costs of Baht 886.50 million and Baht 852.19 million in the consolidated and company financial statements, respectively (2013: Baht 394.67 million and Baht 296.48 million in the consolidated and company financial statements, respectively) arising from financing specifically for the construction of new factories, were capitalised during the year and are included in 'Additions'. Capitalisation rates between 3.93% and 6.00% were used to calculate the borrowing costs of the loans used to finance the project.

Depreciation charge for the years ended 31 December 2014 and 2013 is as follows:

	Consolidated		Company	
	2014	2013	2014	2013
	Baht million	Baht million	Baht million	Baht million
Depreciation charge for property, plant and equipment				
- Cost of sales	4,770	4,501	4,451	4,265
- Administrative expenses	186	186	92	97
	4,956	4,687	4,543	4,362
Depreciation charge for investment properties				
- Administrative expenses	3	4	1	1
Total	4,959	4,691	4,544	4,363

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15 Intangible assets - net

Intangible assets presented in the consolidated and company financial statements are as follows:

			Consolidated
	Dredging expenses Baht million	Computer software and computer development Baht million	Total Baht million
As at 31 December 2012			
Cost	2,685	1,008	3,693
Less Accumulated amortisation	(1,721)	(265)	(1,986)
Net book amount	964	743	1,707
For the year ended 31 December 2013			
Opening net book amount	964	743	1,707
Additions	23	52	75
Write-off, net	(26)	-	(26)
Amortisation	(136)	(104)	(240)
Closing net book amount	825	691	1,516
As at 31 December 2013			
Cost	2,640	1,060	3,700
Less Accumulated amortisation	(1,815)	(369)	(2,184)
Net book amount	825	691	1,516
For the year ended 31 December 2014			
Opening net book amount	825	691	1,516
Additions	-	64	64
Amortisation	(142)	(107)	(249)
Closing net book amount	683	648	1,331
As at 31 December 2014			
Cost	2,640	1,124	3,764
Less Accumulated amortisation	(1,957)	(476)	(2,433)
Net book amount	683	648	1,331

IRPC Public Company Limited
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15 Intangible assets - net (continued)

Intangible assets presented in the consolidated and company financial statements are as follows: (continued)

			Company
	Dredging expenses Baht million	**Computer software and computer development Baht million**	**Total Baht million**
As at 31 December 2012			
Cost	2,685	1,003	3,688
Less Accumulated amortisation	(1,721)	(265)	(1,986)
Net book amount	964	738	1,702
For the year ended 31 December 2013			
Opening net book amount	964	738	1,702
Additions	23	57	80
Write-off, net	(26)	-	(26)
Amortisation	(136)	(104)	(240)
Closing net book amount	825	691	1,516
As at 31 December 2013			
Cost	2,640	1,060	3,700
Less Accumulated amortisation	(1,815)	(369)	(2,184)
Net book amount	825	691	1,516
For the year ended 31 December 2014			
Opening net book amount	825	691	1,516
Additions	-	62	62
Amortisation	(142)	(107)	(249)
Closing net book amount	683	646	1,329
As at 31 December 2014			
Cost	2,640	1,122	3,762
Less Accumulated amortisation	(1,957)	(476)	(2,433)
Net book amount	683	646	1,329

Total amortisation of Baht 249 million has been included in the costs of sales and administrative expenses for Baht 151 million and Baht 98 million, respectively in the consolidated and company income statements for the year ended 31 December 2014 (2013: Baht 147 million and Baht 93 million has been included in the costs of sales and administrative expenses, respectively).

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16 Deferred income taxes

The analysis of deferred tax assets and deferred tax liability is as follows:

	Consolidated		Company	
	2014 Baht million	2013 Baht million	2014 Baht million	2013 Baht million
Deferred tax assets:				
Deferred tax assets to be recovered within 12 months	20	17	20	17
Deferred tax assets to be recovered after more than 12 months	5,118	2,699	4,795	2,356
	5,138	2,716	4,815	2,373
Deferred tax liabilities:				
Deferred tax liabilities to be settled within 12 months	84	84	84	84
Deferred tax liabilities to be settled after more than 12 months	123	258	123	258
	207	342	207	342
Deferred tax assets - net	4,931	2,374	4,608	2,031

The gross movement and the deferred income tax account is as follows:

	Consolidated		Company	
	2014 Baht million	2013 Baht million	2014 Baht million	2013 Baht million
As at 1 January	2,374	2,319	2,031	1,934
Income statement charge	2,470	16	2,491	58
Tax charge relating components of other comprehensive income	87	39	86	39
As at 31 December	4,931	2,374	4,608	2,031

The movement in deferred tax assets and liabilities during the year is as follows:

					Consolidated
	Employee benefit obligations Baht million	Receivables and investment impairment Baht million	Tax losses Baht million	Others Baht million	Total Baht million
Deferred tax assets					
As at 1 January 2013	223	1,610	509	459	2,801
Charged (credited) to profit or loss	34	-	(80)	(78)	(124)
Charge to other comprehensive income	-	-	-	39	39
As at 31 December 2013	257	1,610	429	420	2,716
Charged (credited) to profit or loss	17	(104)	2,391	31	2,335
Charged to other comprehensive income	39	-	-	48	87
As at 31 December 2014	313	1,506	2,820	499	5,138

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16 Deferred income taxes (continued)

	Consolidated
	Fixed assets Baht million
Deferred tax liabilities	
As at 1 January 2013	482
Credited to profit or loss	(140)
As at 31 December 2013	342
Credited to profit or loss	(135)
As at 31 December 2014	207

The movement in deferred tax assets and liabilities during the year are as follows:

	Company				
	Employee benefit obligations Baht million	**Receivables and investment impairment Baht million**	**Tax losses Baht million**	**Others Baht million**	**Total Baht million**
Deferred tax assets					
As at 1 January 2013	207	1,468	507	234	2,416
Charged/(credited) to profit or loss	32	-	(85)	(29)	(82)
Charged to other comprehensive income	-	-	-	39	39
As at 31 December 2013	239	1,468	422	244	2,373
Charged/(credited) to profit or loss	14	(104)	2,396	50	2,356
Charged to other comprehensive income	38	-	-	48	86
As at 31 December 2014	291	1,364	2,818	342	4,815

	Company
	Fixed assets Baht million
Deferred tax liabilities	
As at 1 January 2013	482
Credited to profit or loss	(140)
As at 31 December 2013	342
Credited to profit or loss	(135)
As at t 31 December 2014	207

The Group has total tax losses of Baht 18,195 million to carry forward against future taxable profits. Tax losses amounting to Baht 10,210 million and Baht 7,985 million will expire in 2017 and 2019, respectively. The Group has recognised deferred tax assets for tax losses amounting to Baht 14,100 million, no deferred tax asset is recognised for the remaining tax loss of Baht 4,095 million. The Group has considered whether the realisation of the related tax benefit through the future taxable profits is probable.

The Group, therefore, has total deferred tax assets from tax losses amounting to Baht 2,820 (2013: Baht 429 million). The deferred tax asset from tax loss amounting to Baht 801 million is loss from the settlement under rehabilitation of the three companies relating to the former management (Note 34) as a result of entering into Memorandum of Understanding on 30 September 2014. The remaining deferred tax asset from tax loss amounting to Baht 2,019 million is from loss from operations. The recognition involves judgement regarding the future financial performance of the Company in which the deferred tax assets have been recognised

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17 Other non-current assets - net

	Consolidated		Company	
	2014 Baht million	2013 Baht million	2014 Baht million	2013 Baht million
Deposits for land	128	128	128	128
Less Allowance for impairment	(128)	(128)	(128)	(128)
	-	-	-	-
Others	89	53	85	49
Net	89	53	85	49

18 Borrowings

	Consolidated		Company	
	2014 Baht million	2013 Baht million	2014 Baht million	2013 Baht million
Current liabilities				
Unsecured short-term loans from financial institutions	8,847	147	8,793	-
Current portion of long-term loans due within one year	2,701	2,000	2,701	2,000
Current portion of debentures due within one year	5,000	7,000	5,000	7,000
Total short-term loans	16,548	9,147	16,494	9,000
Non-current liabilities				
Unsecured debentures				
- US Dollar	7,881	7,842	7,881	7,842
Less Discount on debentures	(10)	(15)	(10)	(15)
Net	7,871	7,827	7,871	7,827
- Thai Baht	22,640	12,640	22,640	12,640
Total debentures	30,511	20,467	30,511	20,467
Long-term loans from financial institutions	13,793	13,466	13,793	13,466
Total debentures and long term loans	44,304	33,933	44,304	33,933
Less Deferred debentures issuance costs and deferred financing fee	(61)	(50)	(61)	(50)
Total debentures and long-term loans	44,243	33,883	44,243	33,883
Total borrowings	**60,791**	**43,030**	**60,737**	**42,883**

Short-term loans

As at 31 December 2014, unsecured short-term loans from financial institutions amounting to Baht 8,847 million and 8,793 million in the consolidated and company financial statements, respectively, bearing interest rates of between 0.50% and 2.15% per annum with maturities of 1 - 3 months (2013: Baht 147 million in the consolidated financial statements bearing interest at rates between 0.70% and 0.73% per annum with maturities of 1 - 3 months).

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18 Borrowings (continued)

Long- term loans

(1) On 7 January 2009, the Company entered into a long-term loan contract for Baht 10,000 million with five local financial institutions for capital expenditure projects. Accounts are withdrawn according to the progress of the projects. The unsecured long-term loans are for a period of eight years with an interest rate not exceeding the maximum of a six-month fixed deposit market rate plus a certain margin for the facility of Baht 5,400 million (Facility A) and at the rate of THBFIX six-month plus a certain margin for the facility of Baht 4,600 million (Facility B). The interest will be paid at the end of every month whereas the principal repayment is separated into 10 semi-annually instalments, starting from 30 June 2012 (the last business day of the 42nd month from the loan agreement date). As at 31 December 2014, the loans of Baht 10,000 million have already been drawn down (2013: Baht 10,000 million).

(2) During 2011 and 2012, the Company entered into the following loan agreements with three local and foreign financial institutions to finance the Group's projects.

- Unsecured loans with facilities of US Dollars 100 million are for a period of 8 years with an interest at LIBOR plus a certain margin per annum. The interest will be paid every 3 months or 6 months whereas the principal repayment is separated into 10 semi-annually instalments, starting from 10 July 2015 (42nd month from the loan agreement signing date). As at 31 December 2014, the loans were fully drawn down.

- Unsecured loans with facilities of Baht 3,700 million are for a period of 8 years with an interest rate of THB FIX three-month plus a certain margin per annum. The interest will be paid every 3 months whereas the principal repayment is separated into 10 semi-annually instalments, starting from 31 July 2015 (the last business day of the 42nd month from the first drawn down). As at 31 December 2014, the loans were fully drawn down.

- Unsecured loans with facilities of US Dollars 75 million are for a period of 6 years with an interest rate at LIBOR plus a certain margin per annum. The interest will be paid every 1 month or 3 months or 6 months. The principal is to be repaid by 10 January 2018. As at 31 December 2014, the loans were fully drawn down.

(3) During 2014, the Company entered into the following loan agreements with local financial institutions to finance to Group's projects.

- Unsecured loans with facilities of Baht 10,000 million with three local financial institutions are for a period of 8 years with the interest rate of the average maximum six-month fixed deposit rate of four commercial banks plus a certain margin per annum. The payment of interest is monthly whereas the principal repayment is separated into 12 semi-annually installments, starting from June 2016. As at 31 December 2014, the Company has not yet drawn down the loans.

- Unsecured loans with facilities of Baht 3,000 million with a local financial institution are for a period of 8 years with the interest rate of the six-month fixed deposit rate of an individual plus a certain margin per annum. The payment of interest is semi-annually whereas the principal repayment is separated into 10 semi-annually installments, starting from 30 September 2017 (42nd month from the loan agreement date). As at 31 December 2014, the loans were fully drawn down.

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18 Borrowings (continued)

Debentures

Debentures as at 31 December 2014 are as follows:

(1) The Company issued USD unsecured and non-subordinated debentures with a total face value of US Dollars 250 million at the discount price of 99.323% of the face value, for the net amount of US Dollars 248.31 million. The debentures bear interest at the fixed rate of 6.375% per annum, payable semi-annually starting from 25 November 2007. The debentures will mature on 25 May 2017.

(2) The Company issued Thai Baht unsecured and non-subordinated debentures with a total face value of Baht 10,000 million. The Company offered these debentures to financial institution investors in two tranches, Baht 7,000 million and Baht 3,000 million as follows:

	Baht 7,000 million	**Baht 3,000 million**
Maturity	7 years	10 years
Fixed interest rate per annum (%)	5.05	5.29
Payment of interest	Semi-annually	Semi-annually
Redemption date	2 July 2014	2 July 2017

Under the terms of the debentures, the Company has to comply with certain conditions as stipulated, such as not creating any future lien or other security interest of the Company and its principal subsidiaries; consolidation, amalgamation, merger and sale of assets require the debenture holders' consent and maintaining direct and indirect ownership interest of PTT Public Company Limited.

(3) On 24 August 2012, the Company issued Tranche 1 debentures amounting to Baht 5,000 million with a fixed interest rate at 4.35% per annum, and maturity date on 24 August 2015 and Tranche 2 debentures amounting to Baht 5,000 million with a fixed interest rate at 4.76% per annum, and maturity date on 24 August 2018. Interest is payable semi-annually for both Tranche 1 and 2 debentures. The first interest payment period is on 24 February 2013 with the final interest payment on the maturity dates of each Tranche.

Under the terms of the debentures, the Company has to comply with certain conditions as stipulated therein, such as not creating any future lien or other security interest of the Company and its principal subsidiaries, maintaining direct and indirect ownership interest of PTT Public Company Limited and maintaining certain financial ratios as stipulated in the requirements of the debenture's issuer.

(4) On 9 May 2014, the Company issued debentures which are unsecured, non-subordinated with a debenture holders' representative in the name-registered certificate, totalling Baht 15,000 million. The details are as follows:
- Tranche 1 debentures amounting to Baht 1,366 million and Tranche 4 debentures amounting to Baht 3,380 million with a fixed interest rate at 3.96% per annum, and redemption date on 9 May 2017;
- Tranche 2 debentures amounting to Baht 1,944 million and Tranche 5 debentures amounting to Baht 1,420 million with a fixed interest rate at 4.50% per annum, and redemption date on 9 May 2019; and
- Tranche 3 debentures amounting to Baht 2,940 million and Tranche 6 debentures amounting to Baht 3,950 million with a fixed interest rate at 4.96% per annum, and redemption date on 9 May 2021

Interest is payable on semi-annual for all six tranches of debentures. The first interest payment period is on 9 November 2014 with final interest payments at the redemption dates of each Tranche.

Under the terms of the debentures, the Company has to comply with certain conditions as stipulated, such as not creating any future lien or other security interest of the Company and its principal subsidiaries, maintaining direct and indirect ownership interest of PTT Public Company Limited in the Company and maintaining certain financial ratios as stipulated in the requirements of the debenture's issuer.

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18 Borrowings (continued)

Debentures (continued)

The interest rates on the loans and debentures of the Group and the Company are as follows:

	Consolidated		Company	
	2014	**2013**	**2014**	**2013**
	Baht million	**Baht million**	**Baht million**	**Baht million**
- Short-term loans and debentures at fixed rates	44,296	27,564	44,242	27,417
- Long-term loans at floating rates	16,495	15,466	16,495	15,466
Total	60,791	43,030	60,737	42,883

	Consolidated		Company	
	2014	**2013**	**2014**	**2013**
Effective interest rates (%)				
- Short-term loans from financial institutions	0.50 - 2.15	0.70 - 0.73	0.50 - 2.15	-
- Debentures	3.960 - 6.375	4.564 - 6.375	3.960 - 6.375	4.564 - 6.375
- Long-term loans from financial institutions	1.366 - 4.308	1.442 - 5.000	1.366 - 4.308	1.442 - 5.000

Maturity of long-term loans from financial institutions and debentures is as follows:

	Consolidated		Company	
	2014	**2013**	**2014**	**2013**
	Baht million	**Baht million**	**Baht million**	**Baht million**
Within 1 year	7,701	9,000	7,701	2,000
Later than 1 year but no later than 5 years	35,163	31,787	35,163	31,787
Later than 5 years	9,080	2,096	9,080	2,096
Total	51,944	42,883	51,944	42,883

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18 Borrowings (continued)

The movement of long-term loans from financial institutions and debentures for the year ended 31 December 2014 can be analysed as follows:

	Consolidated	Company
	Baht million	Baht million
Opening net book amount	42,883	42,883
Amortisation of deferred financing fees	14	14
Recognition of discount on debentures	5	5
Issuance of debentures	15,000	15,000
Proceed from long-term loans	3,000	3,000
Financing costs of debentures issued and long-term loans	(26)	(26)
Repayment of loans and debentures	(9,000)	(9,000)
Unrealised losses on exchange rate	68	68
Closing net book amount	51,944	51,944

Fair value

The carrying amounts and fair values of debentures in the consolidated and company financial statements are as follows:

	Carrying amount		Fair value	
	2014	2013	2014	2013
	Baht million	Baht million	Baht million	Baht million
- US Dollar	7,871	7,827	8,335	8,219
- Thai Baht	27,640	19,640	28,517	19,902
Total	35,511	27,467	36,852	28,121

The fair values of debentures of Thai Baht are calculated by applying the latest reference yield rate referred from the Thai Bond Market Association used in calculating discounted cash flows. Fair values of US Dollar debentures are calculated by applying the latest closing bid price from the International Bond Market.

The carrying amounts of short-term borrowings with fixed interest rate approximate their fair values because of their short-term maturities. The long-term loans from financial institutions have floating interest rates; thus, the fair values approximate the carrying amounts.

Credit facilities

The Group has credit facilities from the commercial banks totalling Baht 59,623 million with the money market interest rates. As at 31 December 2014, the Group has outstanding credit facilities of Baht 26,177 million

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19 Trade accounts payable

		Consolidated		Company	
		2014	2013	2014	2013
	Note	Baht million	Baht million	Baht million	Baht million
- Related parties	33	25,060	35,191	25,897	36,483
- Other parties		755	1,146	484	929
Total		25,815	36,337	26,381	37,412

20 Employee benefit obligations

	Consolidated		Company	
	2014	2013	2014	2013
	Baht million	Baht million	Baht million	Baht million
Statements of financial position				
Retirement benefits	1,451	1,132	1,344	1,042
Other long-term benefits	116	167	109	149
	1,567	1,299	1,453	1,191
Income statements				
Retirement benefits	137	107	129	98
Other long-term benefits	12	96	11	86
	149	203	140	184

The movement in the employee benefit obligations over the year are as follows:

	Consolidated		Company	
	2014	2013	2014	2013
	Baht million	Baht million	Baht million	Baht million
Opening book amount	1,299	1,121	1,191	1,032
Current service costs	83	160	79	144
Interest cost	64	43	59	40
Amortisation of unrecognised past service cost	2		2	-
Losses from changes in actuarial assumptions	142	-	145	-
Benefits paid	(23)	(25)	(23)	(25)
Closing book amount	1,567	1,299	1,453	1,191

Total current service costs and interest cost are charged in the income statements.

Of the total charge, Baht 90 million and Baht 59 million (2013: Baht 62 million and Baht 141 million) were included in cost of sales and the administrative expenses in the consolidated income statement, respectively.

Of the total charge, Baht 82 million and Baht 58 million (2013: Baht 56 million and Baht 128 million) were included in cost of goods sold and administrative expenses in the company income statement, respectively.

The significant assumptions used for calculating employee benefit obligations according to the actuarial technique as at the consolidated and company statements of financial position are as follows:

	2014	2013
Discount rate as at 31 December	4.4%	4.2%
Salary increase rate	5% - 8%	5% - 8%
Turnover rate	0% - 2%	0% - 2%

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21 Share capital and premium on share capital

	Number of shares Million shares	Ordinary shares Baht million	Premium on share capital Baht million	Total Baht million
Balance as at 31 December 2013	20,434	20,434	28,554	48,988
Issued shares	-	-	-	-
Balance as at 31 December 2014	20,434	20,434	28,554	48,988

As at 31 December 2014, the total authorised number of shares was 20,475 million shares with a par value of Baht 1 per share. The shares of 20,434 million shares were issued and fully paid-up.

22 Legal reserve

	Consolidated		Company	
	2014 Baht million	2013 Baht million	2014 Baht million	2013 Baht million
Balance as at 1 January 2013	2,048	2,048	2,048	2,048
Appropriation during the year	-	-	-	-
Balance as at 31 December 2013	2,048	2,048	2,048	2,048
Appropriation during the year	-	-	-	-
Balance as at 31 December 2014	2,048	2,048	2,048	2,048

Under the Public Company Act of B.E. 2535, the Company is required to set aside a statutory reserve of at least 5% of its net profit after accumulated deficit is brought forward (if any) until the reserve reaches not less than 10% of the registered capital. The legal reserve is non-distributable.

The legal reserve has been fully provided to comply with the law since 2007.

23 Treasury stock - Company's shares held by a subsidiary

	Consolidated	
	2014 Baht million	2013 Baht million
IRPC Oil Company Limited	124	124
Total	124	124

As at 31 December 2014, the Company's ordinary shares of 23,828,400 have been held by IRPC Oil Company Limited, (2013: 23,828,400 shares). These shares are stated at costs and presented in the statements of financial position as a deduction of total shareholders' equity.

The subsidiary plans to dispose of the Company's shares when returns are higher than its costs.

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24 Non-controlling interests

	Consolidated	
	2014	**2013**
	Baht million	**Baht million**
Beginning balance	68	62
Share of net profit	21	23
Dividends paid	(19)	(17)
Ending balance	70	68

25 Other income - net

	Consolidated		Company	
	2014	**2013**	**2014**	**2013**
	Baht million	**Baht million**	**Baht million**	**Baht million**
Interest income	82	71	275	225
Dividend income	38	54	259	493
Gains on exchange rate	1,002	147	998	148
Gains on commodity derivative instruments	1,725	1,721	1,725	1,721
Tax refund from custom duty	219	201	219	201
Reversal of allowance for doubtful debts of transactions with former company's management and relating entities				
- Deposit from a long-term building Rental agreement	470	-	420	-
- Loans to former company's management	3,289	-	3,287	-
Provision for impairment of other long-term investments	(3,289)	-	(3,287)	-
Reversal of impairment of investment in a subsidiary, net	-	-	-	500
Gains from disposal of investment in a subsidiary	50	193	50	193
Gain on the revaluation of retained interest from disposal of investment in a subsidiary	-	192	-	-
Gains from disposal of other long-term investments	167	7	78	7
Losses from write-off of intangible assets	-	(26)	-	(26)
Gains from disposal of fixed assets and investment properties	253	824	252	908
Reversal of provision from impairment of fixed assets and investment properties	10	234	-	18
Allowance for impairment of assets from fire incident	(267)	-	(267)	-
Insurance claims	1,710	-	1,710	-
Others	347	343	437	441
Total	5,806	3,961	6,156	4,829

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26 Administrative expenses

	Notes	Consolidated 2014 Baht million	Consolidated 2013 Baht million	Company 2014 Baht million	Company 2013 Baht million
Staff costs	27	2,549	2,584	2,457	2,425
Consultants' fees		538	456	430	354
Depreciation	14	189	190	93	98
Rental		188	203	181	193
Advertising		75	85	74	85
Doubtful accounts		4	31	4	45
Directors' remuneration		34	37	31	27
Others		764	681	876	871
Total		4,341	4,267	4,146	4,098

27 Staff costs

	Consolidated 2014 Baht million	Consolidated 2013 Baht million	Company 2014 Baht million	Company 2013 Baht million
Salary and wages	3,443	3,250	3,128	2,957
Overtime	521	498	460	440
Bonus	1,121	1,323	1,023	1,213
Provident fund and social security	349	323	322	299
Employee benefits	149	203	140	183
Others	1,181	1,152	1,054	1,054
Total	6,764	6,749	6,127	6,146

Staff costs of Baht 4,215 million and Baht 3,669 million have been included in the costs of sales in the consolidated and company income statements for the year ended 31 December 2014, respectively (2013: Baht 4,165 million and Baht 3,721 million in the consolidated and company income statements, respectively).

Staff costs of Baht 2,549 million and Baht 2,458 million have been included in administrative expenses in the consolidated and company income statements for the year ended 31 December 2014, respectively (2013: Baht 2,584 million and Baht 2,425 million in the consolidated and company income statements, respectively).

28 Finance costs

	Consolidated 2014 Baht million	Consolidated 2013 Baht million	Company 2014 Baht million	Company 2013 Baht million
Interest expenses	1,515	1,760	1,549	1,860
Losses from exchange rate from borrowings and interest payable	70	909	74	904
Gains from foreign currency forward contracts and interest rate swap contracts	(112)	(210)	(112)	(210)
Financing fees	21	10	21	10
Total	1,494	2,469	1,532	2,564

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29 Income tax

	Consolidated		Company	
	2014 Baht million	2013 Baht million	2014 Baht million	2013 Baht million
Income tax for the year	72	23	-	-
Deferred income tax	(2,470)	(16)	(2,491)	(58)
	(2,398)	7	(2,491)	(58)

As at 31 December 2014, the Company has a loss carried forward which can be utilised as a tax benefit. Income tax expense is calculated from the taxable net profit of subsidiaries at 20% per annum.

The tax on the Group's profit before tax differs from the theoretical amount that would arise using the basic tax rate as follows:

	Consolidated		Company	
	2014 Baht million	2013 Baht million	2014 Baht million	2013 Baht million
Profit (loss) before tax	(7,611)	856	(7,703)	1,215
Tax calculated at a tax rate of 20%	(1,522)	171	(1,540)	243
Tax effect of:				
Associates' results reported net of tax	28	8	-	-
Income subject to tax	53	111	30	109
Income not subject to tax	(119)	(15)	(145)	(98)
Income subject to tax exemption	(69)	(158)	(69)	(158)
Expenses not deductible for tax purpose	34	69	36	25
Expenses not subject to tax	(2)	(1)	(2)	(1)
Tax losses from previous accounting period recognised as deferred income tax in the year (Note 16)	(801)	-	(801)	-
Utilisation of tax losses for which no deferred income tax was previously recognised	-	(178)	-	(178)
Income tax	(2,398)	7	(2,491)	(58)

30 Earnings (losses) per share

Basic earnings (losses) per share of shareholders of the parent are calculated by dividing the net profit (loss) attributable to shareholders of the parent by the weighted average number of ordinary shares in issue during the year, excluding treasury shares.

	Consolidated		Company	
	2014	2013	2014	2013
Net profit (loss) attributable to ordinary shareholders of the parent (Baht million)	(5,235)	826	(5,211)	1,273
Weighted average number of ordinary shares in issue during the year less shares of the parent held by subsidiaries (Million shares)	20,410	20,410	20,434	20,434
Basic earnings (losses) per share of shareholders of the parent (Baht)	(0.26)	0.04	(0.26)	0.06

In the consolidated financial statements, the weighted average numbers of ordinary shares in issue during the year are deducted by 24 million shares of the parent that are held by a subsidiary.

There are no dilutive potential ordinary shares in issue during the years presented, so no diluted earnings per share is presented.

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31 Dividends

At the Company's Annual Shareholders' Meeting on 9 April 2014, it approved a dividend payment for the operating results of 2013 at Baht 0.10 per share for 20,434 million shares, amounting to Baht 2,043 million. Dividends were paid on 9 May 2014 (2013: a dividend payment for the operating results of 2012 at Baht 0.08 per share, amounting to Baht 1,635 million).

32 Promotional privileges

By virtue of the provisions of the Industrial Investment Promotion Act of B.E. 2520, the Company and a subsidiary have been granted privileges by the Board of Investment relating to the manufacture of Acetylene Black, Compounded Plastic and expansion of capacity including the cogeneration and steam power plant project ('CHP'), Propylene project ('PRP'), Blown Film project, Recovery from Purge Gas at PP Plant project, EBSM Upgrading for ABS Specialties project ('EBSM'), Multi Product Pipeline project ('MPPL') and HDPE Catalyst Commercialisation project ('Jet Mill') and Investment project in Industrial area. The privileges granted include:

(a) exemption from payment of import duty and tax on materials and necessary parts including machinery as approved by the Board
(b) exemption from payment of corporate income tax on the net profit derived from certain operations for a period of five to eight years from the date on which the income is first derived from such operations
(c) a 50 % reduction in the normal corporate income tax rate on the net profit derived from certain operations for a period of five years commencing from the expiry date in (b) above, and
(d) the double deduction of logistics, electricity and water expenses for a period of ten years since income is first derived from such operations.

As promoted companies, the Company and the subsidiary must comply with certain terms and conditions prescribed in the promotional certificates.

Revenues from sales are classified into the promoted business and the non-promoted business and presented in the financial statements for the years ended 31 December 2014 and 2013 as follows:

			Company
	BOI	Non-BOI	Total
	Baht million	Baht million	Baht million
2014			
Revenues from sales - Overseas	1,754	89,535	91,289
- Domestic	4,673	197,109	201,782
Total	6,427	286,644	293,071
2013			
Revenues from sales - Overseas	1,329	97,323	98,652
- Domestic	3,868	201,021	204,889
Total	5,197	298,344	303,541

The revenues from sales under BOI and non-BOI are not disclosed for the consolidated financial statements because the revenues from sales of a BOI granted subsidiary are sales to the Company for the total amount.

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33 Related party transactions

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the Company, including holding companies, subsidiaries and fellow subsidiaries are related parties of the Company. Associates and individuals owning, directly or indirectly, an interest in the voting power of the Company that gives them significant influence over the enterprise, key management personnel, including directors and officers of the Company and close members of the family of these individuals and companies associated with these individuals also constitute related parties.

In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

PTT Public Company Limited is the major shareholder of the Company as at 31 December 2014 and 2013, holding 38.51%. The other major shareholders are the Government Savings Bank, Government Pension Fund and Thai NVDR Company Limited.

The pricing policies for particular types of transactions are explained below:

Transactions	Pricing policies
Sales of goods	Market price
Purchases of goods	According to the explanation below
Selling and administrative expenses which mainly are a throughput fee and tank farms rental	Contractually agreed prices
Interest income and interest expenses	Short-term - the weighted average interest rates one month and average interest rates six month of borrowing between commercial banks (BIBOR) adjusted by certain margins. Long-term - the weighted average interest rates of fixed deposits for four domestic commercial banks and the Minimum Lending Rate (MLR) adjusted by certain margins.
Directors' remuneration (meetings, bonus)	The rate approved by the Board of Directors and shareholders

Purchases of goods from a major shareholder - the major shareholder has provided services relating to the purchasing and payment process of goods. The purchase price includes a service fee charged by the major shareholder and approximates the price which the Group has procured on its own. In addition, the Company has also entered into derivative instruments with the major shareholder to protect the pricing risk regarding raw materials and products. Purchases of goods from subsidiaries are based on cost plus a certain margin.

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33 Related party transactions (continued)

Significant transactions with related parties are summarised as follows:

(a) Sales and purchases of goods, services rendered and received

Transactions during the years ended 31 December 2014 and 2013 are as follows:

	Consolidated		Company	
	2014 Baht million	2013 Baht million	2014 Baht million	2013 Baht million
Sales				
- Major shareholder	28,444	22,784	28,067	22,447
- Subsidiaries	-	-	24,495	24,320
- Other related parties	49,071	51,001	49,037	50,989
Purchases				
- Major shareholder	175,327	122,786	175,325	122,777
- Subsidiaries	-	-	17,126	15,370
- Other related parties	70,934	108,638	69,175	107,300
Selling and administrative expenses				
- Major shareholder	53	80	53	79
- Subsidiaries	-	-	229	237
- Other related parties	967	874	917	829
Interest income, dividend received and other income - net				
- Major shareholder	454	248	454	248
- Subsidiaries	-	-	521	620
- Other related parties	1,752	920	1,749	918

Other income - net in relation to derivative instruments to protect the pricing risk regarding raw materials and products are presented only the amounts realised within the year.

(b) Trade accounts receivable from related parties - net

	Consolidated		Company	
	2014 Baht million	2013 Baht million	2014 Baht million	2013 Baht million
Major shareholder	1,099	1,741	1,045	1,705
Subsidiaries	-	-	982	1,828
Other related parties	2,877	5,910	2,872	5,910
	3,976	7,651	4,899	9,443
Less Allowance for doubtful debts	(7)	-	(7)	-
Net	3,969	7,651	4,892	9,443

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33 Related party transactions (continued)

Significant transactions with related parties are summarised as follows: (continued)

(c) Amounts due from related parties - net

	Consolidated		Company	
	2014	**2013**	**2014**	**2013**
	Baht million	**Baht million**	**Baht million**	**Baht million**
Other receivables and reimbursement				
Major shareholder	23	32	23	32
Subsidiaries	-	-	29	28
Other related parties	1,068	65	1,048	46
	1,091	97	1,100	106
Less Allowance for doubtful debts	(61)	(60)	(55)	(54)
Net	1,030	37	1,045	52

(d) Short-term loans to and interest receivables from related parties - net

	Consolidated		Company	
	2014	**2013**	**2014**	**2013**
	Baht million	**Baht million**	**Baht million**	**Baht million**
Short-term loans and interest receivables				
Subsidiaries	-	-	651	631
Less Allowance for doubtful debts	-	-	-	-
Net	-	-	651	631
A subsidiary under bankruptcy process (Note 2.3.2)				
- Advances	56	56	56	56
- Short-term loans and interest receivables	145	145	145	145
Less Allowance for doubtful debts	(201)	(201)	(201)	(201)
Net	-	-	-	-
Total - Net	-	-	651	631

Average interest rates of short-term loans to related parties are between 2.59% and 2.68% per annum (2013: 2.81% and 2.98% per annum). Items that have been provided an allowance for doubtful debt have stopped charging interest.

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33 Related party transactions (continued)

Significant transactions with related parties are summarised as follows: (continued)

(e) Loans to and interest receivables from related parties - net

	Consolidated		Company	
	2014	**2013**	**2014**	**2013**
	Baht million	**Baht million**	**Baht million**	**Baht million**
Long-term loans and interest receivables				
Subsidiaries	-	-	3,494	3,489
Less Allowance for doubtful debts	-	-	-	-
Net	-	-	3,494	3,489
A subsidiary under bankruptcy process (Note 2.3.1)				
- Advances	73	56	73	56
- Short-term loans and interest receivables	1,252	1,252	403	403
- Long-term loans and interest receivables	5,415	5,415	5,331	5,331
Less Allowance for doubtful debts	(3,430)	(3,430)	(2,714)	(2,714)
Net	3,310	3,293	3,093	3,076
Total - net	3,310	3,293	6,587	6,565

Average interest rate of long-term loans to related parties is at 5.23% per annum (2013: 5.81% per annum).

(f) Trade accounts payable to related parties

	Consolidated		Company	
	2014	**2013**	**2014**	**2013**
	Baht million	**Baht million**	**Baht million**	**Baht million**
Major Shareholder	22,752	4,954	22,752	4,954
Subsidiaries	-	-	981	1,660
Other related parties	2,308	30,237	2,164	29,869
Total	25,060	35,191	25,897	36,483

(g) Amounts due to related parties

	Consolidated		Company	
	2014	**2013**	**2014**	**2013**
	Baht million	**Baht million**	**Baht million**	**Baht million**
Other payables and reimbursement				
Major shareholder	57	1	57	1
Subsidiaries	-	-	14	16
Other related parties	98	39	90	29
Total	155	40	161	46

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33 Related party transactions (continued)

Significant transactions with related parties are summarised as follows: (continued)

(h) Loans from and interest payables to related parties

	Consolidated		Company	
	2014	**2013**	**2014**	**2013**
	Baht million	**Baht million**	**Baht million**	**Baht million**
Short-term loans and interest payables				
Subsidiaries	-	-	169	22
Total	-	-	169	22
A subsidiary under bankruptcy process (Note 2.3.1)				
- Loans and interest payables	2,255	2,255	2,255	2,255
Total	2,255	2,255	2,255	2,255

(i) Directors' and management's remuneration

	Consolidated		Company	
	2014	**2013**	**2014**	**2013**
	Baht million	**Baht million**	**Baht million**	**Baht million**
Salaries and other short-term benefits	96	110	85	100
Total	96	110	85	100

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34 Transactions with the former management and entities relating to the former management - net

The Group had transactions with the former management of Mr. Prachai Liaopairattana and his family and the entities relating to the former management; previously, the related parties of the Group. Most of the outstanding balances related to amounts incurred in the past between the Group and the former management and the entities relating to the former management. The allowances for impairment have been fully setup.

On 30 September 2014, the Group entered into the Memorandum of Understanding (MOU) with the former management to settle all of the existing disputes (Note 37). The relating transactions with the former management and entities relating to the former management are as follows:

- The Group has recognised the transaction in relation to the rehabilitation plan of three companies, which are TPI EOEG Company Limited, Pornchai Enterprise Company Limited and TPI Holding Company Limited. Partial debt amounts owed by these companies are swapped to equity investment (Note 12);
- The Group received the rental deposit back as a result of the cancellation of the rental agreement at the TPI Tower Building amounting to Baht 470 million and Baht 420 million in the consolidated and company financial statement, respectively, for which the allowance for doubtful debts were previously fully provided.

Additionally, the Group has written off all outstanding loans and receivables amounts and reversed other accounts payable and reimbursements. Therefore, there is no outstanding balance with the former management and entities relating to the former management as at 31 December 2014.

Transactions with the former management and the entities relating to the former management as at 31 December 2014 and 2013 can be summarised as follows:

	Consolidated		Company	
	2014	2013	2014	2013
	Baht million	Baht million	Baht million	Baht million
Short-term loans				
Pornchai Enterprise Company Limited	-	3,482	-	3,476
TPI EOEG Company Limited	-	829	-	829
TPI Holding Company Limited	-	1,685	-	1,685
TPI Automation System Company Limited	-	1	-	1
Accrued interest receivables				
Pornchai Enterprise Company Limited	-	1,709	-	1,705
TPI EOEG Company Limited	-	440	-	440
TPI Holding Company Limited	-	965	-	965
TPI Automation System Company Limited	-	1	-	1
Other receivables and reimbursements				
Pornchai Enterprise Company Limited	-	893	-	801
Reimbursements for the former management	-	394	-	26
Others	-	4	-	5
Notes receivable for purchase of land				
Thai Special Steel Industry Public Company Limited	-	1,739	-	1,739
	-	12,142	-	11,673
Less Allowance for doubtful debts	-	(12,070)	-	(11,635)
Net	-	72	-	38
Other accounts payable and reimbursements				
Pornchai Enterprise Company Limited	-	12	-	12
Payables to former management	-	101	-	101
Total	-	113	-	113

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34 Transactions with the former management and entities relating to the former management - net (continued)

Transactions with the former management and the entities relating to the former management as at 31 December 2014 and 2013 can be summarised as follows: (continued)

	% of investment		Consolidated		Company	
	2014	2013	2014 Baht million	2013 Baht million	2014 Baht million	2013 Baht million
Investments						
Pornchai Enterprise Co., Ltd.	23.65	25.00	1,119	74	1,117	74
TPI EOEG Co., Ltd.	36.31	25.00	829	-	829	-
TPI Holding Co., Ltd.	35.00	-	1,416	-	1,416	
Thai Special Steel Industry Plc.	16.24	16.24	673	673	673	673
United Grain Industry Co., Ltd.	-	18.08	-	99	-	41
			4,037	846	4,035	788
Less Allowance for impairment			(4,037)	(747)	(4,035)	(747)
Net			-	99	-	41

The Group has common share investments in the following companies Pornchai Enterprise Co., Ltd. at 23.65%; TPI EOEG Co., Ltd. At 36.31%; TPI Holding Co., Ltd. at 35.00% and Thai Special Steel Industry Plc. at 16.24%. These companies are incorporated and domiciled in Thailand. However, the Group has not been able to control, direct or govern these four companies. The Group has fully provided the allowance for impairment to those investments.

35 Financial instruments

(a) As at 31 December 2014 and 2013, the Group has the following financial assets and liabilities in foreign currencies:

	Consolidated		Company	
	2014 Baht million	2013 Baht million	2014 Baht million	2013 Baht million
Assets				
US Dollar	4,860	10,700	4,786	10,558
Euro	27	75	27	75
Total	4,887	10,775	4,813	10,633
Liabilities				
US Dollar - Debentures	7,881	7,842	7,881	7,842
US Dollar - Loans	5,795	5,766	5,795	5,766
US Dollar	228	26,373	58	26,332
Euro	6	24	2	15
Others	-	3	-	3
Total	13,910	40,008	13,736	39,958

35 Financial instruments (continued)

(b) The Group has the following significant contracts related to financial instruments:

Interest rate swap contracts

On 18 March 2010, the Company entered into interest rate swap contracts for Baht long-term loans with the two financial institutions, totalling Baht 2,200 million to swap the floating interest rate at THBFIX 6-month per annum to a fixed interest rate. The contracts will be effective for a period of 7 years commencing 30 December 2009. As at 31 December 2014, the outstanding balances under the interest rate swap contracts are Baht 880 million (2013: Baht 1,320 million).

Cross currency interest rate swap

The Company entered into a cross currency interest rate swap of debentures amounting to Baht 2,640 million to swap principals from Thai Baht to US Dollars at an exchange rate as specified in the contract and to swap the fixed interest rate on Thai Baht principals to a fixed interest rate on US Dollar principals. The contract is effective from 2 July 2012 to 2 July 2017 which is the maturity date of the related debentures. As at 31 December 2014, the outstanding balances under the cross currency interest rate swap contracts are Baht 2,640 million (2013: Baht 2,640 million).

The Company entered into a cross currency interest rate swap of debentures amounting to Baht 5,000 million to swap principals from Thai Baht to US Dollars at an exchange rate as specified in the contract and to swap the fixed interest rate on Thai Baht principals to a fixed interest rate on US Dollar principals. The contract is effective from 24 August 2012 to 24 August 2018 which is the maturity date of the related debentures. As at 31 December 2014, the outstanding balances under the cross currency interest rate swap contracts are Baht 5,000 million (2013: Baht 5,000 million).

The Company entered into a cross currency interest rate swap of debentures amounting to Baht 4,000 million to swap principals from Thai Baht to US Dollars at an exchange rate as specified in the contract and to swap the fixed interest rate on Thai Baht principals to a fixed interest rate on US Dollar principals. The contract is effective from 24 August 2012 to 24 August 2015 which is the maturity date of the related debentures. As at 31 December 2014, the outstanding balances under the cross currency interest rate swap contracts are Baht 4,000 million (2013: Baht 4,000 million).

Commodity derivatives

The Company has entered into Crack Spread Swap Contracts with PTT Public Company Limited and several financial institutions in order to swap the spread of the average floating price of crude oil and petroleum products at each settlement period to the fixed price. As at 31 December 2014, the outstanding balances under such contracts were at 5.22 million barrels (2013: 16.91 million barrels).

The Company has entered into Crude Oil Swap Contracts with PTT Public Company Limited and financial institutions in order to swap the average floating price of crude oil of the settlement months to the range of fixed price. As at 31 December 2014, the outstanding balances under such contracts were at 1.30 million barrels (2013: 2.19 million barrels).

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35 Financial instruments (continued)

(c) Fair values

The carrying amounts of cash and cash equivalents, short-term investments, trade accounts receivable and other short-term receivables, trade accounts payable, other payables, short-term loans from financial institutions, short-term loans to related parties and short-term loans from related parties approximate their fair values due to the short maturity period.

The carrying amounts of long-term loans to related parties approximate their fair values due to floating interest rates.

Fair values of long-term loans from financial institutions and debentures have been disclosed in Note 18.

Fair values of financial derivative instruments as at the date of the financial position are as follows:

	Consolidated and Company	
	2014	2013
	Baht million	Baht million
Financial derivative instruments		
Favourable	-	-
Unfavourable	(660)	(863)
Commodity derivative instruments		
Favourable	145	1,434
Unfavourable	(1,617)	(142)

36 Commitments, contingent liabilities, and significant agreements

(a) Capital expenditure commitments

	Consolidated		Company	
As at 31 December	2014	2013	2014	2013
	Baht million	Baht million	Baht million	Baht million
Contracted but not recognised in the financial statements				
- Purchase agreements for machinery and construction	12,081	28,085	11,897	27,951
- Consultation agreements	48	87	48	87
Total	12,129	28,172	11,945	28,038

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36 Commitments, contingent liabilities, and significant agreements (continued)

(b) Non-cancellable operating lease commitments

	Consolidated		Company	
As at 31 December	**2014**	**2013**	**2014**	**2013**
	Baht million	**Baht million**	**Baht million**	**Baht million**
Office building rental agreements:				
- Within 1 year	82	82	82	82
- Later than 1 year but not later than 5 years	7	7	7	7
	89	89	89	89
Land lease agreements:				
- Within 1 year	1	1	1	1
- Later than 1 year but not later than 5 years	1	1	1	1
- Later than 5 years	5	5	5	5
	7	7	7	7
Total	96	96	96	96
Other commitments:				
Outstanding letters of credits	27	198	25	68

(c) Contingent liabilities

	Consolidated		Company	
As at 31 December	**2014**	**2013**	**2014**	**2013**
	Baht million	**Baht million**	**Baht million**	**Baht million**
Contingent liabilities:				
- Bank guarantees	2,472	1,814	2,472	1,812

(d) The Company's tank farms and land expropriated for road construction

Some of the Company's tank farms are located in a yellow zone (low density residential zone) and a light green zone (recreational & environmental reserved zone) and some are under the road project, Kor3 and Gor9, under the Ministerial Regulation on Town and Country Planning of Rayong Province B.E. 2006. Such plots of land were restricted from construction of factories, oil and gas tanks. At the present time, the Town and Country Planning Committee, Department of Public Works and Town and Country Planning has considered modifying the Rayong town plan. The Company has requested that the yellow zone and the light green zone be modified to a purple zone (industrial zone) in order to operate oil and gas tank farms and to alter the construction plan of two public roads to be away from the Company's area. Failure of these modifications may affect the impairment of the operating assets.

As at 31 December 2014, for the progress of the modification of the Rayong town plan, the draft Ministerial Regulation on Town and Country Planning of Rayong Province (4th amendment) has been passed by the Rayong Town and Country Planning Consulting Committee and is under consideration by the Town and Country Planning Committee, Department of Public Works and Town and Country Planning.

36 Commitments, contingent liabilities, and significant agreements (continued)

(e) Other significant agreements with related parties and other entities

Sales/Purchase of Refined Oil Agreement and Services Agreement from a depot, Chumporn province

The Company entered into a Sales/Purchase of Refined Oil Agreement and Services Agreement from the depot in Chumporn province with PTT Public Company Limited. The Company agrees to sell refined oil from its depot in Chumporn province at a quantity, pricing rates and other related service charges as defined in the agreement. The agreements are effective for a period of 1 year with a maturity date of 31 December 2014. The Company has extended the contract to 31 December 2015. The new terms and conditions are stipulated in the new agreement.

Crude and Feedstock Supply Agreements

The Company has entered into Crude and Feedstock Supply Agreements with PTT Public Company Limited. The contracts shall be effective for a period of 1 year with maturity date on 31 December 2014. The purchase quantity and pricing structure of crude and feedstock supply are as stipulated in the contracts. The Company has renewed the agreement to 31 December 2015 with the terms and conditions as specified in the renewal agreement.

Gas Sale and Purchase Agreement

On 9 June 2009, the Company entered into a Gas Sale and Purchase Agreement with PTT Public Company Limited (PTT) for the quantity and price as specified in the agreement. The agreement is effective for a period of 10 years starting from the date gas is delivered by PTT and the date the Company is in receipt. The agreement can be extended under the conditions stipulated in the agreement.

Sales and Purchase of Petroleum products

The Company entered into sales and purchases of petroleum products with a related party, with agreed volumes and prices as detailed in the agreement. The contract is for a period of 15 years from the effective date specified in the agreement and will end in February 2028, unless both parties agree to terminate the contract before the expiry date.

Power Purchase Agreement

The Company entered into a Power Purchase Agreement with the Electricity Generating Authority of Thailand (EGAT) for generating the electricity according to the agreement. The agreement term is 25 years. The Company transferred the rights and obligations under the agreement to the subsidiary of the Company. The Company subsequently sold the investment in this subsidiary as disclosed in Note 11.

Power and Steam Purchase Agreement

The Company entered into a Power Purchase Agreement and Steam Purchase Agreement with a related party to purchase electricity and steam according to the agreements. The term of the Power Purchase Agreement is 25 years, and the term of the Steam Purchase Agreement is 27 years.

36 Commitments, contingent liabilities, and significant agreements (continued)

(e) Other significant agreements with related parties (continued)

Various Service Agreements

The Company entered into a Utilities Service Agreement, Project Management Agreement and Operation and Maintenance Service Agreement with a related party in relation to the power plant project. The Company will supply utilities, act as project management for the construction project, provide maintenance services and operate the machine and equipment at the power plant. The service fees are stipulated in the agreements.

37 Significant claims and legal proceedings

As at 31 December 2014, the Company was involved in significant legal proceedings that can be divided into the following three groups.

(1) Significant cases with the former management of Mr. Prachai Liaopairattana and other related parties of the Liaopairattana family.

(1.1) Cases relating to demands for nullification of the outcomes of both the ordinary shareholders' meetings and the extraordinary shareholders' meeting of IRPC Public Company Limited
(1.2) Cases relating to demands for nullification of the outcomes of the ordinary shareholders' meetings and extraordinary shareholders' meetings of the six subsidiaries which are 1) IRPC Oil Company Limited, 2) IRPC Polyol Company Limited, 3) Thai Polyurethane Industry Company Limited, 4) Thai ABS Company Limited, 5) IRPC Energy Company Limited, and 6) TPI Internet Portal Company Limited
(1.3) Petition regarding loans to entities relating to the Liaopairattana family, the request for withdrawal of compromising contracts, and the rehabilitations of the three companies, which are 1) Pornchai Enterprise Company Limited; 2) TPI EOEG Company Limited; and 3) TPI Holding Company Limited
(1.4) Criminal libel petition and Civil libel petition
(1.5) Lawsuit on the rental of Sun Tower Building
(1.6) Labour case
(1.7) Case regarding the bankruptcy of TPI Aromatics Public Company Limited
(1.8) Cases regarding the land dispute
- IRPC Public Company Limited has sued Thai Stainless Steel Industry Public Company Limited for the purchase of land.
- Thai Stainless Steel Industry Public Company Limited has sued IRPC Public Company Limited to reclaim the price paid for the land.

(1.9) Claim for damages regarding the breach of a Sales/ Purchase Contract for ethylene

37 Significant claims and legal proceedings (continued)

As at 31 December 2014, the Company was involved in significant legal proceedings that can be divided into the following three groups (continued).

(1) Significant cases with the former management of Mr. Prachai Liaopairattana and other related parties of the Liaopairattana family (continued).

Progress of the cases for the year ended 31 December 2014:

On 30 September 2014, Mr. Sukrit Surabotsophon (Chief Executive Officer of IRPC Public Company Limited), who got power of attorney from IRPC Public Company Limited and all its subsidiaries including the board of directors and the former directors of the Company and its subsidiaries, entered into the Memorandum of Understanding (MOU) with Mr. Prachai Liaopairattana and his related entities under the Liaopairattana family to terminate all outstanding lawsuits between each other. The pending lawsuits mentioned in the MOU can be classified into three subgroups which are 1) 37 civil cases; 2) 30 criminal cases; and 3) 21 bankruptcy cases. In the MOU, it also states that subsequent to the MOU, if there are any outstanding cases found at any courts, all counterparties have agreed to terminate all. As at 31 December 2014, the two counterparties already vacated all outstanding cases with each other, except the cases that have were filed in the 4th quarter of 2014 which are the lawsuits under the MOU. These new cases are labour cases where Mr. Prateep Liaopairattana and Mr. Pramuay Liaopairattana have sued the Company for a monetary claim of alleged unfair termination totalling Baht 243.17 million. The Court has viewed that the counterparts are able to reach the conclusion from the negotiation. Then, the Court has made a new mediation on 27 March 2015.

Therefore, as at 31 December 2014, the Company had not made any provision for these new labour cases in these financial statements.

(2) Civil lawsuits which are:

(2.1) Claim for cancellation of Olefins sales agreement with Thai Olefins Public Company Limited (Presently, this company has become PTT Global Chemical Public Company Limited) - Red Cases No. 5155-5156/2547

In the case between the Company and Thai Olefins Public Company Limited (Thai Olefins), as the 364th creditor of the Company, in which Thai Olefins has sought the Company's settlement for damages arising from the cancellation of the sales agreement for the sum of Baht 4,461.26 million plus interest at MOR plus 2% to the Custodian Officer. On 27 December 2004, the Central Bankruptcy Court ruled that the 364th creditor was entitled to receive Baht 259.82 million from the Company, plus interest at MOR plus 2% of the said principal since the date on which the Plan Administrator (at that time, Effective Planner Company Limited) cancelled the agreement, i.e., 14 February 2001. The Company and the 364th creditor subsequently filed separate appeals for different reasons to the Supreme Court, which is now considering the case. The Company took the view that the damages on cancellation of the sales contract by the Plan Administrator that the Central Bankruptcy Court had ordered the Company to pay was unfair to the Company (which was under the rehabilitation plan at that time). Also, the Company took the view that no damages had been incurred by such creditor. Therefore, as at 31 December 2014, the Company had not made any provision in these financial statements.

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37 Significant claims and legal proceedings (continued)

As at 31 December 2014, the Company was involved in significant legal proceedings that can be divided into three groups as follows: (continued)

(2) Civil lawsuits which are: (continued)

(2.2) Bankai Industrial Estates –Black Case No. Sor. 8/2554 (Red Case No. Sor. 13/2555)

Mr. Setha Pituthecha and the other 386 plaintiffs filed a lawsuit to the Industrial Estate Authority of Thailand as the 1st defendant and Industrial Estate Authority Commission as the 2nd defendant requesting the Court to dismiss the announcement of the Industrial Estate Authority Commission with regard to the establishment of the General Industrial Estate in Rayong (at Bankai) dated 20 April 2011 on 19 October 2011. The Administrative Court ordered IRPC Public Company Limited to be the 3rd defendant because it is a private company working together with the Industrial Estate Authority of Thailand in operating the Rayong Industrial Estate (Bankai) which is being operated under the Eco-industry and emphasises on those environmental-friendly and creativity.

Progress of the cases for the year ended 31 December 2014:

- On 31 August 2012, the Rayong Administrative Court ruled to withdraw the announcement of the establishment of the General Industrial Estate in Rayong (at Bankai) on the grounds that at the time the Industrial Estate Authority Commission approved the project, the environmental impact assessment report had not yet been approved. However, the Industrial Estate Authority Commission is able to further approve such report to allow the Industrial Estate Authority of Thailand and IRPC Public Company Limited to establish the Industrial Estate and to re-establish the General Industrial Estate in Rayong (at Bankai).
- Currently, the case is in the process whereby the Industrial Estate Authority of Thailand, who is the direct defendant, further filed an appeal to the Supreme Administrative Court. However, this has no impact to the Company's plan because the Industrial Estate Authority of Thailand (IEAT) has dismissed the previous announcement regarding the Industrial Estate in Rayong (at Bankai) according to the Court's ruling. In addition, it also furthered the approval process for the project and announced that the Company's land is in the new Industrial Estate and accurate in accordance with the ruling of the Rayong Administrative Court.
- In January 2014, the Plaintiff filed a petition to the Supreme Administrative Court requesting for urgent consideration by asking to temporarily protect public benefits and the environment prior to the Court's judgement. The Plaintiff claimed that the Company continued the construction over disputed land which violated the judgement of the Administrative Court while this case was being considered by the Supreme Administrative Court. Following the facts, after the Administrative Court's judgement, the Company has done everything according to the sentences. So the Company's project was approved and further announced in the Government Gazette mentioning that the Company's plots of land are legally part of the new industrial estate. Thus, the petition of the plaintiff was illegal. The Company has not done anything to violate the judgement of the Administrative Court. The Company has filed an objection to the Supreme Administrative Court which is currently being considered by the Court.

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37 Significant claims and legal proceedings (continued)

As at 31 December 2014, the Company was involved in significant legal proceedings that can be divided into three groups as follows: (continued)

(2) Civil lawsuits which are: (continued)

(2.3) Claim for damages from breach of contract - Black Case No. 649/2556

Thong Lon Fah Company Limited (the Plaintiff) has filed a petition to the Company claiming damages of Baht 32.81 million. The Company filed testimony and counterclaimed damages of Baht 28.99 million against the Plaintiff.

Progress of the case for the year ended 31 December 2014:

The counterparties were not able to reach the conclusion on the negotiation. Then, the Court has made appointment for witness investigation on 12 May 2015.

The Company's management believes that the Company has completely complied with the conditions specified in the contract, and the case is being reviewed by the Court. Therefore, as at 31 December 2014, the Company had not set up any provision for the contingent liabilities in these financial statements.

(3) Arbitration lawsuits which are:

(3.1) Arbitration case with Bitumex (HK) Company Limited

Bitumex (HK) Company Limited (Bitumex) claimed that the Company had breached Sales/Purchase Agreements for asphalt, with total charges of USD 300 million. Both sides mutually agreed to appoint an arbitrator to handle the dispute.

Progress of the case for the year ended 31 December 2014:

On 6 October 2014, the arbitrator released the findings that the Company won for all 21 contracts. Currently, the Company has assigned the lawyer to get endorsement from the arbitrator on the damages to be claimed from Bitumex. However, Bitumex has further filed an appeal to the Court in England. On 26 January 2015, the Court denied the appeal, the case was ended.

38 Post statement of financial position event

- On 9 January 2015, a subsidiary of the Company has entered into a Joint Venture Agreement with an international company in order to set up a joint venture for distributing polyurethane products.

- At the Company's Board of Directors' meeting on 16 December 2014, it approved a purchase of land in TPI Aromatics Public Company Limited. On 26 January 2015, the Company attended the creditor meeting of TPI Aromatics Public Company Limited and the Company offered the acquisition of its all land. On 2 February 2015, the Company entered into the Sale and Purchase Agreement with the Custodian Officer amounting to Baht 4,244 million.

- At the Company's Board of Directors' meeting on 10 February 2015, it approved a dividend payment for the operating results of 2014 at Baht 0.08 per share, amounting to Baht 1,635 million. However, the approval for the dividend payment shall be proposed to the Annual Shareholders' Meeting for the year 2015 for further consideration and approval.

Abbreviations and Technical Terms

Abbreviation	Full Name	Description
ABS	Acrylonitrile Butadiene Styrene	ABS, a strong polymer capable of withstanding impacts, high temperature, and chemicals, is suitable for car parts and electrical appliances. ABS results from the reaction between polybutadiene, styrene, and acrylonitrile under three possible modes: bulk, emulsion, and suspension. It is commonly found in transport equipment, household appliances including refrigerators and sewing machines; electrical appliances, including computers, TVs, radios, fixed telephones; pipes and joints for construction work; containers; furniture; luggage; and boat hulls.
ACN	Acrylonitrile	Clear, colorless, volatile, fragrant, and flammable liquid, produced from propylene by the reaction with ammonia and air, which is the best method due to its low cost. ACN, a highly reactive chemical, readily polymerize or co-polymerize into various synthetic fibers and plastics. In addition, it is feedstock for acrylic acid, acrylamide, and different amines. There is no direct use for ACN but that as a chemical for ABS and SAN production.
ADU	Atmospheric Distillation Unit	An oil refining unit that separates oils by different dew points into LPG, gasoline, naphtha, gas oil, and diesel. ADU separates crude oil by fractionating distillation at atmospheric pressure, using different boiling points of hydrocarbon compounds in the crude, which then yields various distilled products, namely LPG, gasoline, kerosene, diesel, and fuel oil.
AS / SAN	Acrylonitrile Styrene	A polymer developed to better quality than polystyrene. It is heat-resistant, not easily broken, and as hard and transparent as polystyrene, but less expensive. It normally contains 20-30% of acrylonitrile for better impact resistance, but tends to turn yellow more easily than polystyrene. It is more resistant to hydrocarbons and oil. If there is a higher proportion of ACN, it will withstand more heat, but will also be harder to mold. AS/SAN is used instead of polystyrene when more strength is required for household products such as glasses and jugs. In summary, SAN is a polymer developed to be more chemical-resistant than polystyrene, heat-resistant, not fragile, hard, and as transparent as polystyrene.
ATB	Atmospheric Tower Bottoms	Heavy oil received at the bottom section of the ADU tower and can be further cracked or used as fuel oil. For ATB, the residues at the bottom after light oil are extracted are dark brown, heavy (0.92 kilogram/liter), containing molecules of large hydrocarbon compounds, with about 5% of sulfur.
bbl	Barrel	A volume measurement unit in the petroleum industry for crude oil and oil products.
KTA	Kilotons per annum	A quantity measurement unit equivalent to one thousand tons per year. A barrel is equal to 42 US gallons, 35 imperial gallon, 159 liters, or 5.6 cubic feet.

Abbreviation	Full Name	Description
BD	Butadiene	A non-saturated hydrocarbon gas by-product from the steam cracking process of naphtha or gas oil in the C4 fraction or mixed-C4 stage. It is separated from mixed-C4 by extractive distillation using solvents with polar and boiling-point differently from butadiene, which will not dissolve butane and butene. Some plants produce butadiene from butane and butene by dehydrogenetion. Butadiene is used to manufacture rubber, SBR rubber for car tires, SBR latex for rug pads, and ABS plastics. It also yields chemicals such as hexamethylenediamine for nylon production. There is no direct use for butadiene.
BTX	BenZene, Toluene and Mixed Xylene	A mixture of aromatic hydrocarbons: benzene, toluene, and xylene, produced from reformate in the catalytic reforming process and pyrolysis gasoline in the stream cracking process. It is added to gasoline to improve the octane number, or distilled to separate benzene, toluene, and xylene-three of the seven primary petrochemical substances used as feedstock in various petrochemical production lines, or as solvents.
CD-1	Compounding 1	A mechanical process to mix different materials into the desired compound. It is used for special-grade polyolefin compounds with superior qualities.
CHP	Combined Heat and Power Plant	A power plant producing electricity and steam.
DCC	Deep Catalytic Cracking	A cracking unit that breaks down heavy oil molecules into lighter ones such as diesel and naphtha. It can also produce propylene for petrochemical feedstock.
DEG	Di-Ethylene Glycol	Di-Ethylene Glycol is a solvent co-generated in ethylene glycol production. It is derived from ethylene.
EBSM	Ethylbenzene Styrene Monomer Plant	A manufacturing unit of ethylbenzene and styrene monomers, based on benzene and ethylene as feedstock.
EPS	Expanded Polystyrene	Polystyrene foam is produced by adding pentane gas to polystyrene. The foam has low density because there are a number of internal pores of gas bubbles, created by a foam catalyst in the polymer. Foam can be categorized by the shape of cells. Non-connected pores are called closed cells, whereas connected pores, allowing gas circulation, form open cells. Polymer foam is widely used as food containers, packing materials, and heat insulators.
ETP	Ethylene Plant/ Olefin Plant	A manufacturing unit of ethylene and propylene based on naphtha and liquefied petroleum gas (LPG) as feedstock.

Abbreviation	Full Name	Description
GO	Gas Oil	A product of crude oil distillation, with a boiling point of 250-350 C, and C15-C25 hydrocarbons in a single-chained structure. It is used as fuel for diesel engines and olefins feedstock.
HDPE	High Density Polyethylene	A polyethylene polymer with high density, between 0.94-0.96 grams per cubic centimeter. It has the least number of branches in the polyethylene family, thus highly crystallized, with a high melting point, and strong. It is mainly used to produce containers like bottles, nets, bags, electrical appliance components by blow molding, or pipes made by extrusion.
HIPS	High Impact Polystyrene	Polystyrene added with rubber particles such as polybutadiene to make it highly impact-resistant. Without rubbers, it is brittle. Rubber content can be up to 20%, enabling it to withstand 3.5 joules of impact. It has low glass transition temperature, suitable for impact-bearing uses such as refrigerators and furniture.
LR	Long Residue	Residues of ADU, used to produce lube oil.
MEG	Mono Ethylene Glycol	Colorless, clear liquid made from ethylene, itself used as polyethylene terephthalate feedstock. Its direct use is to reduce the freezing point and increase the boiling point of water and to retain moisture. Ethylene glycol is used in car coolant to prevent water from freezing in cold-weather countries and prevent water from boiling in warm-weather ones. Other uses include those in pumps; industrial heating and cooling systems; solar energy systems; hydraulic oil for automotive brake and shock absorbent systems; ink for printing, ball pens and rubber stamps; coatings for fibers, papers, and hides; cosmetics; and wood stain.
PP	Polypropylene	A polymer synthesized from propylene by coordinated polymerization, resulting in a highly organized and crystallized structure, giving high strength per unit weight. Usually for commercial purposes, the Ziegler Natta catalyst is used to produce an isotactic polymer. Sometimes, other monomers like ethylene are added for desired properties. Its outstanding characteristics are flexibility and toughness, resistance to heat and chemicals, and insulation properties. Therefore, it is the lightest thermoplastic with excellent mechanical properties: tough, ductile, strong, and not easily deformed.
PS	Polystyrene	A polyolefin thermoplastic made from styrene. It is hard, brittle, low-moisture absorbent, non-conductive, non-chemical reactive, resistant to acids and bases, and has high tensile strength but a low melting point. It is soluble in aromatic solvents, easily formed by injection molding. Additives are usually added to enhance its properties. Uses include tanks, bottles, food containers, toys, rulers, outer TV frames, refrigerator components, automotive internal parts, and protective packaging. PS is a translucent, clear thermoplastic. It is distinctively hard, not flexible and brittle, moisture- and water-repellent, insulator-like, and has a low melting point.

Abbreviation	Full Name	Description
RAE	Residue Aromatic Extract	An aromatics oil product used in the manufacturing of tires and synthetic rubber. Its properties are fairly similar to those of TDAE. IRPC innovates three grades of RAEs to suit customers' needs, well recognized by leading companies, both domestic and international.
TDAE	Treated Distillate Aromatic Extract	An aromatics oil product used in the manufacturing of tires and synthetic rubber. IRPC innovates the production of aromatic products with a PCA value lower than the international standard, not carcinogenic and causing mutation in human beings.
ULTRAMO	Endurance (Ultra High Molecular Weight Polyethylene, UHMW-PE,)	A polyethylene product with heavy molecular weight. It is opaque, cloudy white with a slippery surface, tough, and resistant to chemical corrosion.
	Acetylene Black	A carbon product produced by burning acetylene gas. It is very fine, used in batteries, tire-fillers, ink, and polymer products.
	Bivalves Settlement Resistance HDPE Pipe Grade / Marine Pipe	A special pipe-grade polyethylene, capable of withstanding puncture or demolition by shells in coastal areas or estuaries.
	Impact modifier-MBS	A filler added to enhance the impact resistance of plastics
	Polimaxx	Trademark of IRPC's petrochemical product group
	Polyolefins	Thermoplastics produced by polymerization of non-saturated monomers. For example, polyethylene produced from ethylene, polypropylene produced from propylene, polyvinyl chloride produced from vinyl chloride, polystyrene produced from styrene, polyisobutene produce from isobutene, polybutene from butene-1, butene-2, and isobutene. These plastics are tough and flexible, with a melting point of 100-245 C. Uses include bags, fibers, plumbing pipes, sewage pipes, automotive and refrigerator components, tanks, medical equipment, and lamps. Polyolefins are polymers produced by polymerizing olefins.
UHV	Upstream Project for Hygiene & Value Added Products	A project to enhance the production capacity of propylene products, fostering competitiveness of the petroleum business and growing the petrochemical and value-added product businesses.
Benzene	Upstream Project for Hygiene & Value Added Products	A colorless, flammable, and carcinogenic liquid produced from the catalytic reforming process of naphtha, and the hydro-dealkylation process of toluene. It is a component of pyrolysis gasoline, a by-product from steam-cracking of naphtha or gas oil. It is used as feedstock for ethybenzene, cumene, cyclohexane, and nitrobenzene. Uses include industrial solvents, mixtures in various products, including cosmetics, perfumes, nail paint removers, lacquer, dry cleaning agents, paints, stain removers, and varnish.

Compliance with Corporate Social Responsibilities

Stakeholder Analysis	Page
- Stakeholder identification 1st Group: Competitors, employees, shareholdes/investros, customers/consumers, business partners, community, society and environment 2nd Group: Competitors, general people, government sector, educational sector, youths, media	51-57
- Criteria used in deciding to identify the stakeholders Use the 2012 corporate governance principles of registered companies 1st Group: Parties directly related to business or affected by the business operation 2nd Group: Parties indirectly related to business or affected by the business operation	51-57
- Methods and frequency of relation building with groups of stakeholders Use several mehtods suitable for each group and perform it regularly	51-57 144-154
- Issues raised by stakeholders separated into economy, society, and environment; proposed to the Company such as Economy: BANBAX polymer research project by IRPC and Prostheses Foundation/ CHP I and CHP II Power Station project by community, the Company, and stakeholders Society: 1 Helps 9 by EQA/ Female Opportunity Reproviding project by the Business and Professional Women's Association of Thailand Environment: EIZ by Department of industrial works / Build Canals, Build People project by the Education & Public Welfare Foundation	144-154
- Social and environmental trend and change analysis data to add issues important to the Company's operation that are not raised by stakeholders or related stakeholders cannot be accessed There is an analysis of the situation and change of the Company's manufacturing areas, country's and the World society's situations to design CSR operation structure (arrange a port) according to the importance level by referring to stakeholder analysis together with business and social strategies with a specific unit acting as a team leader responsible for each activity supported by other units.	132-154

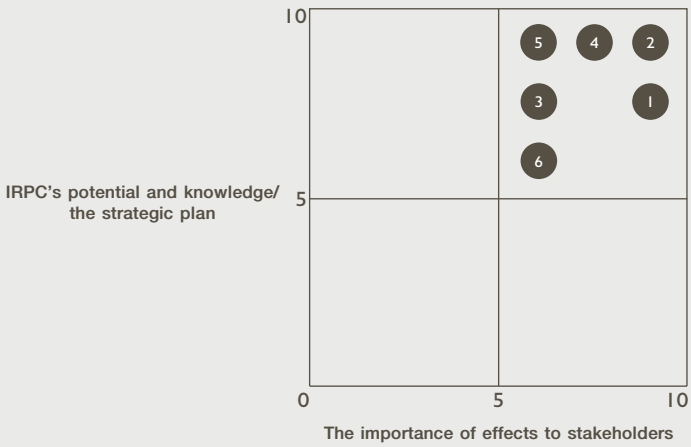
Operational Strategy Planning	Page
- Issues selected by the stakeholder analysis results to be carried out, as well as specify the operation issues or aspects significantly affected the Company such as Security program of building project contractors (partners): its significant issues are labor security and human rights related to construction success in the Company's investment The Project, Community and Society Development Committee: participation in information acknowledgement and problem solving, accepting the Company's operation, and developing society and environment 1 Helps 9 project (Thai youths): its significant issue is that this is the project started and operated in the manner of Social Partner by the Company, educational sector (EQA and schools), a group of banks selling IRPC debenture, college students, volunteers, and employees; and related to education leveraging strategies to promote the better society; and extending children's rights to have a chance to learn and prepare themselves with full potential, morality and readiness for AEC. Prosthetic leg program (disadvantaged disabled): its significant issue is that it started from the Company's development and research performed with Prostheses Foundation and is related to commercial anti-bacteria PP utilization together with social support. Build Canals, Build People project: its significant issue is that this is a Social Partner project relating to using knowledge from CSR's water management of IRPC industrial site in helping societies in northeastern region lacking of water for using, consuming and agriculture.	102 144-154

Operational Strategy Planning (Continued)

- Criteria used in specifying issues significantly affected the Company's operation

1. Use the criteria of importance of effects which the Company has to stakeholders, and analysis of social and environmental situation of Thailand, regions and the World society that affects the Company's stakeholders
2. Use the Company's potential and knowledge conforming to the strategic plan

144-154



- The Company's chosen operational level (Compliance, Do it better, Differentiate) and supporting details

The Company's choices are selected based on properness and necessity of the context in each project, some on laws and some are beyond. The target is to be different.

Project sample	Level		
	Be pursuant to laws	Make it better	Make it different
1 Security program of building project contractors	✓	✓	
2 The Project, Community and Society Development Committee		✓	✓
3 1 Helps 9			✓
4 Prosthetic leg			✓
5 Build Canals, Build People			✓
6 Wittayasirimethi Institute and Kamnerdwit School			✓

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- Management Approach

1. The Board approved the operation directions, strategic plans, budgets and important projects. The project details are in the annual corporate governance plan that should be approved by the Corporate Governance Committee and the Board of Directors respectively.
2. The Management is responsible for their operation duties with the highest-reank executive approving the project budget.
3. The operation results are reported to the Corporate Governance Committee and the Board of Directors quarterly. Important projects should be reported to the Management Committee before proposing to the Board of Directors.
4. The operation result is assessed and proposed to the abovementioned committee at least once a year.
5. The operation result is periodically reviewed using PDCA (Plan Do Check Action) and improved, and proposed for editing if necessary or suitable.
6. Reports required by law are shown to shareholders and general people for the public acknowledgement via a website and the Company's public relations channels and SET

144-154
102-104

Operational Strategy Planning (Continued)

- Form and scope of operation

- Details in "the Managemant Approach" describing the operation scope relating to the direction determination and approval by the Board and executives. The form and scope of activity is unspecific in each project but share the important main components as follow:

1. Clear purpose, plan, and target consistent to the organization strategy
2. Stakeholder analysis and project designing based on understanding, appreciating and developing respectively
3. Budget in the approved frame
4. Social Partner operation such as participation, initiation, activity desiging, activity undertaking and co-assessing

60% activities are further developed from ones in the past and new activities are created according to the changed context.

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- Operatoin identifier specification agreed by the Company's authorized people (or co-agreed by the related stakeholders) in each issue

Project sample	Operation identifier	The Company's authorized people	Stakeholders
1. Security program of building project contractors	Security, equipment, and human and labor rights management	President, Project Director	Contractors' company
2. The Project, Community and Society Development Committee	Participation in information acknowledgement and problem solving, accepting the Company's operation, and developing society and environment	The Board of Directors, President, Senior Executive Vice President Petrochemical & Refinery Business Unit	Community, government sector, and NGO scholars
3. 1 Helps 9	- Education leveraging strategies - Extending children's rights to develop their education and ethics - Promoting wide cooperation	President	- EQA -Schools in the project - A group of banks selling IRPC debenture - Volunteering college students from For U For U club
4. Prosthetic leg	Quality of anti-bacteria PP used in making prosthetic legs for better life quality - Further research and development from the former project	President	- Prost heses Foundation - PP customers - Participated disabled people or their parents - volunteerign employees
5. Build Canals, Build People	- Strong community cooperation - Success of reservoir dredging - Quantitative and qualitative benefits for farmers and society - Ability to further this project	President	- The Education & Public Welfare Foundation - IRPC employees responsible for water management in Rayong plant - Volunteering employees - Ban Nong Yang community

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Operational Strategy Planning (Continued)

- Operatoin identifier specification agreed by the Company's authorized people (or co-agreed by the related stakeholders) in each issue (Continued)

Project sample	Operation identifier	The Company's authorized people	Stakeholders	
6. Wittayasirimethi Institute and Kamnerdwit School	- Cooperation project in PTT group - Educational excellence development project in Rayong where PTT Group mostly operates their industrial businesses - The Company's factories in Rayong can be used as a training places or labs for student's internship - This is CSV project benefiting national stakeholders. - This project aims for academic excellence and scientific research required international knowledge and standards.	The Board of Directors	- The Board of Directors in all PTT Group - Rayong communities - Educational sector and scholars - Youths and parents - General people - Qualified people from national and international universities	144-154

Operation	Page
- Vision, mission, and strategies leading to sustainability	3-5, 70, 90-91, 132-134
- The Company and its subsidiaries' business operation policy that are full of responsibility to society, environment, and stakeholders (according to the Eight Principles)	51
- Operation details consistent to the Company's publicized policies	144-154
- Stakeholders participating in the Company's operation	152-154
- Participation level of external stakeholders to the Company's operation In 2014, total participation level of stakeholders in every project is about 50 percent.	144-154
- Ratio of operating sources, departments/units, or the main procedures of businesses related to its operation - Main responsible units consist of: 1. Office of sustainability management focusing on environment, standards and QSHE support, acknowledgment, community participation, and EIA/EHIA operation 2. Corporate Responsibility unit, Office of Corporate Business focusing on social projects in overview and communication with stakeholders and public 3. Units in the IRPC industrial areas focusing on community, security, operational hygiene, and environment of the operation areas 4. Other supporting units such as safety unit, oil depot units in many areas and construction projects by proportion 30 : 30 : 30 : 10 respectively.	144-154

Report preparation	Page
- Details of frame/standards used in reports	154
- Operation results responding to issues and specified identifiers Social and anti-corruption projects	146-157
- Revealation of truth in cases in which the Company and its subsidiaies are under inspection by the authorized agency if there is any illegal action significantly relating to the Eight Principles The Company is not inspected in that case.	57
- Revealation of truth in cases in which the Company and its subsidiaries participate in or are accused to performing business operation with negative effect to society, environment or incompliance to the Eight Principles, especially the publicized cases and may significantly affect the Company or its subsidiaries' business operation, reputation or reliability **- Description of reasons, effects to the Company or its subsidiaries, solutions, and future inspection and prevention for the issues.** On 8 June 2014: There was a fire accident in VGOHT unit at 18:00 hrs and the Company could control the fire at 19:00 hrs. The accident summary was as follows: On 9 June 2014: - At 18:00 hrs, there was a fire accident at the VGOHT unit: Vacuum Gas Oil Hydro Treating unit. Initially, it was presumed that hydrocarbons leaked and caught fire. - At 18:01-19:00 hrs, the fire was controlled./ Community was notified./Air and water quality was checked together with related government sector. - At 19:30 hrs, IRPC executives made an initial statement to government sector and media at the Auditorium Room, 10-year Building (Rayong). - At 22:00 hrs, the President made a statement to media and SET regarding the progress of the situation, air quality inspection, and effect management. On 10 June 2014: - At 08:09 hrs, SET published the news. - At 09:00 hrs, the President made a statement with media in Bangkok and made a video conference with media in Rayong. - At 10:30 hrs, the President held an explanation meeting with security analysts in Bangkok. The Company could control the news situation, suppressing confusion and giving media the same understanding of truth immediately, and it fully coordinated in the inspection of the government sector, community, and media. The Company sent out the mobile hospital unit to check up the community members' health every day. In addition, the President paid a visit in the community. In the factory, the machinery was quickly repaired and the equipment was examined to prevent future problems.	92, 106-109
- Revelation of anti-corruption operation and prevention for the Company and its subsidiaries' business operation Policy on anti-corruption measures and corruption risk management	155-157

Compliance with Corporate Governance

No.	Rules and Guidelines	Annual Report		Additional Documents
		(Part)	(Page)	
	Rights of Shareholders			
A01	Does the Company provide additional rights for shareholders apart from the right to vote? **IRPC: Yes. These, for example, include the right to voice their opinions, submit an agenda ahead of the meeting, appoint or remove the directors, consider directors' and auditors' remuneration, review shares in profits / dividends, have easy and complete access to adequate information.**	• Corporate Governance Report : Rights of Shareholders	47	
A02	Has directors' remuneration of all forms been approved by the shareholders on an annual basis? **IRPC: Yes**	• Corporate Governance Report : Nomination and Remuneration Committee • Management Structure	60 167, 171-172	
A03	Are there any policies or methods for determining directors' remuneration presented to the shareholders? **IRPC: Yes**	• Management Structure	171-172	
A04	In the election of directors, does the Company allow shareholders to vote for individual director? **IRPC: Yes**	• Corporate Governance Report : Organizing The AGM	47-49	• Meeting Notice
A05	Is it stated in the Minutes of the Annual General Meeting (AGM) that the meeting requires the voting inspector? **IRPC: Yes**	• Corporate Governance Report : Organizing The AGM	48-49	
A06	Does the Company allow shareholders to submit an agenda or questions prior to the AGM? **IRPC: Yes**	• Corporate Governance Report : Proposal for Additional Agenda Items in advance	51	
A07	Does the Company announce a policy to facilitate and encourage shareholders, including institutional investors, to attend the AGM? **IRPC: Yes**	• Corporate Governance Report : Facilitating Shareholders in attending AGM	50-51	
A08	Does the Company prepare agenda items of the meeting in proper order? **IRPC: Yes**	• Corporate Governance Report : Advance Notice of the AGM	47	

No.	Rules and Guidelines	Annual Report		Additional Documents
		(Part)	(Page)	
	Rights of Shareholders			
	Quality of the Meeting Notice			
A09	Are the shareholders informed of the names and profiles of the nominated directors in the agenda to consider appointment of the new directors? **IRPC: Yes**	• Corporate Governance Report : Advance Notice of the AGM	47	• Meeting Notice
A10	In the agenda to appoint new auditors, was there information such as names, companies and profiles of the auditors provided for the shareholders to help make their choices based on the competency, suitability and fees of the auditors? **IRPC: Yes**	• Corporate Governance Report : Advance Notice of the AGM	47	• Meeting Notice
A11	In the agenda to approve dividend payment, is there the disclosure of dividend policy, amount of dividend to be paid and any information or explanation for consideration **IRPC: Yes**	• Corporate Governance Report : Advance Notice of the AGM	47	• Meeting Notice
A12	Does the Meeting Notice specify objectives and rationale for each item on the agenda? **IRPC: Yes**	• Corporate Governance Report : Advance Notice of the AGM	47	• Meeting Notice
A13	Does the Meeting Notice include directors' opinions for each item on the agenda? **IRPC: Yes**	• Corporate Governance Report : Advance Notice of the AGM	47	• Meeting Notice
	Quality of Minutes of the Annual General Meeting			
A14	Are the method of voting and counting of votes specified for shareholders? **IRPC: Yes**	• Corporate Governance Report : Disclosure of Shareholder Meeting Result	49-50	• Minute of meeting
A15	Are the shareholders allowed to ask question and record any questions or answers? **IRPC: Yes**	• Corporate Governance Report : Disclosure of Shareholder Meeting Result	49-50	• Minute of meeting
A16	In the minutes, are there clear records of resolutions, 'agree' and 'disagree' votes, and abstention in every agenda that requires voting? **IRPC: Yes**	• Corporate Governance Report : Disclosure of Shareholder Meeting Result	49-50	• Minute of meeting
A17	Are there name records of directors who attended the meeting in the minutes? **IRPC: Yes**	• Corporate Governance Report : Disclosure of Shareholder Meeting Result	49-50	• Minute of meeting

No.	Rules and Guidelines	Annual Report (Part)	Annual Report (Page)	Additional Documents
	Rights of Shareholders			
	Quality of Minutes of the Annual General Meeting			
A18	Does the Company announce the resolutions of the meeting with voting results on the next business day after the day of the meeting? **IRPC: Yes (Disclose on the meeting day)**	• Corporate Governance Report : Disclosure of Shareholder Meeting Result	49-50	• Minute of meeting
A19	Has the Company's Chairman of the participated in the AGM? **IRPC: Yes**	• Corporate Governance Report : Disclosure of Shareholder Meeting Result	49-50	• Minute of meeting
A20	Has the Company's President attended the AGM? **IRPC: Yes**	• Corporate Governance Report : Disclosure of Shareholder Meeting Result	49-50	• Minute of meeting
A21	Has the Chairman of the Audit Committee attended the AGM? **IRPC: Yes**	• Corporate Governance Report : Disclosure of Shareholder Meeting Result	49-50	• Minute of meeting
A22	Has the Chairman of the Remuneration Committee attended the AGM? **IRPC: Yes**	• Corporate Governance Report : Disclosure of Shareholder Meeting Result	49-50	• Minute of meeting
A23	Has the Chairman of the Nomination Committee attended the AGM? **IRPC: Yes**	• Corporate Governance Report : Disclosure of Shareholder Meeting Result	49-50	• Minute of meeting
A24	Was the AGM held at the place where shareholders have easy access to? **IRPC: Yes**	• Corporate Governance Report : Disclosure of Shareholder Meeting Result	49-50	• Minute of meeting
	Does the shareholding structure of the Company demonstrate the following mechanism to prevent the business takeover?			
A25	Is there a cross-shareholding in the Group? **IRPC: No**	• Business Structure and Shareholding • IRPC General Information	71 183-184	
A26	Is there a pyramidal shareholding in the Group? **IRPC: No**	• Business Structure and Shareholding • IRPC General Information	71 183-184	
A27	Does the Board of Directors hold more than a total of 25 percent of the Company's issued capital? **IRPC: No**	• Board of Directors • Management Structure	22-31 173	• Form 56-1
A28	What is the Company's proportion of free float shares? **IRPC: 46.07**			• Information Management System of SET's DBD Registered Companies

No.	Rules and Guidelines	Annual Report		Additional Documents
		(Part)	(Page)	
Rights of Shareholders				
	Does the shareholding structure of the Company demonstrate the following mechanism to prevent the business takeover?			
A29	Do institutional investors hold more than 5 percent of the Company's shares? **IRPC: Yes**	• Major Shareholders	183	• Information Management System of SET's DBD Registered companies
A30	Is there an addition of agenda items in the AGM / EGM apart from what has been specified in the meeting notice? **IRPC: No additional items apart from those specified in the notice?**	• Corporate Governance Report : Organizing the AGM	49	
A31	Does company fail to treat shareholders equally regarding the share repurchase (Penalty)? **IRPC: No, there was no share repurchasing**	• Financial Report	187-261	• Information Management System of SET's DBD Registered companies
A32	Does the Company create obstacles or deprive shareholders of opportunity to communicate with each other (Penalty)? **IRPC: No**	• Corporate Governance Report : Communication Channels with Shareholders	50	• Information Management System of SET's DBD Registered companies
A33	Does the Company fail to comply with shareholders agreement and pose a significant risk to other companies or shareholders? **IRPC: No**	• Corporate Governance Report : Roles of The Audit Committee	65	
Equitable Treatment of Shareholders				
B01	Does the Company allow each shareholder to vote according to a one-share-one-vote rule? **IRPC: Yes**	• Corporate Governance Report : Organizing the AGM	47-49	
B02	In case there is more than one class of share, does the Company announce the voting rights for each additional class? **IRPC: No additional class of share**	• Corporate Governance Report : Organizing the AGM	47-49	
B03	Does company have any process / channel for minority shareholders to participate in the nomination and appointment of directors? **IRPC: Yes**	• Corporate Governance Report : The Nomination and Remuneration Committee	67	

No.	Rules and Guidelines	Annual Report		Additional Documents
		(Part)	(Page)	
Equitable Treatment of Shareholders				
B04	Does the company have a policy against the use of inside information and disseminate it to employees, executives and Board of Directors? **IRPC: Yes**	• Corporate Governance Report : Information Disclosure and Transparency/the Use of Internal Information	59, 66	• Corporate Governance Handbook • Website
B05	Before making any connected transactions where disclosure of information or approval from shareholders are needed to ensure compliance with The Stock Exchange of Thailand regulations, does the company reveal the details and rationale for the transaction to shareholders? **IRPC: Yes**	• Connected Transactions	83-87	• Information Management System of SET's DBD Registered companies
B06	Does the Company ensure that connected transactions are 'fair and at arms' length'? **IRPC: Yes**	• Connected Transactions	83-87	
B07	To what extent might the Company's Group structure, where connected transactions are common, lead to conflict of interest? **IRPC: The Company and its affiliates and PTT group doing the business in the same category, there are some connected transactions between the Company and PTT group which is normal the business operations.**	• Business Structure and Shareholding • Connected Transactions	71 83-87	
B08	Does company provide help for the shareholders who are cannot attend the meeting in person to do so by proxy and send a notice of the meeting? **IRPC: Yes**	• Corporate Governance Report : Proxy	51	
B09	Are there any documents/evidence for appointment of proxy specified in the AGM Notice? **IRPC: Yes**	• Corporate Governance Report : Proxy	51	• Meeting Notice
B10	Do the Company's conditions make it difficult for shareholders to appoint proxy? **IRPC: No**	• Corporate Governance Report : Authorization	51	
B11	How many days prior to the meeting do the Company send meeting notice to shareholders? **IRPC: 21 days**	• Corporate Governance Report : Equal Treatment of Shareholders	50	
B12	Does the Company provide the complete AGM notice on the Company's website more than 30 days prior to the meeting? **IRPC: 33 days**	• Corporate Governance Report : Equal Treatment of Shareholders	50	

No.	Rules and Guidelines	Annual Report		Additional Documents
		(Part)	(Page)	
Equitable Treatment of Shareholders				
B13	Does the Company use cumulative voting for the election of directors? **IRPC: No**	• Corporate Governance Report : Organizing the AGM	47-49	
B14	Does the Company provide English versions of the meeting notice and documents for foreign shareholders? **IRPC: Yes**	• Corporate Governance Report : Equal Treatment of Shareholders	50	
B15	Does the Company provide resources for other companies that are not its subsidiaries? **IRPC: No**	• Financial Report	187-261	
B16	Has there been a case where directors / President of the Company used inside information to trade securities in the Company? **IRPC: No**	• Corporate Governance Report : Use of Internal Information	66	
B17	Has there been a case where violation/ non-compliance with the rules of connected transactions occurred in the Company? **IRPC: No violation**	• Connected Transactions	83-87	
B18	Has there been a case where violation/ non-compliance with the rules of asset sales occurred in the Company? **IRPC: No violation**	• Financial Report	187-261	
B19	Has the Company has established policies for directors and senior executives to notify the Board or those assigned by the Board regarding the trading of the Company's shares at least 1 day prior to the trade? **IRPC: The Company has set the policy to notify the Board regularly.**	• Corporate Governance Report : Use of Internal Information	66	
Roles of Stakeholders				
C01	Has the Company published a report on Corporate Social Responsibility? **IRPC: Yes**	• Corporate Responsibility	131-154	• Sustainability Development Report
C02	Has The Board established policies and practices concerning safety and health in the workplace and published reports on accident statistics, rates of professional leaves and work-related injuries? **IRPC: Yes**	• Quality, Safety, Occupational Health, and Environmental Management	141	
C03	Does the Board have policies and guidelines on employee compensation and benefits? **IRPC: Yes**	• Corporate Governance Report : Roles of Stakeholders : Employees • Financial Report	53-54 187-261	

No.	Rules and Guidelines	Annual Report		Additional Documents
		(Part)	(Page)	
Roles of Stakeholders				
C04	Does the Board offer provident fund for employees? **IRPC: Yes**	• Corporate Governance Report : Roles of Stakeholders : Employees • Financial Report	53-54 187-261	
C05	Has the Board established policies and guidelines relating to the development of knowledge and potential of employees and published the average hours of training per employee? **IRPC: Yes**	• Corporate Governance Report : Roles of Stakeholders : Employees	53-54	
C06	Does the Board have policies against violation of human rights? **IRPC: Yes**	• Corporate Governance Report : Roles of Stakeholders : Employees	53-54	• CG Handbook & Code of Conduct
C07	Has the Board established policies and guidelines regarding consumers? **IRPC: Yes**	• Corporate Governance Report : Roles of Stakeholders : Customers / Consumers	52-53	• CG Handbook & Code of Conduct
C08	Has the Board established policies and guidelines regarding competitors? **IRPC: Yes**	• Corporate Governance Report : Roles of Stakeholders : Competitors	53	• CG Handbook & Code of Conduct
C09	Has the Board established policies and guidelines regarding business partners, especially the selection of partners? **IRPC: Yes**	• Corporate Governance Report : Roles of Stakeholders : Business partners	53	• CG Handbook & Code of Conduct
C10	Has the Board established policies and guidelines regarding creditors, particularly on the terms of capital management guarantee and the event of credit default? **IRPC: Yes**	• Corporate Governance Report : Roles of Stakeholders : Creditors	53	
C11	Has the Board established policies and guidelines against any infringement of intellectual property or copyright? **IRPC: Yes**	• Corporate Governance Report : Roles of Stakeholders : Employees	53-55	
C12	Has the Board established policies on anti-corruption and bribery to prevent anyone from seeking personal gain from the Company's business? **IRPC: Yes**	• Corporate Governance Report : Roles of Stakeholders : Employees • Anti-Corruption Policy	54 155-157	

No.	Rules and Guidelines	Annual Report		Additional Documents
		(Part)	(Page)	
Roles of Stakeholders				
C13	Has the Company established any processes of assessing the risk of fraud? **IRPC: Yes**	• Corporate Governance Report : Roles of Stakeholders : Employees • Anti-Corruption Policy	53-54 155-157	
C14	Has the Company established practice guidelines to monitor and control the risks of fraud to prevent and keep track of them? **IRPC: Yes**	• Corporate Governance Report : Roles of Stakeholders : Employees • Anti-Corruption Policy	54 155-157	
C15	Has the Company established guidelines to monitor and evaluate the implementation of anti-corruption policies? **IRPC: Yes**	• Corporate Governance Report : Roles of Stakeholders : Employees • Anti-Corruption Policy	54 155-157	
C16	Does the Company provide training for employees to educate them on the anti-corruption policy and guidelines? **IRPC: Yes**	• Corporate Governance Report : Roles of Stakeholders : Employees • Anti-Corruption Policy	53-54 155-157	
C17	Has the Board established policies and guidelines concerning the society? **IRPC: Yes**	• Corporate Governance Report : Roles of Stakeholders : Social and Environmental Responsibility • Corporate Social Responsibility	55-57 144-154	
C18	Has the Board organized or participated activities aimed to develop communities? **IRPC: Yes**	• Corporate Governance Report : Roles of Stakeholders : Social and Environmental Responsibility • Corporate Social Responsibility	55-57 144-154	
C19	Has the Board established policy to maintain the environmental standard of the business? **IRPC: Yes**	• Corporate Governance Report : Roles of Stakeholders : Social and Environmental Responsibility • The Quality, Safety, Health and Environment (QSHE)	55-57 134-143	
C20	Does the Board encourage the efficient use of resources? **IRPC: Yes**	• Corporate Governance Report : Roles of Stakeholders : Social and Environmental Responsibility • The Quality, Safety, Health and Environment (QSHE)	55-57 135-143	

No.	Rules and Guidelines	Annual Report		Additional Documents
		(Part)	(Page)	
Roles of Stakeholders				
C21	Does the Board educate employees on the environmental matters? **IRPC: Yes**	• Corporate Governance Report : Roles of Stakeholders : Social and Environmental Responsibility • The Quality, Safety, Health and Environment (QSHE)	55-57 135-143	
C22	Does the Board provide a channel for all stakeholders to contact / make complaints on the matter that could become problems for board directly? **IRPC: Yes**	• Corporate Governance Report : Information Disclosure and Transparency : Filing complaints and access to information	58-59	
C23	Has the Board established procedures to deal with employees' complaints of possible misconduct? **IRPC: Yes**	• Corporate Governance Report : Information Disclosure and Transparency : Filing complaints and access to information	58-59	
C24	Has the Company established policies or guidelines for the protection of employees or the whistleblowers who reported misconduct? **IRPC: Yes**	• Corporate Governance Report : Information Disclosure and Transparency : Filing complaints and access to information	58-59	
C25	Does the Company provide a channel for all stakeholders to report or make complaints should their rights be violated with clear contact information? **IRPC: Yes**	• Corporate Governance Report : Information Disclosure and Transparency : Filing complaints and access to information	58-59	
C26	Does the Company have compensation policy for employees that is in consistent with the Company's short-term and long-term performance? **IRPC: Yes**	• Corporate Governance Report : Roles of Stakeholders : Employees • Financial Report	53-54 187-261	
C27	Has there been a case where the Company violated laws on labor, employment, consumers, trade competition and environment? **IRPC: No**	• Notes to the Consolidated • Corporate Governance Report • Legal Performance	57 105-106	
C28	Has the Company been operated by the Compliance Unit as it failed to announce the important affairs within the prescribed time? **IRPC: No**	• Corporate Governance Report	45-67	

No.	Rules and Guidelines	Annual Report		Additional Documents
		(Part)	(Page)	
Information Disclosure and Transparency				
Does the Company disclose shareholding structure with transparency?				
D01	Does the Company elaborate on the shareholding structure? **IRPC: Yes**	• Shareholding Structure	183	
D02	Does the disclosed shareholding structure clearly reveal true Company's shareholders? **IRPC: Yes**	• Shareholding Structure	183	• Information Management System of SET's DBD Registered companies
D03	Does the disclosed information include both direct and indirect shareholding of directors? **IRPC: Yes**	• Management Structure	173	
D04	Does the disclosed information include both direct and indirect shareholding of executives? **IRPC: Yes**	• Management Structure	175-176	
D05	Has it been disclosed in the annual report that there has been compliance with corporate governance practices and if not, why? **IRPC: Yes**	• Corporate Governance Report	45-67	
D06	Does the disclosed information include Objective/Long Term Goal? **IRPC: Yes**	• Vision • Message from the Chairman • Strategic Initiatives	3 4-5 70	
D07	Does the disclosed information include resources status and Company performance? **IRPC: Yes**	• Performance Summary	92-110	
D08	Does the disclosed information include the Company non-resource performance indicators such as market share and customers' satisfaction? **IRPC: Yes**	• Market Overview and Industry Outlook	110-118	
D09	Does the disclosed information include Company's nature of business and competition? **IRPC: Yes**	• Nature of Business • Market Overview and Industry Outlook	72-73 110-118	
D10	Does the disclosed information include business group structure (if any)? **IRPC: Yes**	• Business and Shareholding	71	

No.	Rules and Guidelines	Annual Report		Additional Documents
		(Part)	(Page)	
Information Disclosure and Transparency				
Does the Company disclose shareholding structure with transparency?				
D11	Does the disclosed information include Key Risks in the business? **IRPC: Yes**	• Internal control	42-43	
D12	Does the disclosed information include Dividend Policy? **IRPC: Yes**	• Dividend Policy	67	• Information Management System of SET's DBD Registered companies • Meeting Notice
D13	Does the disclosed information include Whistle Blowing Policy? **IRPC: Yes**	• Anti-Corruption Policy	155-157	
D14	Does the disclosed information include details of directors? **IRPC: Yes**	• Board of Directors	22-31	
D15	Does the disclosed information specify which directors are independent directors? **IRPC: Yes**	• Board of Directors • Management Structure	22-31 161	
D16	Does the disclosed information include rules for directors' remuneration? **IRPC: Yes**	• Management Structure	171-172	
D17	Does the disclosed information include policies and rules for senior executives' remuneration? **IRPC: Yes**	• Management Structure	179	
D18	Does the disclosed information include remuneration for individual director? **IRPC: Yes**	• Management Structure	172	
D19	Does the disclosed information include the number of board meetings? **IRPC: Yes**	• Management Structure	170	
D20	Does the disclosed information include attendance of each director at the meeting? **IRPC: Yes**	• Management Structure	170	
D21	Does the disclosed information include development and training of individual director in recent years? **IRPC: Yes**	• Corporate Governance Report : Development of Directors	63	
D22	Does the Company include full disclosure of connected transactions? **IRPC: Yes**	• Connected Transactions	83-87	

No.	Rules and Guidelines	Annual Report		Additional Documents
		(Part)	(Page)	
Information Disclosure and Transparency				
Does the Company disclose shareholding structure with transparency?				
D23	Does the Company have the policy that directors must disclose/report the purchase - sale of the Company's shares/holding of Company's securities? **IRPC: Yes**	• Corporate Governance Report : Use of Internal Information	66	
D24	Does the Company reveal the changes in the directors and senior executives' holding of the Company's shares by showing the number of shares held at the start and end of the year and are traded during the year in the Annual Report? **IRPC: Yes**	• Management Structure	173-176	• Form 59-1 (Internal document)
D25	Does the Company have a policy on the reporting of directors' vested interests? **IRPC: Yes**	• Corporate Governance Report : Board of Director's financial and non-financial reporting	58	• Report on Vested Interests of Directors and Executives (internal document)
D26	Has the Company established and disclosed the policy that requires major connected transactions to be considered and approved by the Board? **IRPC: Yes, in compliance with SET strictly defined**	• Connected Transaction • Management Structure	87 169	
D27	Has the Company appointed an auditor who is independent and reliable? **IRPC: Yes**	• Corporate Governance Report : Auditor's Fee	66	
D28	Does the Company disclose payment of the audit fee to auditors or auditing companies in the annual report? **IRPC: Yes**	• Corporate Governance Report : Auditor's Fee	66	
D29	Does the Company reveal payment of other service charges to auditors or auditing companies in the annual report? **IRPC: Yes**	• Corporate Governance Report : Auditor's Fee	66	
D30	Has the Company's resources budget been approved by the auditor under specific terms and conditions? **IRPC: The Company's financial reports have been unconditionally approved.**	• Financial Reports	185	
D31	Annual Report? **IRPC: Yes**	• Annual Report?		• Website
D32	Quarterly Report? **IRPC: Yes**	• Corporate Governance Report : The Roles of Stakeholders : Shareholder/Investor	51-52	• Information Management System of SET's DBD Registered companies • Newsletter to Shareholders

No.	Rules and Guidelines	Annual Report		Additional Documents
		(Part)	(Page)	
Information Disclosure and Transparency				
Does the Company disclose shareholding structure with transparency?				
D33	Does the disclosed information include Company's website? **IRPC: Yes**	• Corporate Governance Report : Roles of Stakeholders : Shareholders / Investors	50	• Website
D34	Does the disclosed information include meetings with analysts? **IRPC: Yes**	• Corporate Governance Report : Roles of Stakeholders : Shareholders / Investors	51-52	• Website
D35	Does the disclosed information include press conferences / newsletters that show the Company resource status? **IRPC: Yes**	• Corporate Governance Report : Roles of Stakeholders : Shareholders / Investors	51-52	
D36	Does the Company have a history of late submission of resource reports, quarterly or annually? **IRPC: No**			• Information Management System of SET's DBD Registered companies
D37	Does the disclosed information include Company's nature of business? **IRPC: Yes**	• Nature of Business	72-73	• Website
D38	Does the disclosed information include Company's resource budget? **IRPC: Yes**	• Financial Reports	187-261	• Website
D39	Does the disclosed information include Company's press release? **IRPC: Yes**			• Information Management System of SET's DBD Registered companies • Website
D40	Does the disclosed information include Company's shareholding structure? **IRPC: Yes**	• Business Structure and Shareholding	71 182-184	• Website
D41	Does the disclosed information include organizational structure? **IRPC: Yes**	• Organizational Structure	160	• Website
D42	Does the disclosed information include business group structure (if any)? **IRPC: Yes**	• Business Structure and Shareholding	71 182-184	• Website
D43	Does the disclosed information include details of the directors and executives? **IRPC: Yes**	• Board of Director & Executives	22-38	• Website
D44	Does the disclosed information include Investor Relations? **IRPC: Yes**	• Corporate Governance Report: Communication Channels with Shareholders	50	• Website
D45	Does the disclosed information include Company's regulations? **IRPC: Yes**			• Website

No.	Rules and Guidelines	Annual Report		Additional Documents
		(Part)	(Page)	
Information Disclosure and Transparency				
Does the Company disclose shareholding structure with transparency?				
D46	Does the disclosed information include downloadable annual report? **IRPC: Yes**	• Corporate Governance Report	49-50	• Website
D47	Does the disclosed information include downloadable meeting notice? **IRPC: Yes**	• Corporate Governance Report	49-50	• Website
D48	Does the Company have its own website in both Thai and English? **IRPC: Yes**	• Corporate Governance Report	49-50	• Website
D49	Did the Company appoint an investor relations team and make clear contact details available? **IRPC: Yes**	• Corporate Governance Report : Communication Channels with Shareholders	50	• Website
D50	Does the Company have a history of being ordered to amend its resource budget by the Securities and Exchange Commission (SEC)? **IRPC: No**	• Corporate Governance Report	45-67	• Website
Board Responsibility				
E01	Did the Board establish Corporate Governance Policy for themselves? **IRPC: Yes**	• Corporate Governance Report : Corporate Governance Policy	45-46	
E02	Did the Board establish Business Ethics and/or Code of Conduct for executives and employees and disclose them on the Company's website? **IRPC: Yes**	• Corporate Governance Report : Corporate Governance Policy	45-46	• Website
E03	Does the Company ensure that the directors, executives and employees comply with Business Ethics and/or Code of Conduct? **IRPC: Yes**	• Corporate Governance Report : Corporate Governance Policy/ Board Roles	45-46, 65-67	• Guide to Corporate Governance • Website
E04	Did the Company establish and disclose practice guidelines to promote compliance with Business Ethics and/or Code of Conduct and keep track of such practices? **IRPC: Yes**	• Corporate Governance Report : Corporate Governance Policy/ Role of the Board of Directors	45-46, 65-67	• Corporate Governance Handbook • Code of Conduct • Website
E05	Has the Board set the Company's Vision / Mission? **IRPC: Yes**	• Vision • Corporate Governance Report : Role of the Board of Directors	3 59-67	• Corporate Governance Handbook • Sustainability Development Report

No.	Rules and Guidelines	Annual Report (Part)	Annual Report (Page)	Additional Documents
	Board Responsibility			
E06	Does the Company review and approve Company's Vision and Mission at least every 5 year? **IRPC: Yes**	• Message from the Chairman • Strategic Initiatives	4-5 70	• Sustainability Development Report
E07	Does the Board limit the number of listed companies where each director holds office up to 5 companies in the Company's Corporate Governance Policy? **IRPC: Yes**	• Board of Directors	22-31	• Corporate Governance Handbook
E10	Does the Board specify a policy that allows managing director to hold a position of director at other companies? **IRPC: Yes**	• Corporate Governance Report : Policy on multiple Directorship	65	
E11	Does the Board limit the term of office of independent directors to 9 years? **IRPC: Yes**	• Management Structure	169	• Corporate Governance Handbook
E16	Are there any independent directors in the Board who have held the position of director in more than 4 other listed companies? **IRPC: No**	• Board of Directors	22-31	• Corporate Governance Handbook
E17	Are there any executive directors of the Board who hold the position of director in more than 2 other companies? **IRPC: No**	• Board of Directors	31, 33	
E18	Is there at least one director of the Board who is not an executive with work experience related to company business? **IRPC: Yes**	• Board of Directors	22-31	
E19	Does the Company have a history of violating rules and regulations under SEC/SET? **IRPC: No**	• Corporate Governance Report	45-67	
E21	Has the Board set up an internal audit unit as one of the Company's corporate agencies? **IRPC: Yes**	• Organizational Structure	160	
E22	In case an internal audit is established, which part of the Company does it report to? **IRPC: the President and Audit Committee**	• Corporate Governance Report • Organizational Structure	59 160	

No.	Rules and Guidelines	Annual Report		Additional Documents
		(Part)	(Page)	
	Board Responsibility			
E23	Does the Company disclose the name of Head of Internal Audit or specify any auditing companies that it outsources? **IRPC: Yes/ Internal management**	• Corporate Governance Report: Audit Committee • Organizational Structure	59 165	
	Quality Assessment of Audit Committee's Report			
E24	Does the disclosed information include the number of Audit Committee's meetings during the year? **IRPC: Yes**	• Management Structure: Meeting Attendance of the Board and Subcommittees in 2014	170	
E25	Does the disclosed information include assessment and review of internal control system? **IRPC: Yes**	• Report of Audit Committee • Internal Control • Management Structure: Audit Committee	40-41 42-43 165-166	
E26	Does the disclosed information include connected transactions? **IRPC: Yes**	• Connected Transactions • Management Structure: Audit Committee	83-87 165-166	
E27	Does the disclosed information include the consideration to appoint new auditors? **IRPC: Yes**	• Corporate Governance Report: Audit Committee • Management Structure: Audit Committee	41 165-166	
E28	Does the disclosed information include review of resource reports? **IRPC: Yes**	• Corporate Governance Report: Audit Committee	40	
E29	Does the disclosed information include the monitoring of compliance with rules, regulations and policies? **IRPC: Yes**	• Report of Audit Committee • Management Structure: Audit Committee	40-41 165-166	
E30	Does the disclosed information include Audit Committee's conclusions /opinions on the Company's overall performance in various aspects? **IRPC: Yes**	• Report of Audit Committee • Management Structure: Audit Committee	40-41 165-166	
E31	Does the Company establish and disclose a policy concerning Board Diversity based on, for example, theirprofessional skills, specialization, and gender etc.? **IRPC: Yes**	• Corporate Governance Report: Nomination of Directors and Management Members • Management Structure • Board of Directors	64 166-167 22-31	
E32	Does the Board specify rules for selecting directors? **IRPC: Yes**	• Corporate Governance Report: Nomination of Directors and Management Members • Management Structure	64 166-167	

No.	Rules and Guidelines	Annual Report		Additional Documents
		(Part)	(Page)	
	Board Responsibility			
E33	Does the Board disclose a process through which new director is appointed? **IRPC: Yes**	• Corporate Governance Report : Nomination of Directors and Management Members • Management Structure	64 166-167	
E36	Does the Board organize new director orientation? **IRPC: Yes**	• Corporate Governance Report : Orientation for Directors Management Members	62	
E37	Does the Board have a policy to encourage directors to continue developing their knowledge? **IRPC: Yes**	• Corporate Governance Report : Development of Directors	63	
E38	Does the Board participate in the courses related to the responsibilities and duties of directors? **IRPC: Yes**	• Corporate Governance Report : Development of Directors	63	
E39	Does the Board encourage directors to participate in training or seminars regularly to learn more about their duties and responsibilities? **IRPC: Yes**	• Corporate Governance Report : Development of Directors	63	
E40	What is the number of the Board meetings held last year?	• Corporate Governance Report : Board Responsibilities • Management Structure : Meeting Attendance of the Board and Subcommittees in 2014	59-62 170	
E41	What are the numbers of directors who attended last year's meeting?	• Management Structure : Meeting Attendance of the Board and Subcommittees in 2014	170	
E42	Does the Company have a policy regarding the meeting quorum where two third of all directors must be present to resolve the meeting? **IRPC: Comply with Best Practice**	• Corporate Governance Report : Board Meeting	61	
E43	Does the Board schedule a meeting in advance every year? **IRPC: Yes**	• Corporate Governance Report : Board Meeting • Management Structure	61 169	

No.	Rules and Guidelines	Annual Report		Additional Documents
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	Board Responsibility			
E44	Each director's proportion of board meeting attendance is at least 75 percent of the total meetings? **IRPC: Yes**	• Corporate Governance Report: Board Meeting • Management Structure	61 170	
E45	Does the Board receive meeting notices at least 5 business days prior to the meeting? **IRPC: At least 5-7 days**	• Corporate Governance Report: Board Meeting	61	
E46	Did non-executive directors hold a meeting among themselves last years? **IRPC: Yes**	• Corporate Governance Report: Board Meeting • Management Structure	61 169	
E47	Does the Board establish a risk management policy? **IRPC: Yes**	• Management Structure	168	
E48	Does the Board provide disclosure of the internal control system and risk management system? **IRPC: Yes**	• Internal Control	42-43	
E49	Does the Board consider the Company's internal control system and risk management system and disclose the information in the annual report? **IRPC: Yes**	• Internal Control	42-43	
E51	Does the Board reveal guidelines for dealing with the Company's key risks? **IRPC: Yes**	• Internal Control	42-43	• Sustainability Development Report
E52	Does the Board establish a policy concerning conflicts of interest? **IRPC: Yes**	• Corporate Governance Report: Guidelines for Conflicts of Interest	49	• Corporate Governance Handbook
E53	Does the Board draw a clear line between their roles and responsibilities and those of the management? **IRPC: Yes**	• Management Structure	162-169	• Corporate Governance Handbook
E54	Does the Company disclose the Board approval authority? **IRPC: Yes**	• Management Structure	162-169	
E55	Does the Board arrange an annual Board performance assessment? **IRPC: Yes**	• Corporate Governance Report: Board Performance Evaluation	61-62	

No.	Rules and Guidelines	Annual Report		Additional Documents
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	Board Responsibility			
E56	Does the Board reveal the process of the Board performance assessment? **IRPC: Yes**	• Corporate Governance Report: Board Performance Evaluation	61-62	
E57	Does the Board reveal the criteria for the Board performance assessment? **IRPC: Yes**	• Corporate Governance Report: Board Performance Evaluation	61-62	
E58	Does the Board performance assessment cover individual director's performance? **IRPC: Yes**	• Corporate Governance Report: Board Performance Evaluation	61-62	
E59	Does the Board reveal the process of individual director's performance assessment? **IRPC: Yes**	• Corporate Governance Report: Board Performance Evaluation	61-62	
E60	Does the Board reveal the criteria for individual director's performance assessment? **IRPC: Yes**	• Corporate Governance Report: Board Performance Evaluation	61-62	
E61	Does the Board Performance Assessment cover the Board Committees? **IRPC: Yes**	• Corporate Governance Report: Board Performance Evaluation	61-62	
E62	Does the Board hold the annual performance assessment of the Chief Executive Officer (CEO)? **IRPC: Yes**	• Management Structure • Corporate Governance Report	179 60	
E63	Does the Board prepare succession plan for the CEO? **IRPC: Yes**	• Corporate Governance Report: Succession Planning	64	
E64	Does the Board disclose the policy on the remuneration of the CEO in a short term and long term, as well as CEO performance? **IRPC: Yes**	• Management Structure • Corporate Governance Report	179 60	
E65	Does the Board reveal the remuneration structure for the non-executive directors? **IRPC: Yes**	• Management Structure	171-172	
E66	Do shareholders/Board of Directors approve the remuneration of the Executive Committee and top executives? **IRPC: Yes**	• Management Structure	179	

No.	Rules and Guidelines	Annual Report		Additional Documents
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	Board Responsibility			
E67	Has the Board appointed the Company Secretary? **IRPC: Yes**	• Management Structure	174	
E68	Has Company Secretary graduated in law or accounting or has been trained in the courses related to the duties of the company secretary? **IRPC: Yes, the Company Secretary has been trained in the related field.**	• Management Structure	174	
E69	Is Chairman of the Board an independent director? **IRPC: No, but appointed due to the knowledge, ability and experience in petroleum and petrochemical industries.**	• Board of Directors • Management Structure	22 161	
E70	Are Company's Chairman and CEO the same person? **IRPC: No**	• Corporate Governance Report: Separation of the Chairman and President	64	
E71	Does the Board define and disclose roles and responsibilities of the Chairman? **IRPC: Yes**	• Management Structure	165	• Corporate Governance Handbook
	Appointment of the Audit Committee			
E72	Does the Board appoint the Audit Committee? **IRPC: Yes**	• Corporate Governance Report: Sub-Committees • Management Structure	59 165-166	
E73	Are responsibilities of the Audit Committee clearly defined? **IRPC: Yes**	• Management Structure	165-166	
E74	Is there disclosure of details and qualifications of the Audit Committee? **IRPC: Yes**	• Board of Directors	23, 28, 29	
E75	Are all members of the Audit Committee independent directors? **IRPC: Yes**	• Board of Directors • Corporate Governance Report: Audit Committee	23, 28, 29 59	
E76	Does the Audit Committee meet at least 4 times a year? **IRPC: Yes**	• Corporate Governance Report: Audit Committee	59	
E77	Is there disclosure of the rates at which individual members of the Audit Committee attend its meeting? **IRPC: Yes**	• Management Structure	170	

No.	Rules and Guidelines	Annual Report		Additional Documents
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	Board Responsibility			
E78	Is there at least one member of the Audit Committee who graduated in accounting? **IRPC: Yes**	• Board of Directors • Corporate Governance Report: Audit Committee	23, 28, 29 59	
E79	Does the Audit Committee have responsibility in appointing and dismissing external auditors? **IRPC: Yes**	• Corporate Governance Report: Audit Committee • Management Structure	59 165-166	
E80	Does the Audit Committee have responsibility in the nomination, transfer and dismissal of the internal auditors? **IRPC: Yes**	• Management Structure	165-166	
	Appointment of the Remuneration Committee			
E81	Does the Board appoint Remuneration Committee? **IRPC: Yes**	• Corporate Governance Report: Committees • Management Structure	60 166-167	
E82	Are duties and responsibilities of the Remuneration Committee clearly defined? **IRPC: Yes**	• Management Structure	166-167	
E83	Does the Remuneration Committee consist mainly of independent directors (more than 50%)? **IRPC: Yes (2 out of 3 of Directors)**	• Corporate Governance Report: Nomination and Remuneration Committee	60	
E84	Are all members of the Remuneration Committee independent directors? **IRPC: Yes**	• Corporate Governance Report: Nomination and Remuneration Committee	60	
E85	Does the Remuneration Committee meet at least 2 times a year? **IRPC: Yes**	• Corporate Governance Report: Nomination and Remuneration Committee	60	
E86	Is there disclosure of the rates at which individual members of the Remuneration Committee attend its meeting? **IRPC: Yes**	• Management Structure	170	

No.	Rules and Guidelines	Annual Report		Additional Documents
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	Board Responsibility			
	Appointment of the Nomination Committee			
E87	Does the Company appoint the Nomination Committee? **IRPC: Yes**	• Corporate Governance Report: Committees • Management Structure	60 166-167	
E88	Are duties and responsibilities of the Nomination Committee clearly defined? **IRPC: Yes**	• Corporate Governance Report: Committees • Management Structure	60 166-167	
E90	Does the Nomination Committee consist mainly of independent directors (more than 50%)? **IRPC: 2 out of 3 of the Independent Committee**	• Corporate Governance Report: Nomination and Remuneration Committee	60	
E91	Is Chairman of the Nomination Committee an independent director? **IRPC: Yes**	• Corporate Governance Report: Nomination and Remuneration Committee	60	
E92	Does the Nomination Committee meet at least 2 times a year? **IRPC: Yes**	• Corporate Governance Report: Nomination and Remuneration Committee • Management Structure	60 166-167	
E93	Is there disclosure of the rates at which individual members of the Nomination Committee attend its meeting? **IRPC: Yes**	• Management Structure	170	
E94	Does the Board set up CG Committee? **IRPC: Yes**	• Corporate Governance Report: Committees • Management Structure	60 167	
E95	Does the Board set up Risk Management Committee? **IRPC: Yes**	• Corporate Governance Report: Committees • Management Structure	61 167-168	
E96	Does the Board consist of 5-12 individuals? **IRPC: 5-15 individuals currently 15 individuals**	• Management Structure	161	
E98	How many non-executive directors are in the Board? **IRPC: 14 out of 15 of directors**	• Board of Directors	22-31	• Sustainability Development Report
E99	How many independent directors are in the Board? **IRPC: Over 1 out of 3 of the Board (7 independent directors)**	• Board of Directors • Management Structure	22-31 164	

No.	Rules and Guidelines	Annual Report		Additional Documents
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	Board Responsibility			
E100	Does the Company define and disclose independence of the directors? **IRPC: Yes**	• Management Structure	164-165	
E101	Are independent directors independent from the management and major shareholders? **IRPC: Yes**	• Management Structure	164-165	
E102	Does the Board prepare the Report of Board of Directors' Responsibility for Resource Reporting in the annual report? **IRPC: Yes**	• Report of Board of Directors' Responsibility for Financial Reporting	187	
E08	Does the Board limit the number of listed companies to 3 companies in the Corporate Governance Policy where each director can hold office? **IRPC: Policy formulated being the Board of Director of listed companies not over than 5 companies**	• Board of Directors	22-31	• Corporate Governance Handbook
E09	Does the Company limit the number of listed companies and non-listed subsidiaries to 5 where each director can hold office? **IRPC: Policy formulated being the Board of Director of listed companies not over than 5 companies**	• Board of Directors	22-31	• Corporate Governance Handbook
E12	Does the Board limit the term of office of independent directors to 6 years? **IRPC: Defined not over than 9 years**	• Management Structure	169	• Corporate Governance Handbook
E13	Are there any independent directors who have been in office for more than 9 years? **IRPC: No**	• Board of Directors	22-31	
E14	Does the Company fail to disclose which directors are independent directors? **IRPC: No**	• Board of Directors	22-31	
E15	Has any of the Company's director or top executive been an employee or partner at the external auditor that the Company has been hiring for the last 2 years? **IRPC: No**	• Board of Directors • Executives	22-38	
E20	Does the Company have Compliance Unit? **IRPC: Yes**	• Corporate Governance Report • Management Structure	67 160	

No.	Rules and Guidelines	Annual Report		Additional Documents
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	Board Responsibility			
E34	In the nomination of the directors, are the qualifications of the wanted directors determined based on the skills required to fill the vacancy on the Board? **IRPC: Yes**	• Corporate Governance Report: Nomination of Directors and Management Members • Management Structure	60, 64 162, 169	
E35	Does the Board seek help from the Professional Search Firm or use Director Pool to search and nominate new directors? **IRPC: Using Director Pool to search and nominate new Directors**	• Corporate Governance Report • Management Structure	45-67 169	
E50	Does the Audit Committee express their opinions on the sufficiency of internal control system and risk management system in the annual report? **IRPC: Yes**	• Internal Control	42-43	
E89	Are all members of the Nomination Committee independent directors? **IRPC: 2 out of 3 of the Independent Committee**	• Corporate Governance Report • Management Structure	60 166	
E97	Does the Board include at least one female independent director? **IRPC: No**	• Corporate Governance Report	45-67	
E103	Does the Company organize a project that grants the executives to purchase Company's securities, which will be in effect for 3 years, and set the exercise price higher than the market price at the time of the allocation with the concentrations not more than 5%? **IRPC: No**	• Corporate Governance Report	45-67	
E104	Has the Company joined the Collective Action Coalition with the private sector in Thailand to fight against corruption? **IRPC: Yes**	• Corporate Governance Report • The Progress of the Anti-Corruption Policy	54 155-157	
E105	Has there been a case of fraud or misconduct in recent years? **IRPC: No**	• Corporate Governance Report	45-67	
E106	Has any of the non-executive directors resigned due to the issue with the Company's Corporate Governance? **IRPC: No**	• Corporate Governance Report	45-67	
E107	Has the Company received any negative reputation as a result of the Company's failure to supervise the Board? **IRPC: No**	• Corporate Governance Report	45-67	

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