



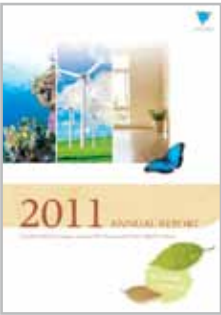
2011 ANNUAL REPORT

Vinythai Public Company Limited PVC Resins and Chlor-Alkali Producer



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Annual Report 2011



Annual Report 2010



Annual Report 2009



Annual Report 2008



Annual Report 2007



Annual Report 2006



Annual Report 2005



Annual Report 2004



Annual Report 2003



Annual Report 2002



Annual Report 2001



Annual Report 2000



Annual Report 1999



Annual Report 1998



Annual Report 1997



Annual Report 1996

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Website: www.vinythai.co.th, www.vinythaicoral.org





Financial Highlights

Unit : Million Baht	2009 [#]	2010 [#]	2011 [#]
Sales Revenues	11,845	12,877	14,100
Total Revenues	11,929	13,019	14,191
Gross Profit	1,886	***2,222	2,896
Income before Financial Cost	1,033	1,520	2,002
Net Profit	*985	1,509	1,989
Depreciation	890	895	898
Cash Flow from Operating Activities	1,980	2,349	3,138
Capital Expenditures	210	2,089	3,272
Total Assets	15,652	16,969	19,624
Total Liabilities	1,563	1,798	3,339
Total Loan	-	100	1,400
Shareholders' Equity	14,089	15,171	16,285
Persons Employed as of Year End	389	432	464

Information per Share & Financial Ratio

Unit : Baht	2009 [#]	2010 [#]	2011 [#]
Earning per Share	*0.83	1.27	1.68
Book Value per Share	11.89	12.80	13.74
Dividend per Share (baht/share)	0.35	0.70	**1.00
Net Profit Margin	7.9%	11.6%	14.0%
Return on Average Equity (ROE)	6.8%	10.3%	12.7%
Return on Average Assets (ROA)	6.6%	9.3%	10.9%

[#] Information in 2009 extracted from consolidated financial statements, consolidated net profit is 944 MTHB.

* Net income before combination of business under common control is 985 MTHB.

[#] Information in 2010, 2011 extracted from consolidated financial statements.

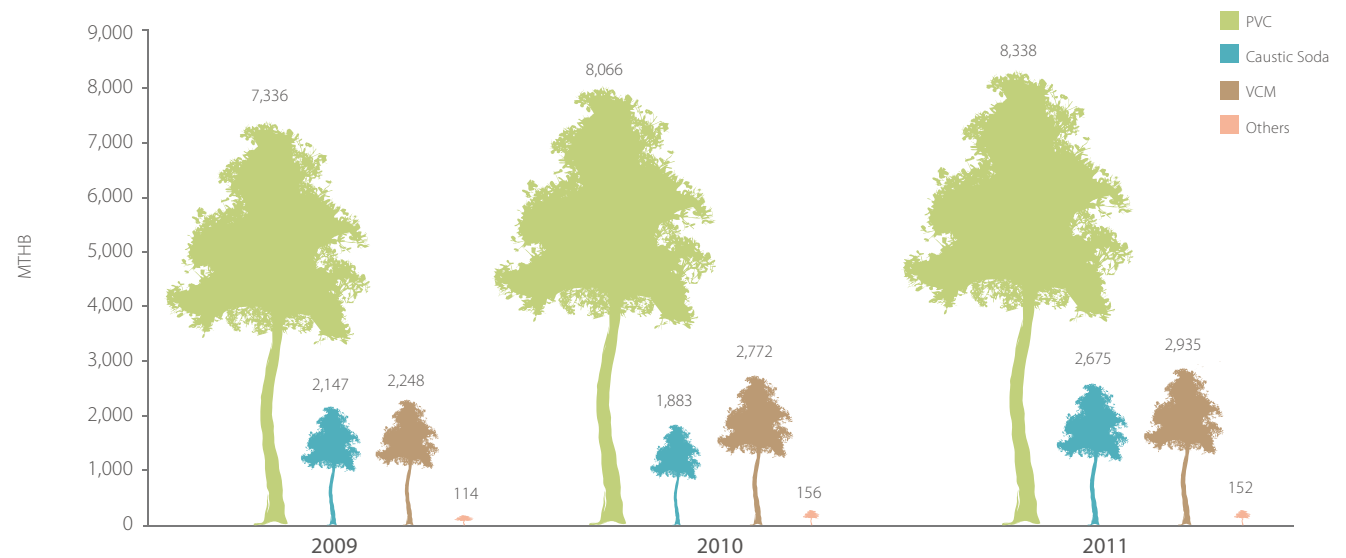
** The Board of Directors' Meeting resolved to propose the Annual Ordinary General Meeting of Shareholders to consider and approve in April 2012.

*** The Annual Report 2011 presented to 2,222 MTHB. The revision caused by reclassify of management benefit expenses of 25 MTHB to cost of goods sold in 2011.

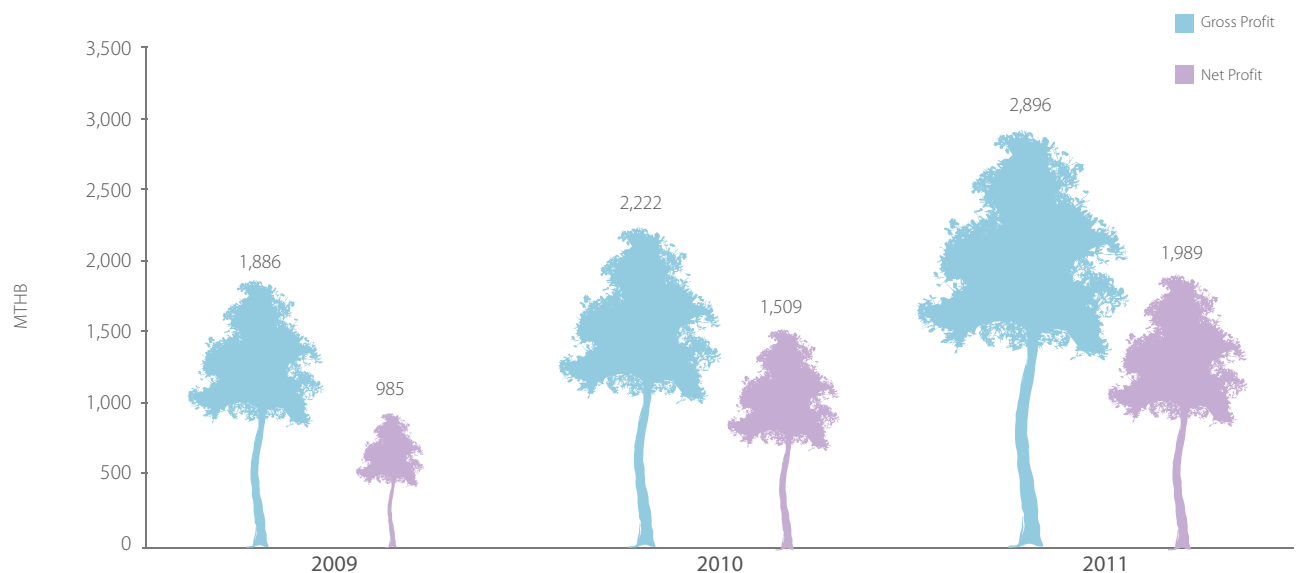
Total Assets



Sales by Products



Net Profit and Gross Profit





Message from the Chairman

2011, a year of records and a springboard for the future

In a very uncertain global environment, most Asian economies continued their solid recovery. Unfortunately, some of them and particularly China and India, have been forced to slow the growth momentum, in order to curb inflation. The year 2011 has then seen those two major Asian economies taking very important monetary measures in order to insure prices remain under control. Those actions generated important waves on some basic raw material markets, and on the prices of some petrochemical products like PVC.

Closer to us, in the first half of the year, the South-East Asia market has seen very solid PVC and Caustic demands, then a progressive demand erosion up to Oct - Nov, when the dramatic floods in Thailand affected the whole Thai economy. Vinythai's markets suffered for a month, but have shown a great resilience to the impact of those dramatic events and the demand quickly recovered when the water receded.

Despite all those events, in 2011, Vinythai demonstrated again an impressive performance supported by its fully integrated supply chain, from salt and ethylene to Caustic and PVC. Its financial results just show it by themselves. The key element of this success is the continuous improvement

programs that Vinythai develops and regularly reviews to provide ever better operational results.

First of all, from a safety point of view, all Company personnel and its contractors worked the whole year without any lost-time accidents, both in regular operations and in the construction sites. As such in 2011, Vinythai broke two safety records, and received the Safety Silver Award from the Ministry of Labor for 3,000,000 hours of continuous operations without any lost-time accidents. This tremendous safety success is the outcome of regular trainings and of the day-to-day attention that the Company pays to safety, not only for all its members, but also for all contracted personnel.

In the production sector, for many years now, the Company embarked into a Manufacturing Excellence Program to continuously seek better productivity and improve maintenance efficiency. In 2011, this program enabled the Company to break several monthly production records on several of its units, but most importantly to establish a new annual E-PVC production record.

Within the Company, all sectors are participating into these continuous improvement programs: Vinythai strives



to always improve the protection of the environment and to increase the satisfaction of all its stakeholders. In 2011, this has been recognized by several awards related to the environment (CO2 Footprint Label, CO2 Reduction Label for the CBL building, Green Industry Award) and by several independent surveys that captured the opinions of its stakeholders :

- in the customer satisfaction survey
- in its personnel survey
- in the shareholders assessment
- in the IOD evaluation of the respect of corporate governance

Through 2011 also, Vinythai introduced several new "state-of-the-art" management tools that will make it even stronger in its highly competitive environment.

Please join me in my congratulations to all and each member of the Company for a "Job Well Done".

All those achievements will be solid foundations for the Company in its expansion into its new Epicerol® business. During the last two years, the new Epicerol® production unit has been erected on the Map Ta Phut site and is almost ready to run. With this new highly competitive and

very environmentally friendly process, Vinythai's subsidiary Advanced Biochemical (Thailand) will become a key player on the fast growing Epichlorohydrin market in Asia. This will be a critical vector to further boost the Company's performance and its results.

The world enters into 2012 with even more uncertainties on the economic and financial front. With the recent investments into the Epicerol® process, and with the dedication of its personnel to continuous improvements and better performances, Vinythai is well armed to face the storm, and establish new records in 2012 and during the years to come.

(Mr. Roger Lester Kearns)
Chairman of the Board of Directors



Company Profile



Green Company

Vinythai Plc. is determined to produce and distribute high quality PVC plastic pallets and chlorine/caustic soda for our valued customers in Thailand and Asia through the state-of-the-art technology, solid environmental management and other activities for sustainable development.

Vision, Mission and Values



Our Vision

Vinythai is an ethical corporate entity hosting a diversified portfolio of businesses with profitable growth and sustainable development.

Vinythai sees its customers as partners, supplying them with quality products at competitive prices, so as to support each customer's growth and development.

Vinythai provides its personnel with opportunities to develop their skills and realize their potential.

Vinythai gives due consideration to health, safety, environment, and society responsibilities pertaining to its businesses.

Our Mission

Vinythai supplies customers in Thailand and Asia with Polyvinyl Chloride resins, Caustic Soda, and Epichlorohydrin backed by world-class technology while creating ever-increasing value to its stakeholders.

Our Values

We firmly believe in:

Customer Care

Constant enhancement of the quality and added value of our products and services through ongoing and cost effective innovation.

Ethical Behavior

To engender the respect and admiration of all, acting with the utmost regard and concern for the law, the environment and the fair treatment of people and conducting ourselves based on the principles of honesty, integrity and trustworthiness.

Empowerment

Fostering a culture that encourages delegation, risk taking, speed of response, accountability and partnership in order to adapt effectively to an uncertain and rapidly changing world.

Respect for People

Encouragement to exercise creativity and leadership, giving opportunities for every individual to develop his/her full potential.

Teamwork

Developing a learning organization by building teamwork with open communications across our organization, sharing knowledge, technologies and best practices.



Nature of Operations

Vinythai Public Company Limited

The Company's production facilities are located at Map Ta Phut in Rayong. They include two PVC plants (suspension and emulsion resins), one Vinyl Chloride Monomer (VCM) plant, one Ethylene Dichloride (EDC) plant, and one Chlor-Alkali (MCA) plant. The purpose of the latter three units is to integrate upstream production of PVC, so that the Company can rely as much as possible on locally-purchased raw materials and utilities, including ethylene from PTT Global Chemical Public Company Limited (formerly known as "PTT Chemical Public Company Limited"), salt from Pimai Salt Company Limited (PSC), and electricity from Glow Energy Public Company Limited (Glow Group). Also with the objective of ensuring availability of raw materials, Vinythai holds a minority shareholding in PSC.

In addition to chlorine, which is utilized in downstream production processes, the Company's Chlor-Alkali plant produces significant quantities of Caustic

Soda as well as Hydrogen and Sodium Hypochlorite. These products are sold in the domestic market.

The Company's facilities are also equipped to import EDC and VCM as the need arises.

Advanced Biochemical (Thailand) Co., Ltd.

The Company manufactures and sells Epichlorohydrin, a chemical substance mainly used in the Epoxy Resin production. It operates a plant located at Map Ta Phut in Rayong, on the site of its parent company (Vinythai). The Company uses a new production technology based on the Epicerol® process, developed and patented by Solvay S.A. The main raw materials of this process are Glycerin, Chlorine and Caustic Soda. The Glycerin is supplied from import and domestic suppliers, Chlorine and Caustic Soda are supplied from the parent company (Vinythai).



Income Structure

Vinythai obtains the major part of its income from the manufacture and distribution of PVC resins, under the “Siamvic” trademark, VCM and from Caustic Soda. The income structures of Vinythai and its associated company is as follows:

Sales Revenues	2011		2010		2009	
	MTHB	%	MTHB	%	MTHB	%
Sales in Thailand						
1. PVC Resins	5,005	35.5	4,897	38.0	4,035	34.0
2. Caustic Soda	2,657	18.8	1,790	13.9	1,682	14.2
3. VCM	2,852	20.2	2,707	21.0	2,248	19.0
4. Others	151	1.1	156	1.2	114	1.0
Total sales in Thailand	10,665	75.6	9,550	74.2	8,079	68.2
Sales Abroad						
1. PVC Resins	3,333	23.6	3,169	24.6	3,301	27.9
2. Caustic Soda	18	0.1	93	0.7	465	3.9
3. VCM	84	0.6	65	0.5	0	0
Total Sales Abroad	3,435	24.4	3,327	25.8	3,766	31.8
Sales in Thailand and Abroad						
1. PVC Resins	8,338	59.1	8,066	62.6	7,336	61.9
2. Caustic Soda	2,675	19.0	1,883	14.6	2,147	18.1
3. VCM	2,935	20.8	2,772	21.5	2,248	19.0
4. Others	151	1.1	156	1.2	114	1.0
Total Sales in Thailand and Abroad	14,100	100	12,877	100	11,845	100

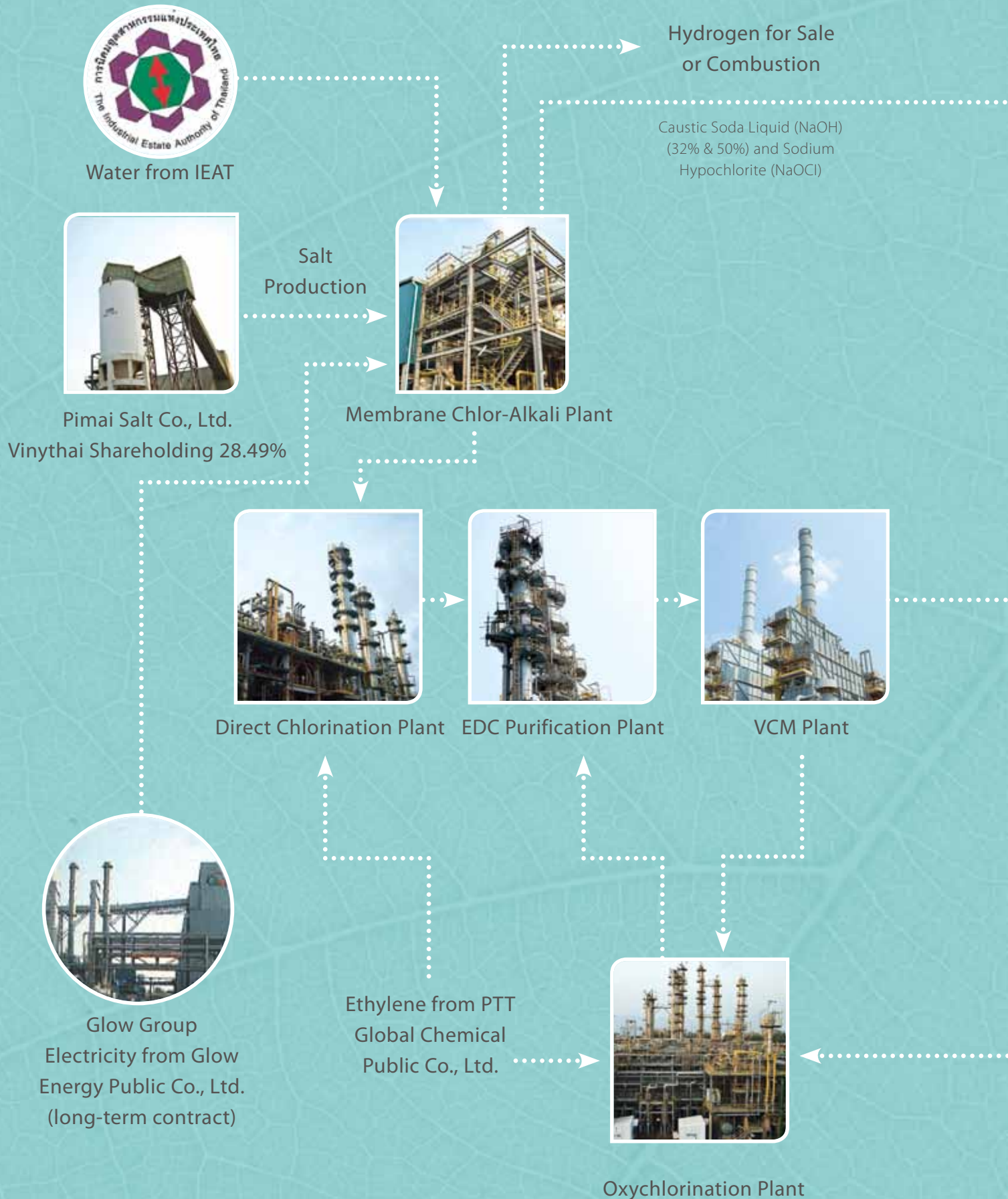
Income Structure of Associated Company

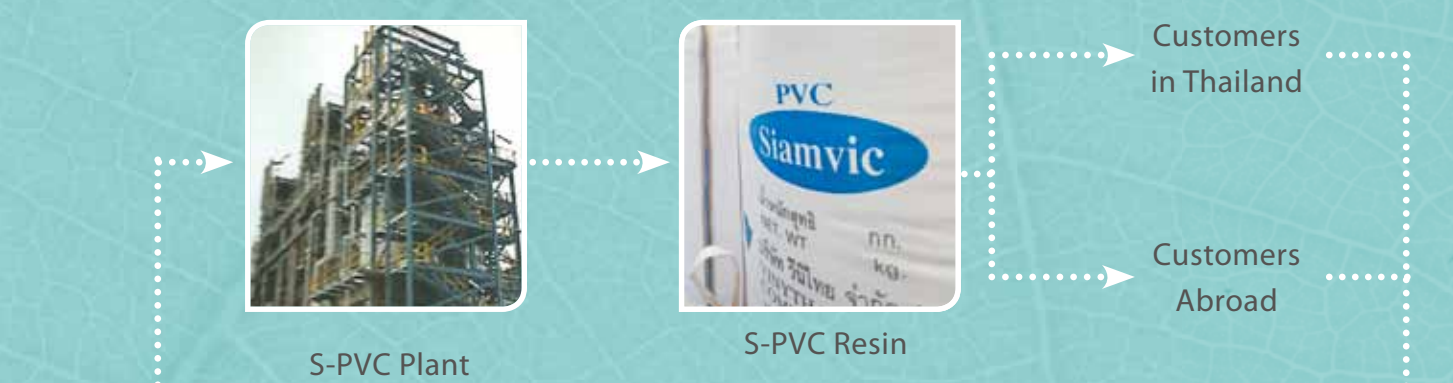
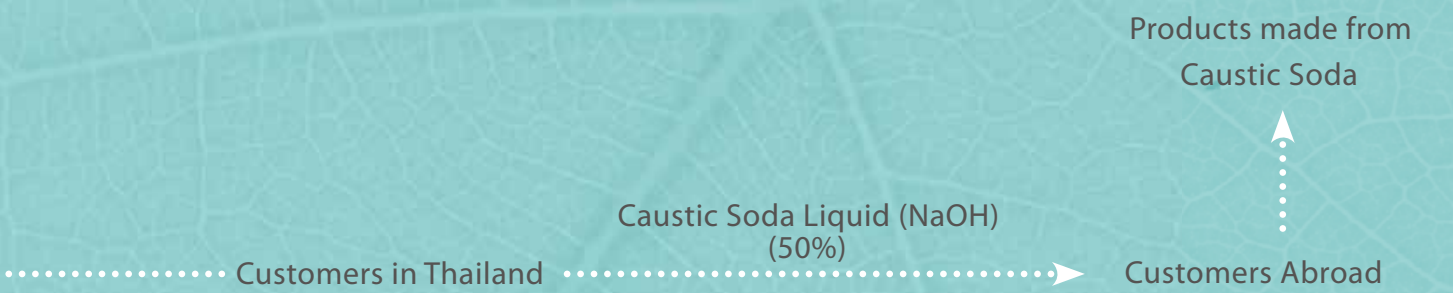
Product / Service	2011 (Unaudited)		2010		2009	
	Income (MTHB)	%	Income (MTHB)	%	Income (MTHB)	%
Pimai Salt Co., Ltd.						
Produce & Supply Pure Refined Salt	1,479	100	1,410	100	1,424	100
% Shareholding by Vinythai		28.49		28.49		28.49

Remark: No clarification is presented of the shareholding structure of the Group of Companies since the Company does not have a parent. Pimai Salt Co., Ltd. is Vinythai's only associated company and Advanced Biochemical (Thailand) Co., Ltd. is Vinythai's only subsidiary company.

Production Structure

Vinythai is fully Integrated Production Process





Corporate Governance and Management Structure

The Board of Directors realizes the importance of good corporate governance principles and lays strong emphasis on implementation and practices, believing that implanting good governance systems increases the Company's competitiveness and ensures sustained business growth while enhancing confidence in the Company among its shareholders, investors and other stakeholders. The Board of Directors, the Company's management and employees, rigorously adhere to good corporate governance principles and strictly comply with applicable laws and regulations of the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET). With an aim to continually improve corporate governance practices, the Company's management actively takes into account the recommendations of the SEC, the SET, and the Thai Institute of Directors Association (IOD), based on assessment results, to enhance the Company's corporate governance. The Company creates and maintains awareness of good corporate governance practices and business ethics among its management and staff at all levels.

Given Vinythai's commitment to closely adhering to the principles of good corporate governance, in 2011 the Company consecutively received "Very Good" corporate governance recognition level evaluated by the Thai IOD. In the evaluation, Vinythai achieved the

level of “Excellent” for its recognition of the Right of Shareholders and Role of Stakeholders. In the evaluation of the Company’s arrangement of its Annual General Meeting of Shareholders 2011 by the Thai Investors Association, Vinythai ranked on the list of “Very Good” listed companies.

As Vinythai has continued to actively demonstrate its concern for environment and its commitment to sustainable development, Vinythai was awarded a Carbon Reduction Label Certificate for its products by Thailand Greenhouse Gas Management Organization (TGO) in August 2010, Green Industry Certification Level 3 by Ministry of Industry in September 2011, and Carbon Reduction Certificate for Buildings by Thailand Business Council for Sustainable Development in January 2012.

With the aim of further strengthening its governance systems, the Company has continued to rigorously implement action plans that reinforce its compliance with principles of good corporate governance for listed companies.

1. Rights of Shareholders

The Board of Directors ensures that good corporate governance is a key factor driving the sustainable growth of the Company and enhancing the best interests of its shareholders. Thus, the Board of Directors has formulated a written corporate governance policy for the Company that enshrines the following principles:

1. Maintain transparency and integrity in the Company’s operation.
2. Continuously execute its role and responsibilities efficiently.
3. Disclose information adequately to stakeholders.
4. Treat all shareholders and stakeholders equitably.
5. Prevent conflict of interest.
6. Establish effective internal control systems and place emphasis on risk management as well as conducting the business in conformity with stipulated rules, regulations, and standards.
7. Create long term value for shareholders and all stakeholders.
8. Establish and put into practice a code of ethics.
9. Promote Best Practices throughout the organization as recommended by the Stock Exchange of Thailand.

The Company notified the Board of Directors, the management, and all personnel of their obligations to acknowledge and comply with the afore-stated policy and practices. The Company also communicates the policy via its website (www.vinythai.co.th), where investors can access and appraise it for themselves at their convenience.

The Company respects the right of shareholders equally and ensures that shareholders are fully entitled to exercise their fundamental rights. These include: the rights to buy, sell, or transfer shares, ownership rights to participate in shareholders’ meeting; voting rights to elect board members and approve directors’ remuneration; the right to receive dividends; the right to express opinions freely, and etc. The Company also regularly discloses its information through the SET channel, publications and its website, including organizing activities for shareholders such as invitations to plant visit and coral cultivation using PVC pipe. The Company enhances the exercise of rights and does not infringe upon or curtail those rights. Shareholders are actively encouraged to exercise their rights, as follows:

Prior to the Annual General Meeting of Shareholders (AGM)

- Following the Board of Directors’ resolution dated 22 February 2011 to call an Annual Ordinary General Meeting of Shareholders, the Company, on the same day, announced a meeting schedule along with the agenda through the SET’s communication channels and the Company’s website. In 2011, the Annual Ordinary General Meeting of Shareholders was duly held on 28 April 2011. Shareholders presenting either in person or by proxy accounted for 87.52% of the total number of paid-up capital of 1,185,193,444 shares.
- In 2011, prior to the shareholders’ meeting, the Company prepared a notice to call the shareholders’ meeting both in Thai and English specifying the date, time and venue of the meeting, along with an agenda including the respective opinion of the Board of Directors pertaining to each item. Agenda items considered at the meeting included: the Company’s annual operating results and dividend payment; the appointment of an auditor and consideration of the auditing fees; appointment of new directors in place of those to be retired by rotation; and remuneration for the Board of Directors. The notice



of the shareholders' meeting and the agenda included significant and sufficient detailed information; and were distributed together with: a map clearly indicating the meeting venue; a barcode registration form; a copy of the Company's most recent annual report; a copy of the minutes of the previous shareholders' meeting; a copy of the Company's Articles of Association relating to the shareholders' meeting; the names of directors to be retired by rotation and those proposed to be reappointed for another term; proxy forms containing name and details of independent director, appointed as proxy, and details about the credentials each shareholder needs to bring to the meeting.

- Concerning director nominations, the Company specified type of directors proposed for approval and provided their relevant personal records, including shareholding (if any), meetings attendance record and years of service with the Company. Particularly for the nomination of independent director, the Company pays significant attention to follow the SEC regulation.

- The Company designated Thailand Securities Depository Co., Ltd., its share registrar, to distribute the notice of shareholders' meeting and relevant documents

as above-mentioned, to shareholders. The distribution took place 27 days in advance of the meeting day in order to allow shareholders sufficient time to consider proposed meeting agenda items. The Company disclosed the notice of shareholders' meeting and accompanying documents on its website at www.vinythai.co.th/investorrelations/investornews/2011 34 days ahead of the meeting and communicated such disclosure through the SET channels. The Company additionally posted its most recent annual report on its website 27 days prior to the meeting. The Company also publicized the notice to call a shareholders' meeting in Thai daily newspapers for three consecutive days prior to the meeting.

- To enhance the rights of shareholders, the Company allowed shareholders to propose agenda items prior to the meeting day. The Company notified shareholders accordingly through the SET channels and the Company's website including clear explanation of criteria and consideration procedures, as well as a form for proposing agenda made available in the Company's website. Shareholders were allowed to exercise such right from 3 December 2010 to 31 January 2011. Shareholders entitled to propose agenda must hold a minimum share not less than 0.1% of total voting rights in the Company

and must have held the shares consecutively for at least 12 months prior to the date of proposing such agenda. Judgment and consideration of the agenda proposed will be deliberated by the Board of Directors. However, no agenda item was proposed by any shareholder for consideration prior to the 2011 shareholders' meeting. For the upcoming 2012 shareholders' meeting, the Company allowed shareholders to exercise such right from 19 December 2011 to 10 February 2012. The notification was posted at www.vinythai.co.th/investorrelations/investornews/2011.

- Prior to the shareholders' meeting, the Company also provided its shareholders with the opportunity to send their questions concerning the agenda to the Company's website at www.vinythai.co.th/feedback. Notification of this opportunity was posted through the applicable SET channel.

On the AGM Day

- For the convenience of shareholders on the meeting day, the Company implemented a barcode system for registration, recording attendance of the participants, and vote-counting. The barcode system significantly accelerated these processes and enhanced the convenience of the shareholders.

- Upon registration, the Company also provided shareholders with ballots for each agenda item and encouraged them to cast their votes, especially those wishing to vote against or abstain on any items.

- The shareholders' meeting starts when there is a quorum, based on both shareholder attendance and proxies. Prior to the meeting, the Company introduced its directors, management, the Company's auditor, legal advisor, and explained the procedures for voting, counting of votes and result of vote counting. Resolutions of the meeting are passed by a vote of the attending shareholders and proxies on the basis of 1 share 1 vote. Procedures for voting and counting of votes are as follows:

1. A shareholder may vote in favor of, against, or abstain from voting for each agenda item, in the ballot received upon registration.

2. When the Chairman requests the meeting to put a vote to any resolution to, the Chairman will first ask

the meeting whether there would be an objection from any shareholders to the proposed resolution. If there is no objection (in which case no ballot will be used), it shall be deemed that the meeting passes a unanimous resolution approving what has been proposed. The Chairman will then state that the meeting passes a unanimous resolution for that agenda item.

3. If a shareholder votes against or abstains from voting on any agenda item, the Chairman will request him or her to mark the ballot and raise his or her hand for the official to collect the ballot.

4. Only the votes cast by shareholders voting against or abstaining shall be counted. The votes of disagreement or abstention shall be deducted from all the votes of those attending the meeting, and the remaining votes shall be deemed to have agreed with the proposal for the relevant agenda item.

5. The voting method for the agenda of appointment of directors will be on a person-by-person basis. The ballots will be collected from the shareholders for the vote cast for each director separately, whether for, against or abstain from voting.

6. Where a shareholder has appointed a proxy and has casted his or her votes in the instrument appointing the proxy, the votes shall be counted as marked by the shareholder. If the shareholder does not indicate his intention, and the proxy does not vote against, such shareholder shall be deemed to vote for that resolution.

With due transparency, the Company announces the result of the vote on each agenda item at the meeting, enumerating the votes for and against and abstentions. The result of each vote is displayed together with the percentage of affirmative votes out of the total number of shares held by the shareholders present.

- The Chairman of the Board of Directors was present at the 2011 shareholders' meeting and acted as chairman of the meeting. Other directors participating in the meeting included Vice Chairman, the Managing Director, Chairman of Audit Committee, Chairman of Remuneration Committee, Members of Executive Committee, independent directors and other Board members totaling 12 persons, together with the Company's auditor, legal advisor, and concerned Management who were present to answer shareholders' inquiries and provided any clarifications required. To facilitate the shareholders understanding, a professional



interpreter was provided to help the Chairman in proceeding the meeting in Thai Language. The Chairman of the meeting allowed adequate time for the meeting to proceed and equal opportunities for all shareholders to examine the Company's operations. To ensure that shareholders have sufficient information, they were encouraged to express their opinions, make recommendations and raise questions on agenda items before casting votes. In addition, after the meeting adjourned, directors, management, and the shareholders informally discussed relevant matters and exchanged views.

- Shareholders are permitted to register their attendance and exercise the right to vote on still pending agenda items after the meeting starts.
- The Company conducted the shareholders' meeting in accordance with the sequence of agenda items as specified in the notice of shareholders' meeting. When conducting the meeting, the Company neither switched the agenda nor added any items to the agenda specified in the notice of shareholders' meeting. The Company distributed ballots to the shareholders to vote against or abstain from voting on any agenda item. Concerning the election of directors, the Company allowed shareholders to cast separate votes for individual

directors, whether for, against or abstain from voting. Lawyers from Chandler & Thong-Ek Law Office Limited also attended the meeting to oversee proceedings, and assure transparency with respect to ballots and vote counts and compliance with relevant laws and regulations and the Company's Articles of Association.

After the AGM Day

- In 2011, the Company notified the resolution of the Annual General Meeting of Shareholders via the SET channel on 28 April 2011, the same day of the shareholders' meeting. The resolution specified the voting results of all agenda items and the voting counts for each agenda item.
- All significant inquiries were recorded in the minutes of the meeting, together with attendance of directors, key issues discussed, Management responses and vote counts on each agenda item where votes were taken.
- The meeting minutes were prepared accurately and in their entirety, both in Thai and English. They were submitted to the SET within 14 days after the date of shareholders' meeting, and posted on the Company's website for shareholders to examine without having to

wait until the next shareholders' meeting. In addition, to ensure the transparency, the meeting was videotaped by the Company with copies available to shareholders on request.

The Company's management is fully cognizant of how an effective shareholders' meeting is constituted. As such, it continually promotes and supports the rights of shareholders prior to, during and after the shareholders' meeting in accordance with the Annual General Meeting (AGM) Checklist issued by the SEC. As a further indication of the Company's commitment to shareholder rights, the management reviewed the assessment findings of the AGM Checklist and find ways to correct areas where the need for improvement was indicated.

2. Equitable Treatment of Shareholders

The Company provides equitable treatment to all shareholders. The shareholders' meetings are conducted in strict compliance with the applicable legal framework, including rules and regulations of the SET, the SEC, and the Company's Articles of Association. This applies to every aspect of arranging and conducting meetings, from sending out invitations to distributing meeting documents and communicating meeting agenda to all concerned. Meeting procedures and submissions of reports is in full compliance with the SET and the SEC regulations. Shareholders can appraise themselves of the Company's Articles of Association by accessing through the Company's website at <http://www.vinythai.co.th/investorrelations/corporategovernance/certification>.

The Company values and treats all shareholders fairly through the following actions.

- The Company fully facilitates the attendance of shareholders at every shareholders' meeting by organizing the meeting according to a convenient schedule, at a convenient time and at a convenient venue.
- The Company provides shareholders with the option of appointing a proxy to attend the shareholders' meeting on their behalf. Any shareholder who is unable to attend the meeting also has the option of delegating their votes to an independent director. In order to facilitate



the shareholders' authorization of a proxy according to their wishes, proxy forms are provided in various forms and distributed to the shareholders including the proxy in the format that the shareholders can specify the voting direction for each agenda. In the 2011 Annual Ordinary General Meeting of Shareholders, shareholders representing 11,897,351 shares assigned proxy rights to the independent director.

- Considering the supervision of the utilization of inside information, as stipulated in its Code of Ethics, the Company practices effective safeguards against the abuse of inside information, including internal controls and monitoring systems tailored to each business unit and scenario. The Company prohibits executives or concerned departments who receive inside information from disclosing corporate data to the public or outside parties and requires them not to misuse their positions and confidential information to which they are privy for their own advantage. The employees are prohibited from utilizing the Company information or news which has not been disclosed to the public and may be material



to the Company share price, with the purpose of seeking profit or benefitting from trading the Company's stock, whether directly or indirectly. Strict implementation of these preventive measures has resulted in no insider trading violations arising.

- The Board of Directors specified that Board members and Management must disclose any changes in their securities holdings to the SEC in accordance with Section 59 of the Securities of Exchange Act B.E. 2535. In case of purchase, sale, or transfer of securities, Board members and Management shall report changes in their applicable securities holding to the SEC and the SET within three working days from the date of executing the purchase, sale or transfer of securities. In addition, any changes in directors' shareholding shall be reported to the Board of Directors' meetings. The Board of Directors and Management shall submit one copy of the securities disclosure to the Company for record.

- The Company disclosed complete information about the shareholding of the Company's directors and management as defined by the SEC regulations, including their spouse and minor children (if any) in the annual report.

- Any director or management, who may have a vested interest in any transaction or matter directly affecting the Company, should not participate in the decision making process on such issue.

3. Role of Stakeholders

Reflecting the considerable commitment to and effort exerted to implement Corporate Social Responsibility (CSR), the Company has been awarded a "Standard for Corporate Social Responsibility Certificate" (CSR-DIW) from Department of Industrial Work since September 2009. This standard applies the same criteria as ISO 26000 Social Responsibility. Achieving the CSR-DIW award affirms that the Company's practices are in accordance with the applicable principles as follows:

- Accountability
- Transparency



- Ethical behavior
- Respect for stakeholders interests
- Respect for the rule of law
- Respect for international norms of behavior
- Respect for human rights

The principles cover the practices that the Company has met the requirement on, namely:

- (1) Organization governance,
- (2) Human rights,
- (3) Labour practice,
- (4) Environment,
- (5) Fair operating and practice,
- (6) Consumer issues, and
- (7) Community involvement and development.

The Company's Code of Ethics towards the public and environment include its CSR concept with a view to ensure sustained business growth, as follows:

- The Company shall comply with laws and related regulations.
- The Company shall take part in business competition fairly, openly and ethically within commercial laws.
- The Company shall remain neutral in politics and refrain from participation in any political activities.
- The Company shall operate with social responsibility, observe standard operation practices to protect health, hygiene, safety and environment.

The Code of Ethics also includes practices toward shareholders, customers, employees, and business partners, which the management and all employees shall follow so as to uphold consistent standard of conduct.

The Company fully appreciates the value of the support of all groups of stakeholders, recognizing that they all contribute to the Company's competitiveness and corporate profits. As it is understood that the participation of stakeholders can have a positive effect on the Company on an on-going basis, considerable effort is made to safeguard the interests of each group as follows:

Shareholders

The Company treats shareholders equally and provides full and accurate information on any and all matters that might materially affect shareholder interests. The Company aims to represent the best interests of shareholders by concentrating on long-term growth and value. As such, the Company undertakes to provide decent and continuous returns to shareholders while being transparent and accurate in its disclosure of information. Moreover, being well appraised of the importance of risk management, the Company reviews its risk mitigation measures regularly.



Customers

As stipulated in its Code of Ethics, the Company is resolved to deal promptly with customer claims. Moreover, it strives to achieve high customer satisfaction, promotes sound relations based on respect for customer interests and is committed to continually developing products and services that add value to the customer. The Company takes full responsibility for consistently providing good-quality products and services at reasonable prices. The Company also provides comprehensive and accurate information concerning its products and services in conjunction with professional advice on product selection and utilization. Moreover, the Company actively consults with customers to find the best ways to mitigate any potential harmful impacts from utilization of its products and jointly develops products with customers that optimize their business growth while safeguarding public health and the environment. Also with the objective of maintaining sustainable relationships with its customers, the Company regularly organizes Customer Relationship Management (CRM) activities and conducts customer satisfaction surveys.

Trade Partners

The Company believes that sustainable growth depends on the sound and sustained support of its trade partners. As such, considerable effort is exerted to meet all obligations to trade partners, as per the respective agreement. In case of an unavoidable delay in payment to a trade partner due to extenuating circumstances, the Company's personnel in charge must inform the trade partner in advance. The Company formulated this internal requirement on its own initiative in light of its concern that even a one-day delay in payment may cause difficulties for a trade partner and impact their liquidity management.

Creditors

The Company treats all creditors equally and is fully cognizant of its accountability to creditors and its obligation to ensure that its conduct strictly adheres to contractual commitments and financial obligations. To ensure that all creditors are kept up-to-date with relevant financial information, the Company submits



its financial statement to all creditors on a quarterly and annual basis. Furthermore, the Company's internal procedures ensure that it is open equally to all creditors to offer competitive pricing and services. In addition, the Company can only accept new credit facilities offered by any financial institution after they are proposed to and approved by resolution of the Board of Directors.

Competitors

Corresponding to business ethics defined in the Company's code of ethics, the Company shall take part in business competition fairly, openly and ethically within commercial laws.

Employees

- The Company shall offer equal employment opportunity, respect employee's right, and develop and fully realize employees' potential in performing their tasks and duties. The Company also implements equitable employment conditions and maintains a safe and conducive working environment. A welfare committee monitors and reviews employee benefits so as to maintain parity with the industry.

- The Company participated in a compensation and benefits survey with leading HR consultants and used the survey as a tool to improve the Company's salary structure and benefits scheme to be competitive in the market.

- It is the Company's policy to develop knowledge management so as to create consistent and continuous transfer of knowledge required for effective business operations throughout the organization. Employees are provided with training opportunities in various public and overseas programs so as to develop their professional knowledge and skills in ways that serve the Company's requirements while also fulfilling their career development. Activities are organized to promote a collaborative working environment to drive innovations and enhance the competence of employees.

- Under its Integrated Management System Policy (Quality, Occupational Health, Safety & Environment), the Company is committed to promote safety, health and environment awareness among its employees and contractors performing activities for the Company. In addition, the Company applies procedures to continuously monitor the health of employees.



The Company also regularly conducts employee satisfaction surveys and finds ways to improve its performance where such is indicated. More details of the Company's human resource management can be found under heading "Human Resource Management" disclosed in this Annual Report.

Public Sector

The Company is resolved to fully conform to all relevant laws and regulations without reservation.

Environment & Communities

- The Company places a high priority on its social responsibilities especially in terms of safety, environment and local communities, and continuously improved its safety, occupational health and environment performance to ensure consistent compliance with the internationally-recognized management system and the commitment to "Responsible Care" as practiced in chemical industries globally.

- Under its Integrated Management System Policy, Vinythai is committed to full compliance with applicable business and operation standards, legal and

voluntarily requirements regarding health, safety and environment, as well as standards of other certification bodies to which the Company subscribes. The Company continuously strives to improve its environment protection through economical consumption of natural resources, meanwhile decreasing solid waste and emission into the atmosphere, water and soil.

- Active cooperation with authorities, communities and other interested parties is enhanced to handle all health, safety and environment issues. The Company has also implemented and cultivated a "Safety Culture" throughout its organization which extended to all contractors with which it works. A strong focus is maintained on emergency preparedness and maintaining effective response plans so as to prevent any accidents and minimize possible consequences that might ensue from its activities, products or services. Emergency planning is arranged in collaboration with external emergency services, concerned authorities and local communities. Such plans are regularly reviewed and drilled. More details of the Company's activities relating to occupational health, safety and the environment are disclosed in the Annual Report under the heading "Vinythai's Sustainable Development".

- Corporate Social Responsibility (CSR) is one of the Company's principal policies and fundamental to all its operation. The Company has undertaken researches or projects that are beneficial to the environment. These include supporting and directing the "Vinythai and Coral Cultivation Using PVC Pipe Project" for several years and continuing. In 2010, the Company also continued to pursue its related project "Vinythai Coral Cultivation Collaboration for His Majesty the King", which aims to cultivate 80,000 branches of coral in five areas within five years (2008 - 2013). Activities related to coral cultivation have been continuously organized in collaboration with the authorities and public. In February 2011, the Company launched "PVC Telescopes Celebrating His Majesty the King's 84th Birthday Anniversary", a collaborative project with National Science and Technology Development Agency (NSTDA). The project has encouraged students to develop their knowledge of science and engineering skill by inventing, by themselves, a telescope from PVC pipe. The PVC telescopes will be delivered to 84 schools all over the country.

Concerning its work with society and communities, the Company's staff regularly visit communities aiming to promote understanding of how the Company's operations are compatible and complementary with the needs of communities. The Company also regularly helps to organize various activities in support of schools in Rayong and nearby provinces. Public activities, local traditions and cultural activities in surrounding areas and local communities also receive the Company's active support. CSR activities in 2011 could be viewed in the Company's Annual Report listed under the heading of "Vinythai's Sustainable Development" in the section marked "Corporate Social Responsibility".

The Company publishes a periodical report entitled "Towards Sustainable Development" prepared in both Thai and English and made available to the public, as well as posted on the Company's website at www.vinythai.co.th/services/companypublications/responsiblecarereport. The current edition of the "Towards Sustainable Development" covering the period 2008 - 2012 was released in February 2009. Included in this report are the Company's Occupational Health, Safety and Environment Policy, its applicable mission and strategy, its corporate social responsibility activities, and relevant performances and achievements.

With a view to enhancing the participation of stakeholders in improving the Company's performance to ensure the sustainability, in November 2009, the Company opened communication channel for stakeholders to voice their concern about any crucial case related to the Company's operations or unethical practices via the Audit Committee at the Company's website (www.vinythai.co.th/services/contactus/auditcommittee). Where such concerns are raised, the Audit Committee shall arrange an investigation and report the findings to the Board of Directors for consideration, so that the Company can find solution in a timely manner. The rights of any person who communicates such concern should be protected. The Company has duly communicated this information to stakeholders through the SET channel. Since the channel was opened by the Company, no complaint has been reported.

In addition to the above, the Company's website includes details of personnel responsible for each area so that investors, customers, local communities and other stakeholders can communicate recommendations and make enquiries from the Company at www.vinythai.co.th/services/contactus.

With an aim of encouraging the efficient utilization of the Company's resources, the Company pays due regard to its energy consumption and control, including continuously studying and implementing Best Practices and Best Available Technology standards so as to achieve optimum conservation. Therefore, the Company established a Policy on Energy Conservation in February 2010 which has been communicated to employees at all level, at the same time enjoining them to strictly follow the associated directives in order to facilitate the goal of maximum energy conservation with maximum effectiveness. The Company's Energy Conservation Policy announced in June 2011 emphasized on its strong commitment to continuous improvement of its environment protection measures through reducing its waste and emission into the atmosphere, soil, and water resources while promoting economical consumption of natural resources and energy. Full compliance with relevant legal and regulatory requirements are highlighted as well.

Trainings on the Energy Saving were organized to all employees including training of carbon footprint

concept. Other trainings organized by the Company to educate its employees in environment matters covered such topics as waste management and utilization, water pollutant controller, occupational health, safety and working environment, etc.

Regarding the Company's policy against corruption, including preventive measures against commercial bribery, prevention of human rights violations, and prevention of software copyrights violations, the Company has formulated guidelines to which its employees must strictly adhere. The guidelines include following items:

- Theft; such as, steal property or asset, give cooperation or liaison with outside people to provide guideline or channel in order to steal company property, asset or proprietary information
- Cheating; such as, various type of forgery, using company money placed in one's care in a wrong way for own benefit
- Crime causing harm to persons or damage to property; such as, all offences against persons, harassment, cause hurt of various degree
- Abuse of company's computer and IT system; such as, store and/or use illegal software on company's computer

In the event of violations of the above, an investigation shall be conducted as quickly as possible. An employee found guilty of such conduct is subjected to the Company's disciplinary actions.

4. Disclosure and Transparency

As endorsed by the Board of Directors, disclosing information adequately to stakeholders and maintaining transparency and integrity in the Company's operation are integral to the Company's corporate governance policy. The Company consistently values and takes steps to ensure the accuracy, completeness, timeliness and transparency of its information disclosure and is fully committed to continuing to do so. In compliance with the SET's regulations, the Company discloses its corporate governance report in the Annual Report and the Annual Statement (Form 56-1).

The Board of Directors is well aware of its responsibility for the integrity of the Company's financial

information. As such, the Board maintains effective internal control systems that ensure the accuracy and completeness of the Company's bookkeeping as well as adequacy of measures to safeguard the Company's assets. Recognizing the right of shareholders and investors to receive adequate and reasonable notification of the Company's financial status, the Company prepared the "Responsibility Statement from the Board of Directors on Disclosure of the Financial Report" and presented it in a separated item in its Annual Report and Form 56-1. The Board of Directors also ensures that the financial information is disclosed completely, correctly and in timely manner in line with the SET's regulations.

Realizing that certain information, both financial and non-financial, may impact decisions made by investors and/or stakeholders, the Board of Directors has directed the Management to disclose essential and up-to-date information completely, accurately, reliably, consistently and in a timely manner, in strict conformity with information disclosure regulations of the SEC and the SET, and the Management has duly complied.

To ensure equitable treatment to all stakeholders, in addition to disclosing information as specified in relevant regulations through the SET's channel, the Company also discloses such information including the Company's news, its vision, mission and values, and corporate activities on its website both in Thai and English. In addition, a list of the Company's current top ten major shareholders is disclosed on its website at www.vinythai.co.th/investorrelations/shareholdersstructure and is updated on a monthly basis. In this way, shareholders can find information about the Company's major shareholders prior to the shareholders' meeting.

With regard to any issues that might result in a conflict of interest, the Company strictly complies with the SEC and the SET's related regulations on "Disclosure of Information and Act of Listed Companies Concerning the Connected Transactions" while always taking into account the best interests of all stakeholders. Details, counter parties, values, reasons, and necessities for each transaction are all disclosed in the Annual Report and Form 56-1.

In addition, the Company disclosed the duties of the Board of Directors and committees, including



the number of meetings attended by each director. It also disclosed the remuneration policy, type and details with respect to directors and management. Details are shown under the heading of "Responsibilities of the Board", item "5.2 Committees", item "5.3 Roles and Responsibilities of the Board", item "5.4 Board Meetings", and item "5.6 Remuneration".

The Company's Vice President Finance and Accounting is in charge of investor relations activities and is required to communicate directly with institutional and individual investors, analysts and concerned government agencies. In year 2011, the Company recorded 14 visits by investors and analysts as follows:

Type of Visit	No. of visits	No. of companies
One-on-One Meeting	7	5
Group Analyst Meeting	4	4
Call from analysts	1	1
Call from investors	2	2 (persons)

Investors may request any information from the Company at Tel. 0-2229-9100 or Fax 0-2240-1375, e-mail at Sirovetnukul.Jamjuree@solvay.com or mailing address at Vinythai Public Company Limited, 14th floor, Green Tower, 3656/41 Rama IV Road, Klongtoey, Bangkok 10110.

5. Responsibilities of the Board

5.1 Board Structure

Pursuant to the Company's Articles of Association, the Board of Directors shall comprise at least 10 directors, provided that not less than half of the total number of directors must have residence in Thailand. The Board structure consists of accepted knowledgeable, competent persons with various qualifications, skills, experience, and expertise that can provide optimum benefit to the Company and its shareholders. Qualifications and experiences of the Board of Directors are disclosed in the Annual Report and the Form 56-1.

As of December 2011, the Board of Directors comprises 14 directors.

- 10 directors nominated by major shareholders (Among them, three directors constitute the Executive Committee.)
- 4 independent directors (Among them, three are appointed as Audit Committee members.)

Of the 14 directors, four are non-resident in Thailand.

According to the Company's Affidavit as of 6 January 2012, the Company has 13 directors including 3 independent directors since one of the Audit Committee member passed away. The screening process is being carried out to select qualified person as an independent director in compliance with the SEC regulations and within due time.

The Company's independent directors possess qualifications as prescribed under the SEC regulations as follows:

1. holding shares not exceeding one percent of the total number of voting rights of the company, its parent company, subsidiary, affiliate or juristic person which may have conflicts of interest, including the shares held by related persons of the independent director;

2. neither being nor having been an executive director, employee, staff, or advisor who receives salary, or a controlling person of the company, its parent company, subsidiary, affiliate, same-level subsidiary or juristic person who may have conflicts of interest unless the foregoing status has ended not less than two years prior to the date of application filing with the Office;

3. not being a person related by blood or registration under laws, such as father, mother, spouse, sibling, and child, including spouse of the children, executives, major shareholders, controlling persons, or persons to be nominated as executive or controlling persons of the company or its subsidiary;

4. not having a business relationship with the company, its parent company, subsidiary, affiliate or juristic person who may have conflicts of interest, in the manner which may interfere with his independent judgment, and neither being nor having been a major shareholder, non-independent director or executive of any person having business relationship with the company, its parent company, subsidiary, affiliate or juristic person who may have conflicts of interest unless the foregoing relationship has ended not less than two years prior to the date of application filing with the Office;

5. neither being nor having been an auditor of the company, its parent company, subsidiary, affiliate or juristic person who may have conflicts of interest, and not being a major shareholder, non-independent director, executive or partner of an audit firm which employs auditors of the company, its parent company, subsidiary, affiliate or juristic person who may have conflicts of interest unless the foregoing relationship has ended not less than two years from the date of application filing with the Office;

6. neither being nor having been any professional advisor including legal advisor or financial advisor who receives an annual service fee exceeding two million Baht from the company, its parent company, subsidiary, affiliate or juristic person who may have conflicts of interest, and neither being nor having been a major

shareholder, non-independent director, executive or partner of the professional advisor unless the foregoing relationship has ended not less than two years from the date of application filing with the Office;

7. not being a director who has been appointed as a representative of the company's director, major shareholder or shareholders who are related to the company's major shareholder;

8. not having any characteristics which make him incapable of expressing independent opinions with regard to the company's business affairs.

All independent directors have performed their roles with dedication and taken the interest of all stakeholders equally into account.

The Board of Directors resolved to propose the shareholders' meeting to elect new directors in place of those to be retired by rotation and amend the authority of directors (in case there is a change in directorship). The shareholders' meeting will resolve by a simple majority vote, in accordance with the following rules and methods:

1. Each shareholder shall have votes equal to the number of shares held.

2. Each shareholder may exercise all the votes he has under item 1 to elect one or several persons as directors, but may not allot his votes to any person at any number.

3. The persons receiving the highest number of votes, in their respective order of the votes, shall be elected as directors according to the number of directors that the Company may have or the number that are to be elected at such meeting. Where the votes cast for candidates in descending order are tied, which would cause the number of directors that the Company may have or that are to be elected at such a meeting to be exceeded, the Chairman of that meeting shall have a casting vote.

At each Annual Ordinary General Meeting, one-third of the directors or, if their number is not a multiple of three, then the number nearest to one-third, must retire from office.

A director may be removed prior to the expiry of his term by a resolution passed by the votes of not less than three-fourths of the shareholders present or represented, and entitled to vote at the General Meeting and holding at least half of the total number of shares held



by the shareholders attending the meeting and being entitled to vote. Details of the Board of Directors and conduct of their election are formulated in the Company's Articles of Association as posted on its website.

The Company has not yet established the Nomination Committee to carry out the screening process, but the Company has taken steps to select qualified persons with suitable expertise. However, a policy on the Nomination Committee is being drafted for consideration of the Board of Directors in 2012.

The Chairman of the Board and the Managing Director are not the same person. However, they both represent one of the Company's major shareholders, Solvay Vinyls Holding AG. Although the Chairman is not an independent director, he has performed his duty in good faith, with due diligence and care, in accordance with the Board policy and in the best interests of the Company. The current structure of the Company's Board also includes representation of the other major shareholder, PTT Global Chemical Plc., and three independent directors. This arrangement creates a balance of power that ensures fair oversight of the Company's administration.

The roles and responsibilities of the Chairman of the Board are different from those of the Managing

Director. The Chairman of the Board conducts the Board meeting efficiently by urging all directors to actively participate, raise questions, and provide essential recommendations, leading to decision taken on significant policies pertaining to the Company. The Managing Director reports to the Board of Directors and is authorized to administer, manage, supervise, and execute all acts in connection with the business of the Company in accordance with the policies endorsed by the Board of Directors. The Managing Director takes responsibility for the Company's operating results, controls expenses and capital expenditures limits as approved by the Board of Directors, manages the Company's human resources to ensure a high level of motivation, performance and productivity and delegates authority in accordance with the strategy and performance of the Company, and maintains effective communication with the stakeholders. The Managing Director takes step to ensure that the policies and action plans of the Company are implemented in line with its strategy and to the highest level.

The roles and responsibilities of the Board of Directors and the Management are clearly segregated. The Board of Directors formulates significant policies and oversees the Management's implementation of



those policies. The Management shall be responsible for implementing policies formulated by the Board of Directors and ensuring that these are carried out as planned. Managerial authority is channeled through the Management according to clearly specified levels of authority. The Board advises and supports the Management through the Executive Committee. However, the Board does not intervene in routine tasks and business activities under the Management's responsibility.

The directors fully commit to their roles and responsibilities in order to ensure effective discharge of their duties. All members of the Board of Directors exert their utmost efforts to perform their duties in good faith, with due diligence and care, in the best interests of the Company and all stakeholders. In the event that they have heavy commitments to other organizations, they would consider refraining from holding Board membership in the Company.

In compliance with the Securities and Exchange Act (No.4) B.E. 2551, and to be in line with the Principles of Good Corporate Governance for Listed Companies, the Board of Directors resolved to appoint Mr. Sompot Cheeranorawanich, Vice President – Corporate Affairs and Communications, to serve as the Company

Secretary. His personal record and work experiences are disclosed in the Form 56-1. According to the above-mentioned Act, the Company Secretary is in charge of preparing and maintaining a register of directors, issuing notices calling directors' meeting, taking and issuing minutes of Board of Directors meetings, coordinating and issuing the Company's annual report, issuing notices calling shareholders' meetings, taking and issuing minutes of shareholders' meeting, including keeping a report on interest filed by a director or executive of the Company.

5.2 Committees

The Board of Directors has set up three committees to strengthen good corporate governance and support its administration as follows:

The Executive Committee: As at December 2010, the Executive Committee comprises three board members as follows:

- | | |
|-----------------------------|-------------|
| 1. Ms. Puntip Oungpasuk | Chairperson |
| 2. Mr. Roger Lester Kearns | Member |
| 3. Mr. Bruno van der Wielen | Member |

The Executive Committee has the following authority and duties:



1. Based on its industrial expertise, the Committee provides recommendations and guidance to the Managing Director on behalf of the Board of Directors.

2. Support the Company's operations and make recommendations to the Board of Directors.

3. Consider, review all capital expenditures of the Company prior to proposing to the Board of Directors for approval, and monitor the capital expenditures.

4. Appoint, promote and replace the Company's key personnel.

5. Consider adjustments to management remuneration.

The Audit Committee: The Board of Directors appoints members of the Audit Committee whose qualifications comply with the SEC rules which defines that the Audit Committee shall comprise at least three independent directors, and at least one of them must have knowledge and experience in the field of accounting and finance.

As of November 2011, the Audit Committee comprises the following members:

- | | |
|------------------------------|----------|
| 1. Dr. Santisuk Sanguanruang | Chairman |
| 2. Mr. Pote Videtyontrakich | Member |
| 3. Mr. Pipop Pruecksamars | Member |

Due to the expiration of the term of office of the Audit Committee, the Board of Directors in its meeting No.6/2011 held on 17 November 2011, resolved to reappoint the Company's Audit Committee comprising Mr. Pipop Pruecksamars as Chairman, Mr. Pote Videtyontrakich and Dr. Santisuk Sanguanruang* as members, effective from 17 November 2011. (Remark: * passed away and the Company informed to the SET on 26 December 2011.)

Dr. Supachat Chairatanathavorn, Internal Audit Department Manager, served as Secretary to the Audit Committee.

All members of the committee are evidently knowledgeable and competent persons with appropriate experience to perform their duties. Mr. Pote Videtyontrakich, committee member, is declared as possessing adequate expertise and experience to review the reliability and creditability of the financial statements. Details of his qualifications and experience are disclosed in the Company's Annual Report and Form 56-1.

According to the Audit Committee Charter, the term of office of each Audit Committee is three years. When an Audit Committee retires by rotation, it may be reappointed at the discretion of the Board of Directors.



In the event that any committee member is removed or resigns before expiration of their term of office, the Board of Directors shall appoint a person who is fully qualified as an audit committee member to replace the resigning member for the remainder of the term. The Charter prescribed the composition, qualification, scope of duties and responsibilities, and meetings rules of the Audit Committee. The Company's shareholders, investors, and other stakeholders can access the Charter at www.vinythai.co.th/investorrelations/corporategovernance.

The Audit Committee is authorized to perform the following duties:

- 1.1 To review the Company's financial reporting process to ensure that it is accurate and adequate.
- 1.2 To review the Company's internal control system and internal audit system to ensure that they are suitable and efficient, to determine an internal audit unit's independence, as well as to approve the appointment, transfer and dismissal of the chief of an internal audit unit or any other unit in charge of an internal audit.
- 1.3 To review the Company's compliance with the law on securities and exchange, the Exchange's regulations, and the laws relating to the Company's business.
- 1.4 To consider, select and nominate an independent person to be the Company's external auditor, and to propose the annual audit fee, as well as to attend a non-management meeting with an auditor at least once a year.
- 1.5 To review the connected transactions, or

the transactions that may lead to conflicts of interest, to ensure that they are in compliance with the laws and the Exchange's regulations, and are reasonable and for the highest benefit of the Company.

1.6 To prepare, and disclose in the Company's Annual Report, an audit committee's report which shall consist of information required by the Stock Exchange of Thailand, and must be signed by the Chairman of the Audit Committee.

1.7 To perform any other acts as assigned by the Company's Board of Directors, with the consent of the Audit Committee.

1.8 In its performance of duties, if it is found or suspected that there is a transaction or any of the following acts which may materially affect the Company's financial condition and operating results

- a transaction which causes a conflict of interest
- any fraud, irregularity, or material defect in an internal control system
- an infringement of the law on securities and exchange, the Exchange's regulations, or any law relating to the Company's business;

the Audit Committee shall report it to the Board of Directors for rectification within the period the Audit Committee deems appropriate. If the Board of Directors or management fail to make a rectification within the period of time, any Audit Committee member may report such transaction or action to the Office of the Securities and Exchange Commission or the Stock Exchange of Thailand.



The Audit Committee holds regular meetings. In 2011, it held totally four meetings on quarterly basis. A non-management meeting between the Audit Committee and external auditor was held in order to freely discuss issues of concern. The Audit Committee has continuously conducted a self-assessment where all members were invited to consider the committee's collective performance and identify points requiring amendment or improvement. Result of the assessment revealed that the performance of the Audit Committee remains effective. In addition, the Audit Committee regularly presented its semi-annual report and year-end report on its activities to the Board of Directors. Activities of the Audit Committee during year 2011 are disclosed in the Company's Annual Report and Form 56-1.

The Remuneration Committee: Current Remuneration Committee comprises directors as follows:

- | | |
|-----------------------------|----------|
| 1. Mr. Roger Lester Kearns | Chairman |
| 2. Mr. Veerasak Kositpaisal | Member |
| 3. Mr. Pipop Pruecksamars | Member |

The Remuneration Committee is authorized to consider the remuneration of the directors and other committee members appointed by the Board of Directors as well as position of company secretary. The Remuneration Committee submits a proposal of the remuneration of the Board of Directors to the annual shareholders' meeting for approval. The Remuneration Committee held one meeting in 2011.

5.3 Roles and Responsibilities of the Board

The Board of Directors shall perform its duty with responsibility, due care and loyalty. It shall also manage and carry on the business of the Company in accordance with the law, the Company's Articles of Association, the objectives, the resolutions of the Board of Directors and the resolutions of the shareholders' meeting. Each director shall discharge their responsibilities in good faith in such a way to safeguard and promote the Company's interests. The Board of Directors also conducts itself in accordance with its responsibilities to shareholders, including participating in setting targets to secure optimum benefit for shareholder and other stakeholders within legal framework and business ethics. The Board of Directors initially formulated a written corporate governance policy in 2004 and has implemented it ever since, including promoting compliance among the Board of Directors, Management and employees.

The Board of Directors takes overall responsibility for the following:

1. Endorsing the Company's vision, mission and strategy including participating in the setting of targets and drawing up of business plans and corporate budgets.
2. Managing and carrying on the business of the Company in accordance with the law, the Company's business objectives and Articles of Association, resolutions of the board of directors and resolutions of the shareholders' meeting, with honesty and a commitment to safeguarding the Company's interests.

3. Directing the Company to implement internal controls and internal auditing systems, together with effective risk management measures.

4. Arranging the Annual Ordinary General Meeting of Shareholders once every year within four months of the end of fiscal year. An extraordinary General Meeting of Shareholders can be called on a case-by-case basis where special agenda items arise requiring urgent discussion and approval of the shareholders.

5. Arranging to propose the Balance Sheet and Profit & Loss Statements at the end of each fiscal year to shareholders' meeting for approval. The Balance Sheet and the Profit & Loss Statements are audited by the external auditor prior to being proposed to the shareholders' meeting.

6. Providing financial reporting and significant information to the shareholders that is accurate, appropriate and complete, and ensuring the validity of assertions made in the reporting.

7. Clearly defining and keeping separate the roles and responsibilities of the Board of Directors, the Audit Committee, the Executive Committee, and the Remuneration Committee as described under Item 5.2.

8. Supervising and monitoring the activities of the Executive Committee to ensure that its performance is in line with established policy. The Executive Committee is accountable for reviewing and approving the Company's capital expenditure. However, to avoid conflicts of interest, such expenditure cannot be approved without the shareholders' consent. Similarly, the shareholders' consent is required in specific situation itemized under the regulations of the Securities and Exchange Commission and the Stock Exchange of Thailand.

9. Assigning the Executive Committee and the Audit Committee to constantly monitor the Company's performance and internal controls.

The Company introduced a Code of Ethics for its Management and employees, providing guidance as to how to perform their duties in line with the Company's corporate mission, and with honesty and fairness to the Company and its stakeholders including the public and local communities. The Code of Ethics has been amended to reflect changes in the business environment. The Management and staff members have agreed via written consent to adhere to the code. The Management is accountable for ensuring that conduct is in full compliance with the code and are

required to sign their acknowledgement on an annual basis. In 2010, the training on the code of conduct was organized for all managerial staff in order to refresh their awareness of associated practices and their compliance. The Company takes all steps to ensure continuous compliance with ethical principles and that appropriate penalties are imposed in the event of any violation. In addition, employees who customarily deal with and generate business activities with customers, suppliers and competitors, are required to abide by the Company's Competition Rules which describe criteria for conducting such activities in accordance with ethical values and within the parameters of fair competition.

To avoid unnecessary problems, the Board of Directors carefully scrutinizes any issues that might result in a conflict of interest. Such issues are acknowledged by the Board of Directors in accordance with the SEC and the SET regulations stipulated for a transaction based on an Arm's Length Basis. The Board of Directors monitors compliance with the regulations regarding criteria, procedures and disclosure of transactions with conflict of interests. The Audit Committee is assigned to review significant related transactions to ensure the transparency and the best interest of the Company. To ensure fairness, directors or management having interests in the related transaction must not be involved in decisions and approval process.

The Board of Director assigns the Executive Committee and the Management to arrange and maintain internal control systems and ensure their effectiveness. The Executive Committee and the Management report the internal control assessment of the Company to the Auditor and the Audit Committee. The Board of Director also assigns the Audit Committee to ensure that the Company has suitable and efficient internal control and the internal audit. Extending from the management down to the operational level, the Company's control system explicitly defines, in writing, the authority and duties of all employees. The Company has clearly defined, in writing, the Management's roles and responsibilities at each level. For the sake of maintaining good control, the Company separates the function of authorization of the transactions from that of book recording and safeguarding of assets. All relevant parties are given a framework, within which they can control utilization of the Company's assets, while the duties of operational

staff and inspectors are kept separate. Additionally, a financial control system has been introduced, via the implementation of a financial reporting process for the various levels of management.

The Company has established Internal Audit Department to perform audit-related duties, with the aim of ensuring that the Company's main business and significant financial activities are operated efficiently and in accordance with established guidelines. The department must also ensure that activities are conducted in full conformity with compliance controls and the law. The department oversees constant internal monitoring to ensure improved control measures specific to all events, conditions and variable risks, in addition to report the audit results to the Audit Committee, the Steering Committee, and concerned Management. The internal audit reports state that no significant issues have been found and that all the Company's operations are performed legitimately. The report also states that internal control systems are proper and adequate. It also notes that satisfactory supervision of measures to safeguard assets is carried out, so as to prevent Management and employees from exploiting assets for their own benefit. Additionally, the Internal Audit Department reviews the corporate governance practices based on the principles of good corporate governance outlined by the SET, and provides advice to develop the corporate governance system of the Company to safeguard the interests of all its stakeholders equally.

Being one of Sovlay's affiliates, Solvay sends its own internal audit team to Vinythai at least once a year to review the effectiveness of the Company's operations as well as its information technology system. This is to ensure that Vinythai's operations are in line with Solvay's corporate policies and standards. On each of the occasions-to-date, Solvay's auditor has found the Company's internal control systems to be satisfactory and has identified no significant issues.

The Board of Directors strongly emphasizes risk management. Therefore, in order to ensure that the Company has in place standard practices for responding in an appropriate, systematic and efficient manner to any risk that confronts any part of its business operations, the Company in February 2007 established a Risk Management Policy and a Risk Management System

which are steered by Risk Management Committee. The Risk Management Committee comprises the Company's top level executives in its various business units. The Committee meets periodically, at least once a year. All Risk Management members are responsible for management and mitigation of the potential risks identified that could affect the achievement of the Company's objectives, including focusing on risk awareness, improving work procedures and optimizing utilization of resources. Under the Risk policy, employees are required to integrate the risk management into normal management processes such as business planning, investment analysis, project and operational management. Ignoring risk is not permissible. All managers with support of their subordinates are expected to maintain an up-to-date risk list or equivalent approaches to provide assurance that the risk management system is being followed. Reporting on key risks and status of controls shall be incorporated in management reports. Risk factors related to the Company's business are identified in a separate section of the Company's Annual Report and in Form 56-1.

5.4 Board Meetings

Meeting of the Board of Directors shall be scheduled in advance and held at least once every three months. The Board also calls extraordinary meetings whenever it is deemed necessary and appropriate. The Chairman of the Board and the Managing Director set the board meeting agenda together and ensure that all important issues are included. Meeting agendas are clearly defined and prepared in advance. The Company submits notices of board of directors' meetings, together with meeting agenda, to each director at least 15 days in advance of each meeting. Meeting materials are submitted to the directors sufficiently in advance for them to have adequate time to study the issues prior to the meeting. Each meeting usually lasts approximately three hours. The concerned management may also attend the meeting to make presentations and join discussions on issues of concern. The Chairman of the Board provides sufficient time for the meeting so that the management can present pertinent information and the Board of Directors can discuss the issues at hand. In addition to quarterly Audit Committee meetings, the Executive Committee also holds regular meetings. Board members actively attend the meetings unless detained by other pressing or urgent matters.

The record of Board of Directors meeting and committee meeting attendance for 2011 is as follows:

Meeting attendance / Total No. of meeting

Name	Board of Directors Total 6 times/year	Executive Committee Total 6 times/year	Audit Committee Total 5 times/year (including the Non-Management meeting)	Remuneration Committee Total 1 time/year
1. Mr. Roger Lester Kearns	6/6	6/6	-	1/1
2. Mr. Veerasak Kositpaisal	6/6	-	-	1/1
3. Dr. Christian De Sloover ⁽¹⁾	6/6	-	-	-
4. Mr. Guenther Wilhelm Nadolny ⁽²⁾	2/2	2/2	-	-
5. Mr. Bruno van der Wielen ⁽³⁾	4/4	4/4	-	-
6. Mr. Jacques van Rijckevorsel ⁽¹⁾	4/6	-	-	-
7. Mr. Pote Videtyontrakich	4/6	-	4/5	-
8. Mr. Dominique Dussard ⁽¹⁾	4/6	-	-	-
9. Mrs. Puntip Oungpasuk	6/6	6/6	-	-
10. Mr. Andrew Leonard Cumming	4/6	-	-	-
11. Dr. Santisuk Sanguanruang	5/6	-	4/5	-
12. Mr. Pipop Pruecksamars	6/6	-	5/5	1/1
13. Dr. Dhanes Charoensupaya	5/6	-	-	-
14. Mr. Vincenzo Morici ⁽¹⁾	4/6	-	-	-
15. Mr. Andre R. van der Heyden	5/6	-	-	-

⁽¹⁾ Directors whose residence is outside the Kingdom

⁽²⁾ Resigned from the Company's directorship and member of Executive Committee effective from 1 May 2011; therefore the numbers of director meeting are 2 times/year, and the numbers of Executive Committee meeting are 2 times/year

⁽³⁾ Appointed as the Company's director and member of Executive Committee effective from 1 May 2011; therefore the numbers of director meeting are 4 times/year, and the numbers of Executive Committee meeting are 4 times/year

- Current Executive Committee members are directors number 1, 5, and 9
- Current Audit Committee members are directors number 7, 12
- Current Remuneration Committee members are directors number 1, 2, and 12



Directors who are representatives of the foreign shareholder and who do not reside in the Kingdom are sometimes unable to attend Board meetings. However, in such cases, they arrange to have at least one of them attending the meeting. The directors share their opinions and propose suggestions related to the agenda and meeting materials which are submitted to them in advance.

5.5 Board Self-Assessment

The Board of Directors has carried out its duties with maximum transparency and in full conformity with the Principles of Good Corporate Governance and Code of Best Practices for Directors of Listed Companies, as prescribed by the SET, as well as the Securities and Exchange Act, B.E. 2535, the Securities and Exchange Act (No.4), B.E. 2551. The Board of Directors realizes how important it is to the Company's operations that the Board continually enhances its performance. As such, the Board of Directors has resolved to conduct an annual self-assessment of the effectiveness of the board in its entirety. The result of self-assessment concluded that the Board performance was satisfactory. The Board continues to make an effective contribution to its assignments. The findings of the assessment were presented and reviewed with the intention of finding ways to continually improve.

5.6 Remuneration

The Company has fixed a policy for remuneration of directors that entails maximum transparency. The remuneration is considered by the Remuneration

Committee and proposed to the Board of Directors to seek approval from the Company's shareholders. The remuneration of directors is set at a level that is appropriate within the industry. Any Board members who serves in various positions, in the Board, shall receive payment only from the position with the highest remuneration.

In 2011, the shareholders' meeting considered and approved monthly remuneration of the directors as follows:

- Chairman of the Board of Director	70,000 Baht/month
- Vice Chairman	50,000 Baht/month
- Chairman of Executive Committee	65,000 Baht/month
- Executive Committee	60,000 Baht/month
- Chairman of Audit Committee	65,000 Baht/month
- Audit Committee	60,000 Baht/month
- Other Director	30,000 Baht/month

The Remuneration for the Board of Directors includes monthly remuneration and bonus. In 2011, the shareholders approved remuneration for the Board of Directors in the shareholders' meeting, including bonus payments based on the operational results for 2010. The total remuneration for the Board of Directors amounted to 16,316,187.67 Baht, inclusive of a total bonus payment of 8,670,542.52 Baht. Details are as follows:

Name	Position	Remuneration	Bonus paid in 2011	Total Remuneration
1. Mr. Roger Lester Kearns ⁽¹⁾	Chairman of the Board, Chairman of Remuneration Committee, Executive Committee	840,000	617,594.51	1,457,594.51
2. Mr. Veerasak Kositpaisal [@]	Vice Chairman, Member of Remuneration Committee and Director	600,000	581,265.42	1,181,265.42
3. Dr. Christian De Sloover ⁽²⁾	Director	360,000	690,252.69	1,050,252.69
4. Mr. Guenther Wilhelm Nadolny ⁽³⁾	Director and Executive Committee	240,000	581,265.42	821,265.42
5. Mr. Bruno van der Wielen ⁽⁴⁾	Director and Executive Committee	480,000	-	480,000
6. Mr. Jacques van Rijckevorsel	Director	360,000	581,265.42	941,265.42
7. Mr. Pote Videtyontrakich	Independent Director and Audit Committee	720,000	581,265.42	1,301,265.42
8. Mr. Dominique Dussard	Director	360,000	581,265.42	941,265.42
9. Mrs. Puntip Oungpasuk ^{®, (5)}	Chairman of Executive Committee and Director	745,645.15	581,265.42	1,326,910.57
10. Mr. Andrew Leonard Cumming	Director	360,000	581,265.42	941,265.42
11. Dr. Santisuk Sanguanruang ⁽⁶⁾	Audit Committee and Independent Director	780,000	581,265.42	1,361,265.42
12. Mr. Pipop Pruecksamars ⁽⁷⁾	Chairman of Audit Committee, Independent Director and Remuneration Committee	720,000	581,265.42	1,301,265.42
13. Dr. Dhanes Charoensupaya [@]	Director	360,000	581,265.42	941,265.42
14. Mr. Vincenzo Morici ^{**}	Director	360,000	484,387.85	844,387.85
15. Mr. Andre R. van der Heyden ^{**}	Director	360,000	387,510.28	747,510.28
Directors who resigned during 2010				
1. Dr. Chokchai Aksaranan ⁽⁵⁾	Chairman of Executive Committee and Director	-	581,265.42	581,265.42
2. Mr. Jean-Pierre Pleska	Director	-	96,877.57	96,877.57
Grand Total		7,645,645.15	8,670,542.52	16,316,187.67

Note: ⁽¹⁾ Appointed as Chairman of the Board of Directors effective from 23 September 2010

⁽²⁾ Resigned from the position of the Chairman of the Board of Directors effective from 23 September 2010

⁽³⁾ Resigned from the Company's directorship and member of Executive Committee effective from 1 May 2011

⁽⁴⁾ Appointed as the Company's director and member of Executive Committee effective from 1 May 2011

⁽⁵⁾ Appointed as Chairman of Executive Committee effective from 28 July 2011 replacing Dr. Chokchai Aksaranan who resigned from the Company's directorship and Chairman of Executive Committee effective from 20 December 2010

⁽⁶⁾ Took position of Chairman of Audit Committee until 17 November 2011

⁽⁷⁾ Appointed as Chairman of Audit Committee effective from 17 November 2011

^{**} Director who was appointed during 2010

[@] Director's bonus was paid directly to PTT Global Chemical Plc. as to be in line with Remuneration Policy of PTT Global Chemical Plc.



In addition to above, as resolved by the Remuneration Committee, an executive who serves as company secretary is entitled to receive an appropriate additional remuneration due to increased workload. The total of monthly remuneration of the company secretary paid in 2011 was 240,000 Baht, with an annual bonus payment of 581,265.42 Baht.

Remuneration of management is in conformity with the principles and policy set by the Board of Directors, which corresponds to the performance of the Company. For 2011, the monthly remuneration for four directors who served as executive director was 1,110,000 Baht (including the executive director who resigned during 2011). This amount was incorporated into the remuneration of the Board of Directors. The total 2011 remuneration for 7 executives was 53,511,274.55 Baht (including two executives who resigned during 2011). Such remuneration comprised salary, bonus and provident fund.

5.7 Board and Management Training

The Company supports and facilitates trainings for members of the Board of Directors, the Management and employees so as to continuously improve their performance. The Company's Board of Directors actively

participates in the professional company director trainings arranged by the Thai Institute of Directors Association. Some foreign directors who do not reside in the Kingdom are sometimes unable to attend the director training sessions as scheduled by the Thai IOD. However, they are provided relevant information by the Management to update themselves. Details of the Board of Directors' trainings are presented in the Annual Report and Form 56-1.

New directors are provided all documents and information necessary for them to perform their duties effectively. Plant visits are also organized for them to help them better understand the nature of the business and operations of the Company. Training sessions for directors on pertinent topics are arranged to enhance their performance of their roles and responsibility.

The Company has introduced a career development planning program to cultivate the potential of its personnel and prepare those showing promise for roles that will serve the future needs of the Company. The career development highlights management positions for which training and development are recommended for each individual, both technical and non-technical programs, so as to enhance and promote learning and transfer of technologies and knowledge, both domestically and abroad.

Audit Committee's Report for 2011



The Board of Directors in its meeting No. 6/2011 held on 17 November 2011, resolved to appoint the Company's Audit Committee comprising Mr. Pipop Pruecksamars as Chairman and Mr. Pote Videtyontrakich and Dr. Santisuk Sanguanruang as members. All of the Audit Committee members are independent directors possessing qualifications as defined by the Office of the Securities and Exchange Commission and the Stock Exchange of Thailand and having necessary knowledge, expertise and experience in finance, accounting standards and related technical practices.

The Audit Committee has performed its duties in conformity with the mission entrusted to it by the Board of Directors as prescribed in the Audit Committee Charter under the guidance and regulations announced by the Stock Exchange of Thailand.

In 2011, the Audit Committee held totally five meetings: four ordinary meetings and one non-management meeting with the external auditor. The management and external auditor were invited to attend the meeting to discuss various issues of concern. The non-management meeting of the Company's Audit Committee members and its external auditor was held once a year in order to discuss various matters without the Company's management team being present. Attendance of each committee member was disclosed

in the Annual Report 2011, under Corporate Governance and Management Structure, item 5.4 Board Meetings.

Major activities held during 2011 are summarized as follows:

Review of quarterly and annual financial statements

- Reviewed the quarterly and annual financial statements in collaboration with the external auditor and Management, including the Company's disclosure prior to submission to the Stock Exchange of Thailand and the public. The Audit Committee expressed its observations and provided recommendations to ensure that the financial statements were adequately and completely disclosed in a reliable manner.

- Reviewed significant accounting and reporting issues and their impact on the financial statements and provided recommendations pertinent to the Company's financial and credit risks. The review process ensured that the financial information was complete, correct and reliable, with adequate disclosure to meet the accounting standards and requirements of relevant laws and regulations.

Connected transaction review

- Reviewed the disclosure of connected transactions and potential conflicts of interest to ensure that the Company has conducted its affairs in full compliance with relevant rules and regulations. Based on the review of commercial transactions undertaken in the normal course of business, no unusual transactions considered material were found.

- In addition to watching out for connected transaction issues, in 2011 the Audit Committee considered and reviewed the Company's proposed external services for technical support, shared services for accounting functions, and renewal of key raw material agreement, provided by the related companies, including credit management services by the Company to the Solvay S.A. The Audit Committee expressed its observations and discussed with the Company's Management, so as to safeguard the best interests of the Company and its stakeholders, prior to submitting its opinions to the Board of Directors for approval.

Internal control and risk management review

- Advised and monitored the adequacy, appropriateness and effectiveness of the Company's internal control systems and significant business risk management systems by reviewing internal audit reports and Management reports regarding implementation of internal controls in the Company. Bases on its review, the Audit Committee found that the Company has put in place appropriate and sufficient control systems.

- Reviewed business risks linked to the internal control system and acknowledged the risk management performed by Management.

Internal audit review

- Reviewed the follow-up on implementation of recommendations by Solvay Company's internal audit conducted in 2010.

- Reviewed the internal audit reports of the Company's operations and internal auditing processes, including planning, reporting and following up on





implementation of the internal auditor's recommendations for improving operational effectiveness and efficiency. Based on its review, the Audit Committee concluded that the Company's internal auditing has been carried out adequately, properly and effectively.

Corporate governance review

- Acknowledged and advised the Company's corporate governance practices in line with regulations and recommendations of the SEC and SET.
- Reviewed reports, submitting via the Company's website, from stakeholders communicating critical issues and complaints regarding accounting, deficient internal control or unethical behaviors. In 2011, there has been no report of such finding through the Audit Committee.
- Continued to perform self-assessment of the Audit Committee to evaluate its general effectiveness. Based on the 2011 self-assessment, overall performance was deemed satisfactory.

External auditor and audit fee review

- Evaluated the performance of Vinythai's auditor and the applicable audit fee based on the auditor's knowledge, expertise and engagement. Consequently, the Audit Committee recommended that the Board of

Directors seeks the approval of the shareholders' meeting to appoint Mr. Narong Puntawong, and/or Mr. Supachai Phanyawattano, and/or Ms. Thipawan Nananuwat, and/or Ms. Siraporn Ouuanunkun, from Ernst & Young Office, as the Company's auditor, and determined the auditor's remuneration for 2011.

Upon consideration of the above issues, the Company's Audit Committee is of the opinion that the Company's financial statements were prepared in accordance with generally accepted accounting principles and that the Company conducted its business in compliance with the regulations of the Securities and Exchange Commission and Stock Exchange of Thailand and related laws. It is further deemed that the existing internal control systems, risk management and internal audit functions are effective in ensuring that the Company's financial information is complete, correct and reliable with sufficient disclosure.

(Mr. Pipop Pruecksamars)
Chairman of the Audit Committee



MR. ROGER LESTER KEARNS

Chairman of the Board of Directors and Executive Committee

Education

- Master of Business Administration (MBA), Stanford University, Palo Alto California, USA
- Bachelor of Science – Chemical Engineering, Georgia Institute of Technology, Atlanta Georgia, USA
- Bachelor of Science – Engineering Arts, Georgetown College, Georgetown Kentucky, USA

Main experience

- Chairman, Solvay Asia Pacific Company Limited
- Member of the Executive Committee, Solvay S.A., Belgium
- Director, Solvay Peroxythai Limited
- Chairman, Solvay (Hong Kong) Ltd.
- Director & Vice Chairman, Nippon Solvay K.K.
- Director, Thai Refined Salt Company Limited
- Director, Pimai Salt Co., Ltd.
- Director, Advanced Biochemical (Thailand) Co., Ltd.
- Director, Solvay Special Chemicals Co., Ltd. – Korea
- Director, Solvay Chemicals (Shanghai) Co., Ltd.
- Director, MTP HP JV (Thailand) Ltd.
- Chairman, Solvay Korea Co., Ltd.
- Chairman, Solvay (Shanghai) Co., Ltd.
- President, Solvay Singapore Pte Ltd.
- President and CEO, Solvay Advanced Polymers LLC



MR. VEERASAK KOSITPAISAL

Vice Chairman of the Board of Directors

Education

- Master of Science (Mechanical Engineering), Texas A&I University, USA
- Bachelor of Engineering (Mechanical), Chulalongkorn University

Seminar on Director Roles and Responsibilities

- Certificate in Directors Certification Program(DCP), 82/2006, Thai Institute of Directors Association (IOD)
- Certificate in Finance for Non-Finance (FN), 30/2006, Thai Institute of Directors Association (IOD)
- Certificate in Top Executive Program in Commerce and Trade (TEPCoT) 2/2009
- Certificate in Top Executive Program by Capital Market Academy 11/2010

Main experience

- Chief Executive Officer, PTT Global Chemical Public Co., Ltd.*
- Senior Executive Vice President Petroleum Downstream Business Group, PTT Public Co., Ltd.
- Chairman, The Plastic Industry Club, The Federal of Thai Industries
- Chairman, The Institute of Industrial Energy, The Federation of Thai Industries
- Vice Chairman, The Federation of Thai Industries
- Director and Chairman of Nomination Committee, Plastic Institute
- Director and Chairman of Nomination Committee, Thai Listed Company
- Chairman, Community Partnership Association, Map Ta Phut
- Committee, Chulalongkorn University Engineering Alumni, Chulalongkorn University
- Council of Trustee, Petroleum Institute of Thailand
- Chairman, PTT Phenol Company Limited
- Chairman, Oleo Chemicals Company Limited
- Chairman, PTT Chemical International Private Limited
- Chairman, PTT Chemical International Private Limited (APROH)
- Director, PTT Polymer Marketing Company Limited
- Chief Executive Officer, PTT Chemical Public Company Limited
- Acting Managing Director, PTT Polyethylene Public Company Limited
- Chairman, Thai OleChemicals Company Limited
- Chairman, Thai Fatty Alcohols Company Limited
- Director, NPC Safety & Environmental Service Company Limited
- Director, Thai Tank Terminal Limited
- Director, PTT Polymer Logistic Company Limited
- Executive Vice President, PTT Public Company Limited
- Director and Managing Director, Bangkok Polyethylene Public Company Limited
- Director and Managing Director, Thai Styrenics Company Limited
- Executive Vice President, Polymer Products Value Center, PTT Chemical Public Company Limited
- Executive Vice President, Marketing, Commercial & Supply Chain Governance, PTT Chemical Public Company Limited



* On 20 October 2011, PTT Chemical Public Company Limited and PTT Aromatics and Refining Public Company Limited had process to business combination and rename to PTT Global Chemical Public Company Limited



DR. CHRISTIAN DE SLOOVER

Director

Education

- M.D., Universite Libre de Bruxelles, Belgium
- ISMB, Harvard Business School, USA

Main experience

- Chairman of the Board of Directors, Vinythai Public Company Limited
- Director, Solvay (Thailand) Ltd.
- Chairman, Solvay (Thailand) Ltd.



MR. POTE VIDETYONTRAKICH

Independent Director and Audit Committee

Education

- M.B.A., Harvard Business School, USA
- B.A. in Economics, Yale University, USA

Seminar on Director Roles and Responsibilities

- Certificate in Chairman 2000 Class 2/2001, Thai Institute of Directors Association (IOD)
- Certificate in Directors Certification Program (DCP) Class 57/2005, Thai Institute of Directors Association (IOD)

Main experience

- Director, LASTA Multi Media Join Stock Company, Vietnam
- Director, Professional Services, Inc. (PSI), The Philippines
- Director, Easy-Buy Public Company Limited
- Director, Trinity Watthana Public Company Limited
- Managing Director, Private Equity (Thailand) Company Limited



MR. DOMINIQUE DUSSARD

Director

Education

- Master in Laws of Catholic University of Louvain, Belgium

Main experience

- Group General Counsel, Solvay S.A., Belgium



MR. JACQUES VAN RIJCKEVORSEL

Director

Education

- Master in Mechanical Engineering, Catholic University of Louvain, Belgium
- Advance Management Program, Harvard Business School, USA

Main experience

- Group General Manager of Plastics Sector, Solvay S.A., Belgium
- Member of Executive Committee, Solvay S.A., Belgium
- President of Plastics Europe, Association of European Plastics Manufacturers
- General Manager DSP1, The Plastics Sector, Solvay S.A., Belgium
- General Manager DSTr, The Processing Sector, Solvay S.A., Belgium
- General Manager, Vinyls Strategic Business Unit, Solvay S.A., Belgium



MRS. PUNTIP OUNGPASUK

Director and Chairman of the Executive Committee*

**appointed as Chairman of the Executive Committee in July 2011*

Education

- Master in Business Administration (Commerce and Accountancy), Thammasat University
- Bachelor in Chemical Engineering, Prince of Songkla University
- Certificate of the Advance Management Program (AMP), Harvard Business School, USA

Seminar on Director Roles and Responsibilities

- Certificate of the Completion Directors Certification Program (DCP) Class 67/2005, Thai Institute of Directors Association (IOD) and Australian Institute of Company Directors
- Certificate of the Completion Chief Financial Officer Certification Program (CFO) Class 1/2004, The Institute of Certificated Accountants and Auditors of Thailand

Main experience

- Executive Vice President, Corporate Strategy, PTT Global Chemical Public Company Limited**
- Director, Bio Creation Co., Ltd.
- Director, Advanced Biochemical (Thailand) Co., Ltd.
- Director, Pimai Salt Company Limited
- Director, PTT Chemical International Private Limited
- Director, PTT Chemical International (Asia Pacific ROH) Limited
- Director, Emery Oleochemicals (M) Sdn Bhd
- Director, PTT Phenol Co., Ltd.
- Director, TOC Glycol Co., Ltd.
- Director, Myriant Corporation
- Executive Vice President, Corporate Strategy & Business Development, PTT Chemical Public Company Limited
- Senior Vice President, Chief Corporate Finance & Strategy, Thai Olefins Public Company Limited

*** On 20 October 2011, PTT Chemical Public Company Limited and PTT Aromatics and Refining Public Company Limited had process to business combination and rename to PTT Global Chemical Public Company Limited*



MR. GUENTHER WILHELM NADOLNY

Director, Executive Committee and Managing Director*

**resigned from the positions in Vinythai in May 2011*

Education

- Diploma Ing. Chemical Engineer (Process), University Grade Karlsruhe, Germany

Seminar on Director Roles and Responsibilities

- Certificate in Directors Certification Program (DCP) Class 78/2006, Thai Institute of Directors Association (IOD)

Main experience

- Director and Managing Director, Advanced Biochemical (Thailand) Co., Ltd.
- Director, Pimai Salt Company Limited
- Director, Thai Refined Salt Company Limited
- Director, member of the Board, Solvay GmbH, Germany
- Factory Manager, Solvay Barium Strontium GmbH, Germany



MR. BRUNO VAN DER WIELEN

Director, Executive Committee, and Managing Director*

**appointed as Director, Executive Committee, and Managing Director, with effect in May 2011*

Education

- Master in Mechanical Engineering, Liege University, Belgium
- Master in Business Administration, Louvain University, Belgium
- Bachelor in Mechanical Engineering, Liege University, Belgium
- PED Program – IMD Lausanne, Switzerland

Seminar on Director Roles and Responsibilities

- Certificate in Directors Certification Program (DCP) Class 145/2011, Thai Institute of Directors Association (IOD)

Main experience

- Director and Managing Director, Advanced Biochemical (Thailand) Company Limited
- Director, Pimai Salt Company Limited
- Director, Thai Refined Salt Company Limited
- Deputy Managing Director, Vinythai Public Company Limited
- S-PVC Business Manager, SolVin, Belgium
- PVDC Business Manager, SolVin, Belgium
- PVDC Business Manager, Solvay S.A., Belgium
- Engineering Compounds Business Manager, Solvay S.A., Belgium



MR. ANDREW LEONARD CUMMING

Director

Education

- Graduate of the Royal Society of Chemistry, Kingston, UK
- Chartered Chemist

Seminar on Director Roles and Responsibilities

- Certificate in Directors Accreditation Program (DAP)
Class 74/2008, Thai Institute of Directors Association (IOD)

Main experience

- Director and Chairman, Solvay Peroxythai Limited
- Director and Chairman, MTP HP JV (Thailand) Limited
- General Manager RBU Essential Chemicals Asia/Pacific, Solvay S.A., Belgium
- Director and Chairman, Shandong Huatai Interlox Chemicals Ltd. in China
- Director and Vice Chairman, Tianjin Bohua Yongli Alkali (Soda Ash) Co., Ltd.
- Managing Director, Solvay Chemicals (Shanghai) Ltd.
- Director and Chairman, Solvay Interlox Australia Pty Ltd.
- Director, Advanced Biochemical (Thailand) Co., Ltd.



DR. SANTISUK SANGUANRUANG

Independent Director and Chairman of Audit Committee*

**resigned from Chairman of Audit Committee in November 2011 and passed away on 26 December 2011*

Education

- Ph.D., M.S., Agricultural and Resource Economics, Oregon State University, USA
- Master in Administration (MBA), Louisiana State University, USA
- Bachelor in Arts (B.A.) (Accounting), (Second Class Honor), Chulalongkorn University

Seminar on Director Roles and Responsibilities

- Certificate in Directors Certification Program (DCP) Class 29/2003,
Thai Institute of Directors Association (IOD)
- Certificate in Audit Committee Program (ACP) Class 23/2008,
Thai Institute of Directors Association (IOD)

Main experience

- Director, Pimai Salt Company Limited
- Vice President, Finance and Administration, Vinythai Public Company Limited
- Finance and Accounting Department Manager, Thai Olefins Co., Ltd.



MR. PIOP PRUECKSAMARS

Independent Director and Chairman of Audit Committee*

**appointed as Chairman of Audit Committee in November 2011*

Education

- Bachelor's Degree, Industrial Engineering, Chulalongkorn University
- Graduate Diploma, Environmental Technology and Management,
Asian Institute of Technology
- Certificate, Program for Management Development, Harvard University

Seminar on Director Roles and Responsibilities

- Certificate in Audit Committee Program (ACP) Class 23/2008,
Thai Institute of Directors Association (IOD)
- Certificate in Directors Certification Program (DCP) Class 124/2009,
Thai Institute of Directors Association (IOD)

Main experience

- Advisor, Petroleum Institute of Thailand
- Executive Director, Petroleum Institute of Thailand
- Director and Public Affairs Manager, Esso (Thailand) Public Company Limited
- Chairman and Managing Director, Exxon Mobil Chemical (Thailand) Company Limited
- Managing Director, Thai Petroleum Pipeline Company Limited



DR. DHANES CHAROENSUPAYA

Director

Education

- Ph.D. (Mechanical Engineering), Illinois Institute of Technology, USA
- M.S. (Mechanical Engineering), Texas A&M University, USA
- B.E. (Mechanical Engineering), Chulalongkorn University
- Advanced Management Program, Harvard Business School

Seminar on Director Roles and Responsibilities

- Certificate in Directors Certification Program (DCP) Class 97/2007, Thai Institute of Directors Association (IOD)

Main experience

- Executive Vice President, Growth, Sustainability and Innovation, PTT Global Chemical Public Company Limited*
- Director, Thai Tank Terminal Co., Ltd.
- Director, PTT Phenol Company Limited
- Director, Myriant Corporation Inc.
- Chairman, Bio Creation Company Limited
- Chairman, Advance Biochemical (Thailand) Co., Ltd.
- Executive Vice President, Marketing Commercial and Supply Chain Governance, PTT Chemical Public Company Limited
- Senior Vice President, TOC Glycol Co., Ltd.
- EO/EG Project Director, PTT Chemical Public Company Limited

* On 20 October 2011, PTT Chemical Public Company Limited and PTT Aromatics and Refining Public Company Limited had process to business combination and rename to PTT Global Chemical Public Company Limited



MR. VINCENZO MORICI

Director

Education

- Degree in Mechanical Engineering – Ecole Politecnico Torino, Italy
- General Management Program – Imede, Lausanne
- Leadership Program – Insead and Chirec, France

Main experience

- Senior Executive Vice President, SBU Vinyls, Solvay S.A.
- Senior Executive Vice President, SBU Specialty Polymers, Solvay S.A.



MR. Andre R. van der Heyden

Independent Director

Education

- Master in Metallurgical Engineer, Universite Catholique de Louvain

Main experience

- Managing Director, Padaeng Industry Public Company Limited
- Co-owner/Executive Director, Mali Mining & Metallurgy Pte. Ltd., Singapore
- Project Director, Tenango Mining Co., Guatemala
- Senior Vice President, UM Zinc/Umicore, Belgium
- General Manager, UM Zinc/Umicore, Belgium

Steering Committee



MR. GUENTHER WILHELM NADOLNY

Director, Executive Committee and Managing Director*

**resigned from the positions in Vinythai in May 2011*

Education

- Diploma Ing. Chemical Engineer (Process), University Grade Karlsruhe, Germany

Seminar on Director Roles and Responsibilities

- Certificate in Directors Certification Program (DCP) Class 78/2006, Thai Institute of Directors Association (IOD)

Main experience

- Director and Managing Director, Advanced Biochemical (Thailand) Co., Ltd.
- Director, Pimai Salt Company Limited
- Director, Thai Refined Salt Company Limited
- Director, member of the Board, Solvay GmbH, Germany
- Factory Manager, Solvay Barium Strontium GmbH, Germany



MR. BRUNO VAN DER WIELEN

Director, Executive Committee, and Managing Director*

**appointed as Director, Executive Committee, and Managing Director, with effect in May 2011*

Education

- Master in Mechanical Engineering, Liege University, Belgium
- Master in Business Administration, Louvain University, Belgium
- Bachelor in Mechanical Engineering, Liege University, Belgium
- PED Program – IMD Lausanne, Switzerland

Seminar on Director Roles and Responsibilities

- Certificate in Directors Certification Program (DCP) Class 145/2011, Thai Institute of Directors Association (IOD)

Main experience

- | | |
|---|--|
| • Director, Pimai Salt Company Limited | • S-PVC Business Manager, SolVin, Belgium |
| • Director, Thai Refined Salt Company Limited | • PVDC Business Manager, SolVin, Belgium |
| • Director and Managing Director, Advanced Biochemical (Thailand) Company Limited | • PVDC Business Manager, Solvay S.A., Belgium |
| • Deputy Managing Director, Vinythai Public Company Limited | • Engineering Compounds Business Manager, Solvay S.A., Belgium |



MR. MARC E.J.G. JACQMIN

Vice President Manufacturing - Plant Manager

Education

- Master's Degree in General Management, Post University Belgian Institute, Belgium
- Bachelor's Degree in Civil Engineering, University of the State of Liege, Belgium

Main experience

- VCM Production Manager, Solvay S.A.
- DCE Service Manager, Solvay S.A.
- H2O2 Production Unit Manager, Solvay S.A.



MR. SOMSAK LEUPATHANASUK

Vice President Marketing and Sales

Education

- M.B.A., Chulalongkorn University
- B.Sc. (Chem), Mahidol University
- Dip. Anal. Chem, Chulalongkorn University

Main experience

- Assistant Vice President Marketing & Sales, Vinythai Public Company Limited
- PVC Sales Department Manager, Vinythai Public Company Limited
- Marketing Director, Siam Occidental Electrochemical Co., Ltd.



MR. SOMPOT CHEERANORAWANICH

Vice President Corporate Affairs and Communications - Company Secretary

Education

- B.Sc. (Public Health), Mahidol University

Seminar on Director Roles and Responsibilities

- Certificate of Company Secretary Program Class 2/2002, Thai Institute of Directors Association (IOD)

Main experience

- Assistant Vice President Corporate Affairs and Communications, Vinythai Public Company Limited
- Vice Chairman, Asia Pacific Vinyls Network (APVN)
- Vice Chairman, Plastic Industry Club, The Federation of Thai Industries (FTI)
- Director, Petrochemical Industry Club, The Federation of Thai Industries (FTI)
- Director, Chemical Industry Club, The Federation of Thai Industries (FTI)
- Director, PTIT Standing Committee on Refining and Petrochemical Industry, Petroleum Institute of Thailand (PTIT)
- Vice Chairman, Hazardous Substance and Logistics Association (HASLA)
- Vice Chairman, Marine Science and Conservative Foundation (Vinythai Coral Foundation)
- Occupational Health Safety and Environment Management Representative - Occupational Health Safety and Environment Department Manager, Vinythai Public Company Limited



MRS. VARAIPORN PIPHITPATTANAPRAP

Vice President Finance and Accounting*

**resigned from the company on 31 December 2011*

Education

- Master in Science (Accounting), Thammasat University
- Bachelor in Accounting (Hons), Thammasat University

Seminar on Director Roles and Responsibilities

- Certificate of the Completion Directors Certification Program (DCP) Class 110/2008, Thai Institute of Directors (IOD) and Australian Institute of Company Directors
- Certificate of Completion Chief Financial Officer Certification Program (CFO) Class 3/2005, The Institute of Certificated Accountants and Auditors of Thailand

Main experience

- Director, Pimai Salt Co., Ltd.
- Assistance Vice President Finance and Accounting, Vinythai Public Company Limited
- Accounting Department Manager, Vinythai Public Company Limited



MRS. JAMJUREE SIROVETNUKUL

Vice President Finance and Accounting*

**appointed in November 2011*

Education

- Master's Degree (Finance), East Texas State University, Texas, USA
- Bachelor's Degree (Finance), Thammasat University
- Bachelor's Degree (Accounting), Sukhothai Thammathirat Open University

Main experience

- Director, Pimai Salt Co., Ltd.
- Chief Finance Officer/3S Asia Hub Shared Service Head, Solvay Asia Pacific Co., Ltd.
- Chief Finance Officer/Head of Shared Service (Thailand), Solvay (Thailand) Co., Ltd.
- Finance and Accounting Director, Lockton Insurance Brokers (Thailand) Co., Ltd.

Management Team



Mr. Thananchai Luksamanapha

Senior Chloro Vinyls
Department Manager



Mr. Apichat Kijareonvisal

Senior ECH Department Manager



Mr. Boonchana Mangkonkarn

Senior Supply Chain
Department Manager



Dr. Supachat Chairatanathavorn

Internal Audit Department Manager



Mr. Naruedom Lacharojana

PVC Department Manager



Mrs. Samerchai Timdit

Quality Control and Customer
Development Department Manager



Ms. Premruthai Chaiyakul

Business Intelligence
Department Manager



Mr. Suchat Penglee

Logistics Department Manager



Mr. Kitti Chaloeambanphachon

EDP Department Manager



Mrs. Sudarut Worasuwat

PVC Sales Department Manager



Mr. Niran Areechon

Quality, Health, Safety and
Environment Department Manager



Mr. Sirichai Termvanich

Maintenance and Engineering
Department Manager



Mr. Somchai Jaratpatanawong

Customer Technical Service
Department Manager



Mr. Komkrit Supagovit

Finance Department Manager



Ms. Somluck Tanpisute

Personnel and Administration
Department Manager



Mr. Wanchai Juntasing

Procurement Department Manager



Mr. Ktarvut Pravatsilpa


Accounting Department Manager

Supplement

Green Innovation

With our environmentally-friendly production process,
our business policy primarily concerns environment,
community and society as a whole.





24 hrs. PVC

It is undeniable that nowadays, humans are attached to PVC for the entire 24 hours, from when opening their eyes in the morning till closing their eyes while lying in bed at night. Many things around us, whether it be consumables, clothes or daily commodities, are mostly made from PVC. Because of PVC's unique characteristics that can be molded and designed to be soft, flexible, opaque or translucent as required, it is used to make various products. Since it is also light, durable, rust-free, fire-resistant and can bear acid and general chemicals, PVC has now gained continuous popularity.

Besides the very useful attributes, PVC products also help humans to be less dependable on natural resources. Upon expiry, they can be safely disposed of by means of garbage disposal, such as burning in the incinerator to change form to energy and burying, as well as being recycled to conserve the world's energy, another way to look after the environment.

PVC is all around

Due to its attributes, combined with the rising popularity in using PVC, nowadays PVC is attached to humans throughout 24 hours through the four requisites of living, which are:

Commodity goods

PVC is a material of which safety is certified for human use and the environment. Therefore, it is used in various ways, including being a raw material for different kinds of packaging, such as vegetable oil bottle, water bottle, soft-drink bottle, food container, food-wrapping films, stationery, office equipment, hardware, mobile phone cover and water pipe. These products are all important in providing more convenience for daily lives.

Clothes

Because humans need to have clothes to cover and protect their body from damages and jostling, PVC has become a raw material for producing various kinds of clothes. This is owing to its strong and durable characteristics suitable for producing PVC leather, which is the main component of bags and various styles of shoes. Besides, during the time when Thailand was affected by the flood crisis in 2011, PVC is also the main raw material for making waterproof clothes, such as apron, boots and pants, which are very durable and good waterproof.



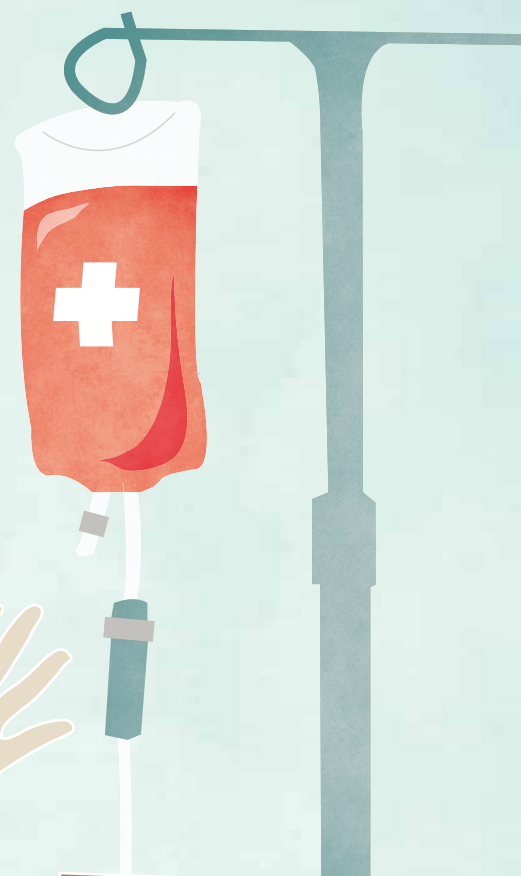
Accommodation

PVC is also suitable for making building construction materials and tools for building today's residences, through various types of equipment and materials, such as door frame, gutter, rubber tile, joints for sanitary ware and bathroom curtain. In addition, because of its durability, PVC is also suitable for making exterior decorative housing materials, which can well replace woodwork both inside and outside of the house. It is rustproof despite the change of climate, as well as lightweight appropriate for moving.



Drugs

PVC is also the main component used in making medical equipment, due to its attributes that do not harm the users and do not cause chemical reaction, while allowing liquid and gas to flow through. It is suitable for use as the main raw material in making hygienic products, such as amniotic fluid sucker for newborns, oxygen mask, medicine and medical equipment bags.



The Birth of PVC

According to the history, PVC was first discovered in 1838 by Henri Victor Regnault, a French physicist and chemist. Then it was discovered for the second time in 1872 by Eugen Baumann, a German national, even though on both occasions it was not developed for commercial use.

Until some times later in 1931, PVC was literally produced in Germany and was heralded as a brand new type of plastic that was durable and light. It was indeed a groundbreaking discovery as PVC has been widely used ever since as a replacement for natural materials such as steel, glass, natural fiber and wood.

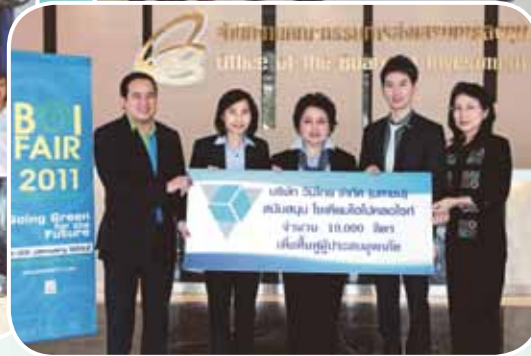
During World War II, the world was seriously lacking natural rubber which was the major raw material for insulator. Therefore, with its insulation property that can prevent conductor from heat or liquid, water resistant and highly resistant properties, PVC has been continuously used as raw material for insulator production in replacement of rubber.

Since 1960, PVC has been used in textile industry and work that required high elasticity. During that period, PVC was developed to have strong durability. Therefore, it was then applied to construction and building industry that needs strong and lightweight material with high resistant to chemical corrosion. PVC is definitely the best option for construction work. Furthermore, it has been constantly developed to have strong heat resistant.

However, with its competitive price and high durability, PVC nowadays is the third largest market after polyethylene and polypropylene and has been widely used in numerous industries such as medical, information technology, textile and construction.



Vinythai Pays Attention to the Society, Caring for Flood Affected People



The flood crisis in mid 2011 was one of the worst floods ever happened in the past 10 years. Not only was no one prepared to face the incident in a timely manner, the crisis also caused Thai people to shoulder the hardship that followed, such as the lack of food, accommodation, drugs and clothes, all of which are the basic necessities for living.

After the floods had fully covered many provinces, scenes of troubles were gradually seen through various media channels. Many households had to leave their homes and move upcountry, while others chose to live in the same house and relied on the roofs as temporary shelter. Certain parts of the house, both internal and

external, were under the water for months, resulting in ceilings, floors and walls were eroded and damages were too much to estimate. Remainings from the water that came and dried up were rubbish, sewage, diseases and bacteria that were difficult to clean.

On the other hand, such a crisis was also a good opportunity that makes us see the kindness among Thai people, who readily lent their helping hand to the best of their ability. Thoughtfulness from kind-hearted people from every region rolled in to help in many ways; public and private organizations, along with the local communities joined in to pack and distribute relief packages, as well as provide necessities





Sodium Hypochlorite has 10% intensity level suitable for killing germs in the community areas, temporary flood-aid centers prior to returning the space, fresh markets after floods, or garbage storage. It can also be used to make condensed stain-wiping liquid (bathroom cleanser), the same formula as sold generally in the market with the ratio of Sodium Hypochlorite to water 1:4. It can be mixed into liquid spray to kill fungus, virus and other types of germs by mixing one teaspoon of Sodium Hypochlorite (5 ml.) with five liters of water, stirring and putting it in a light brown spray bottle for use in various areas. Users should initially protect themselves by wearing a hygienic mask, eyeglasses without ventilating holes, thick gloves and hard rubber boots. Most importantly, caution must be taken not to allow the chemical to touch the eyes, mouth, nose or skin.

and consumables to relieve the pain and encouraged happiness in such a difficult time. Everyone prayed that they would get through the situation quickly and safely.

While various organizations have rendered help to flood-affected people, Vinythai Public Company Limited is another private organization with a policy that gives importance to helping the society, community and environment. The Company has well realized about the burdens caused by the immediate flood incident, and is ready to provide support in full steam, especially on health issues of those residing in the long flooded areas which are the sources of germs, such as fungus and bacteria. These areas need special care for cleaning.

Vinythai Public Company Limited has spotted the problem, and therefore offered over 70,000 liters of Sodium Hypochlorite to the universities and public and private sectors that were affected by the flood to be mixed and made into over 280,000 liters of condensed cleanser, replacing antiseptics. The purpose was to restore the society, community and environment into existence amidst clean, safe and complete natures, and to return good health to the community.

Besides, staff and their family were given the opportunity to take part in helping the society by jointly cleaning up important institutes affected by the flood, such as Thammasat University, Mahidol University and, Phutthamonthon to create a sustainably happy and healthy community together.



PVC Telescope to Celebrate His Majesty the King's 84th Birthday



With its wide range of practical use, PVC nowadays is extremely popular in various industries, as well as in our daily lives. Aside from that, PVC is also useful in the study of the universe.

There is no doubt that the practical use of PVC has extended to the field of education. Vinythai Plc. in collaboration with National Science and Technology Development Agency (NSTDA) has organized a project called "PVC Telescope to Celebrate His Majesty the King's 84th Birthday". By setting up an engineering camp, it will foster engineering concept and provide knowledge about the universe and how to invent telescope to students and Thai youths in particular.

The duration of this PVC telescope project is three years (2011-2013) with strong financial support from Vinythai Plc. The Company will provide five million baht budget for setting up engineering camp and procuring equipments. Eight engineering camps will be set up nationwide with participation of high school students and training teachers from 84 schools across the nation, together with officers from 15 science centers for education all over the





country. In 2011, two engineering camps were set up to accommodate 300 students and training teachers from schools and science centers in the eastern and southern part of Thailand. By the end of the project, it is expected that the number of participants will be around 1,000.

When the projects finishes, the 200 mm telescope invented by students will be donated to participating schools, one telescope for each school. And the 300 mm telescope invented by guest lecturers and training teachers will be donated to 15 participating science centers, one telescope for each center.

As for students participating in this project, aside from learning how to invent a telescope, they will gain deeper understanding about astronomy and universe in general. Therefore, they will be able to share this knowledge and learning experience with their classmates and community.





Management Report



Green Management

A management system, as well as future industrial trend and aspect, that focuses on and places importance to the production and creation of environmentally-friendly products.



PVC Market 2011

PVC consumption in Asia continued to grow healthily in 2011, though at a slower rate than in 2010. The continued growth was driven by strong GDP growth in Asia and government stimulation packages in several countries. The tsunami in Japan prompted sudden import demand for PVC there but the country's reconstruction has been slow. Demand in Indonesia grew substantially, boosted by various government projects. Nevertheless, several Asian countries faced high inflation rates in 2011, prompting them to adjust monetary policy to curtail the momentum. In China, the government has announced monetary policy measures to cool the property sector and curb high inflation, including repeatedly raising bank reserve requirements and interest rates. Chinese inflation hit a three-year high at 6.5% in July 2011 and declined to the slowest pace in the last 20 months at 3.2% in February 2012.

The impact of these measures on small and

medium enterprises in China, including PVC converters, in terms of scarcity of funding and higher borrowing costs, was considerable. The aforementioned conditions combined with uncertainty in the global economy, high unemployment in the US, and the EU debt crisis resulted in a decline in Asian PVC demand growth, especially in the second half of the year. In Thailand, widespread floods late in the year exacerbated the declining PVC demand in the fourth quarter.

Neither the property sector nor PVC demand had fully recovered in the US by year end. Nevertheless, as US PVC producers are competitive, thanks largely to low-cost shale gas inputs, they were able to increase exports, including to Asia and especially to China and India. Prices of PVC from the US are usually lower than output from Asian countries due to their longer delivery time.

Average PVC prices in Asia rose by 10% in 2011, to 1,060 USD/ton. Prices rose throughout the first half



of the year, driven by rising ethylene prices and supply constraints in the region. The tsunami in March damaged several PVC & Chlor-alkali plants in Japan in addition to a major port. Compounded by VCM plant outages in Malaysia and Indonesia, supply became extremely tight, resulting in a surge in prices of PVC, VCM and Caustic Soda in the second quarter. By contrast, PVC prices steadily declined in the second half of the year affected by the worsening of the economic environment in the Western hemisphere and softening in ASIAN PVC markets.

Average ethylene prices in Asia rose by 10% to 1,190 USD/ton, due mainly to increased crude oil and naphtha prices.

In line with PVC prices, average VCM prices in 2011 rose by 9% to 920 USD/ton. However, spreads between PVC and VCM significantly narrowed in the last quarter of the year. An explosion at a VCM unit of a major

supplier there caused a total shutdown of the company's 1.2 million tons VCM capacity for several months from November onwards.

On the other hand, average EDC prices declined by 7% to 456 USD/ton in 2011, due to large influxes of supply to Asia from the US, Brazil and Europe amid weak demand in those markets. Globally high Caustic Soda prices encouraged Chlor-Alkali producers to operate plants at high rates. Chlorine, a co-product of Caustic Soda, was used to produce EDC, resulting in EDC surplus in the mentioned markets and increased exports to Asia

Caustic Soda prices rose by a significant 64% in 2011, with average prices at 440 USD/ton. Asian demand for Caustic Soda increased substantially and supply conditions tightened, not least as a result of Japan's upsets. Sharp increases in Caustic Soda prices supported healthy margins for fully integrated vinyl producers like Vinythai.



PVC Market Trends in 2012

The International Monetary Fund (IMF) estimated on 24 January 2012 that global GDP expanded by 3.8% in 2011 and projected a figure of 3.3% for 2012, revised down from its September 2011 forecast of 4.0% for both 2011 and 2012. The lower growth rates reflect fragility in several economies, particularly in the euro zone. In Developing Asia, growth is expected to slow from 7.9% in 2011 to 7.3% in 2012. The IMF has recommended that emerging and developing economies adopt a near-term policy to react to the weaker domestic growth and the slowing external demand from advanced economies.

PVC demand in Asia is forecast to grow at a slower rate in 2012 while the inflationary pressures of 2011 are expected to ease, as already evidenced by slowing rates in several countries around the region. It is further expected that the prevailing tight monetary policies will be eased and government measures to stimulate economies in response to the generally fragile global picture will

be implemented. China's policy to increase 10 million affordable homes for low-income families, coupled with Japan and Thailand's reconstruction efforts following the tsunami and floods respectively, should support stronger PVC demand.

In 2012, Vinythai will further enhance its competitiveness with the benefits from its fully integrated vinyl production, as well as the development of Advanced Biochemical (Thailand) Co., Ltd. (ABT), its new subsidiary based on the Epichlorohydrin business. In the first quarter of 2012, ABT will start production on its brand new plant that is the first unit to use the Epicerol® process recently developed by Solvay, one of the main shareholders of Vinythai. Epicerol® is based on the transformation of glycerin, a renewable by-product of biodiesel and oleochemicals production using palm oil and other vegetable oils.

Risk Issues and Mitigation

Risk Management

Vinythai is well aware that doing business in the fast-changing globalization era demands not only good corporate governance but also efficient risk management. Hence, the Company actively develops risk management processes covering all identified risks that pertain to its business, with each process closely linked to corporate strategy and opportunities for growth.

The Company has established Risk Management Systems which are steered by Risk Management Committee (RMC), comprising the Managing Director, Plant Manager, Vice President Marketing & Sales for PVC and Caustic Soda business, Vice President – ECH Business Manager, Vice President Finance & Accounting, Vice President Corporate Affairs & Communications, Senior Chloro Vinyls Department Manager, Senior ECH Department Manager, Senior Department Manager – Supply Chain, and Personnel & Administration Department Manager. RMC has defined a risk management policy and framework aligned with the Company's Mission and Vision. All RMC members are responsible for management and mitigation of the risks that could potentially affect achievement of the Company's strategic goals.

Like all petrochemical industrial enterprises, the Company faces a variety of risks which may be broadly classified into four types: industrial risks, financial risks, operational risks, and a project risk.





Risk Issues and Mitigation

1. Industrial Risks

1.1 Fluctuation of product and raw material prices in international markets

- **Finished goods**

Prices of PVC resin in international markets can fluctuate considerably. As such, Vinythai's revenues from both exports and domestic sales may rise or fall sharply, often due to circumstances beyond its control.

- **Raw materials**

Vinythai is vulnerable to international fluctuations in the price of Ethylene, which is one of its most important inputs, alongside salt and electricity. Ethylene accounted for around 50% of the Company's total production costs in 2011.

Mitigation:

Vinythai's fully-integrated production process helps to some extent to shield the Company from Ethylene volatility. To further improve the Ethylene cost factor, the Company negotiates with suppliers to ensure effective pricing management that best reflects the Asian market situation.

1.2 Reliance on a limited number of suppliers

Vinythai's integrated PVC production process requires ethylene, electricity and salt as its principal raw materials. The Company has entered into agreements with individual suppliers accordingly. In the cases of ethylene and salt, the number of suppliers is particularly

limited. As such, Vinythai faces the risk of a key raw material shortage should any of its suppliers suddenly be unable to fulfill their commitment.

Mitigation:

The Company has entered into long-term contracts with each of its suppliers to ensure that it is able to continuously secure supplies. It is also able to negotiate extensions to these agreements as they expire. In the event of short-term supply problems, the Company will source ethylene from other suppliers, whether local or overseas. In the case of salt, the Company could import Ethylene Dichloride (EDC) as a substitute raw material for production.

1.3 Reliance on a single business sector

In 2011, over 41% of all PVC resin demand in Thailand came from the pipe and fitting sector, with consumption being closely aligned with the construction industry and government-initiated public infrastructure projects.

Mitigation:

Vinythai has adopted a policy of diversification that focuses on expanding into different sectors, such as rigid profiles, films and sheets, wires & cables, and artificial leather. The Company also endeavors to penetrate new export markets and diversify within existing export markets.

Additionally, the Company has diversified into Epichlorohydrin production using "green technology", thereby reducing its sole reliance on and sensitivity to the PVC market. Epichlorohydrin is an essential feedstock for

production of epoxy resins and is increasingly used in such applications as corrosion protection coatings as well as the electronics, automotive, aerospace, and windmill power-generating industries.

2. Financial Risks

2.1 Repayment risk

At the beginning of 2010, the Company entered into a THB 4,500 million Long-Term Loan Agreement with local banks, to finance its subsidiary, Advanced Biochemical (Thailand) Company Limited's new Epichlorohydrin production project, expected to begin commercial operation in the first quarter of 2012. As at end-2011, THB 1,400 million of that amounts had been drawn down.

The term of the Long-Term Loan is 10 years with a grace period of three years. The repayment schedule identifies fourteen equal, semi-annual installments,

commencing June 2013, with the final installment due December 2019. The Company is obligated to pay interest on its borrowings under the loan on a quarterly basis. The Company is also obligated to maintain certain financial ratios with respect to the loan.

Mitigation:

The Company closely monitors its projects as well as the performance of Advanced Biochemical (Thailand) Company Limited. Moreover, the Company adopts a conservative treasury policy and liquidity management while targeting its debt-to-equity ratio at a reasonable, low level. Once the Epichlorohydrin project begins commercial operation in early 2012, this will further strengthen the Company's financial performance. As such, the Company is entirely confident that it is unlikely to encounter any debt repayment or liquidity inadequacy problems.

2.2 Foreign exchange rate risk

Revenues of the Company and its subsidiary are exposed to exchange rate volatility on their revenues from both domestic and export sales which are all priced in US dollars while they are also exposed to associated risk on their payments because their main feedstock are priced in US dollars. In addition, the Company's raw materials, machinery and equipment maintenance, and new investments of both the Company and its subsidiary, are denominated in foreign currencies, notably US dollars and Euro.



Mitigation:

The Company closely monitors foreign exchange rate movements as part of its day-to-day operations. The Company both manages its foreign exchange rate risk exposure with a natural hedge and carefully applies available financial hedging tools, including forward contracts and others as necessary, so as to minimize its foreign exchange rate risk exposure at any given time.

2.3 Interest rate risk

In view of current uncertainty surrounding economic conditions and financial market liquidity, the interest terms on the THB 4,500 million Long-Term Loan signed in 2010, specify a floating rate. As such, the Company is exposed to risk relating to the possibility of a high degree of applicable interest rate volatility.

Mitigation:

The Company continuously closely monitors movements in interest rates on deposit accounts with financial institutions and on its Long Term Loan, as they respond to financial market expectations and rate adjustments. According to conditions at any given time, the Company may, as it deems necessary, enter into financial hedging agreements in order to manage such associated risk.

3. Operation Risks

3.1 Plant operation risk

Certain unexpected occurrences, both internal and external, could potentially disrupt the Company's plant operations. Accidents, insufficient or undeliverable utilities, machinery failures and operational failures of feedstock supply as well as customer-related occurrences of similar events, can lead to interruption of production, with significant potential impact on the Company's financial performance.

Mitigation:

The Company has developed exercises designed to avert business emergencies and accidents, or at least minimize their impacts and losses, while also safeguarding personnel and the environment. The Company has also established preventive and predictive maintenance procedures to minimize machinery risks, including drawing up specific machinery maintenance procedures

and manuals designed to minimize errors, accidents and disruptions. Moreover, the Company has an insurance policy to compensate for and minimize financial losses from such occurrences.

3.2 Plant operation risk due to new product line (Epichlorohydrin)

The new Epichlorohydrin production line that is planned to start up by early 2012, uses a new and green technology that has been developed recently. This may create a risk for the Company.

Mitigation:

The Company is well aware of the risk, its preventive measure is to select qualified personnel for production operation and to provide them exhaustive trainings by the experts for few months abroad, in order to ensure that those personnel are able to operate the new technology properly. Additionally, the Company also asks support from the experienced team from the Company's shareholder and license supplier to assist in the start-up period.

4. Project Risk

Project delay risk

The Company has invested in a new Epichlorohydrin plant and expansions of its Hydrogen Chloride and Caustic Soda capacities, all located at its existing plant. The Epichlorohydrin project has a capacity of 100,000 tons/year and all three projects are scheduled to come on stream in H1, 2012.

Mitigation:

The Company awarded the overall expansion project to a well-established engineering firm in Thailand. The contract includes incentives for the contractor to meet set task completion dates.

Moreover, the project is overseen by an experienced team backed by technical support from the Company's shareholders.

Completion of the projects will be followed by a smooth, progressive takeover of the modified parts of the plant, thereby avoiding any significant disruptions in supply to the Company's customers. A contingency plan has been developed for maintaining normal operations throughout the start-up of each new unit.



Company Performance



Result of Green Management

A production process that gives supreme importance to the sustainable development, coupled with environmental preservation and responsibility, is the major business policy of Vinythai Plc.



In the very tough Asian competitive environment, the Company's plant operations continue to be focused on three improvement axes: reactivity, competitiveness and reliability. The "First Priorities for the Plant" program began implementation in 2009, with the objective of orienting all actions to support the improvement axis. One of the main projects in this program is Manufacturing Excellence which has three pillars of action:

- Reduce energy consumption by deploying energy saving methodologies.
- Deploy "lean maintenance".
- Boost overall equipment effectiveness.

The program is being continuously developed over its first five years until 2013 with a view to achieving total savings of 555 MTHB. Thanks to the good cooperation of Vinythai personnel, at the end of 2011, savings of 400 MTHB had been achieved which was ahead of target. The success was also indicative of the fact that the plant achieved an excellent level of profitability. In addition, a program to save energy and reduce CO₂ output was successfully put in place.

These efforts combined earned the Company a Carbon Footprint Label from the Thailand Greenhouse Gas

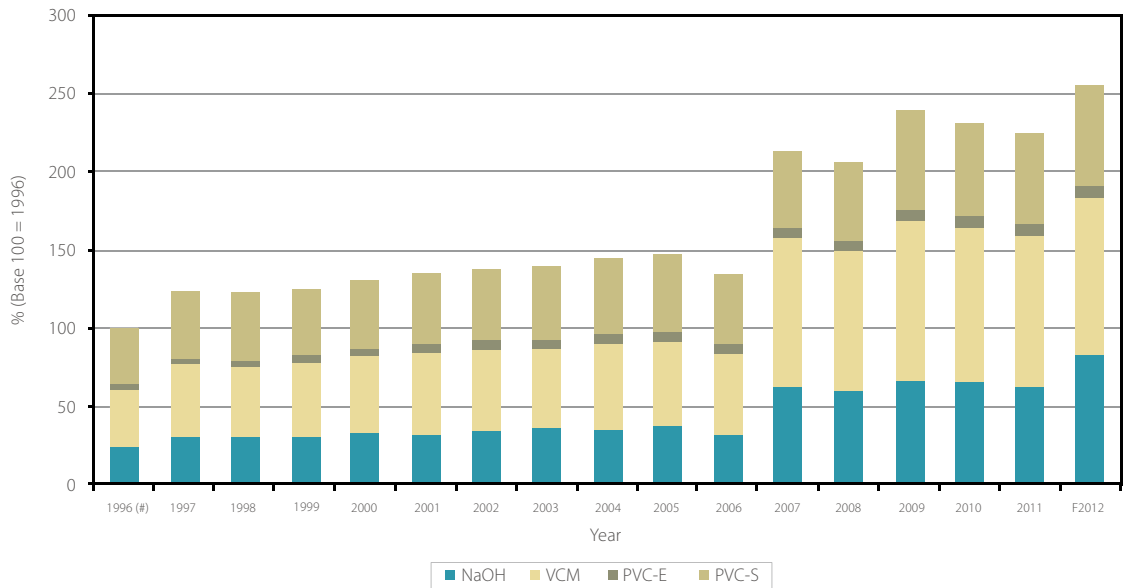
Management Organization, awarded on 22 September 2011, and Green Industry Award Level 3 classification from the Ministry of Industry in November 2011. Further national recognition came in 2010 in the form of a Carbon Reduction Label for all three of the Company's products (PVC, Emulsion PVC, Caustic Soda) from the Director of Thailand Greenhouse Gas Management Organization. All this evidences the Company's determination to be an active player in greenhouse gas emissions reduction and in fighting global warming.

The Carbon Reduction Label



Annual production of NaOH, VCM and PVC was maintained at a high level, though slightly lower than in the two previous years.

PRODUCTION PERFORMANCE (Base 100 = 1996)



A planned maintenance shutdown was successfully executed in Q1 2011. However, there was a slight delay to complete resumption of electrolysis due to a technical problem.

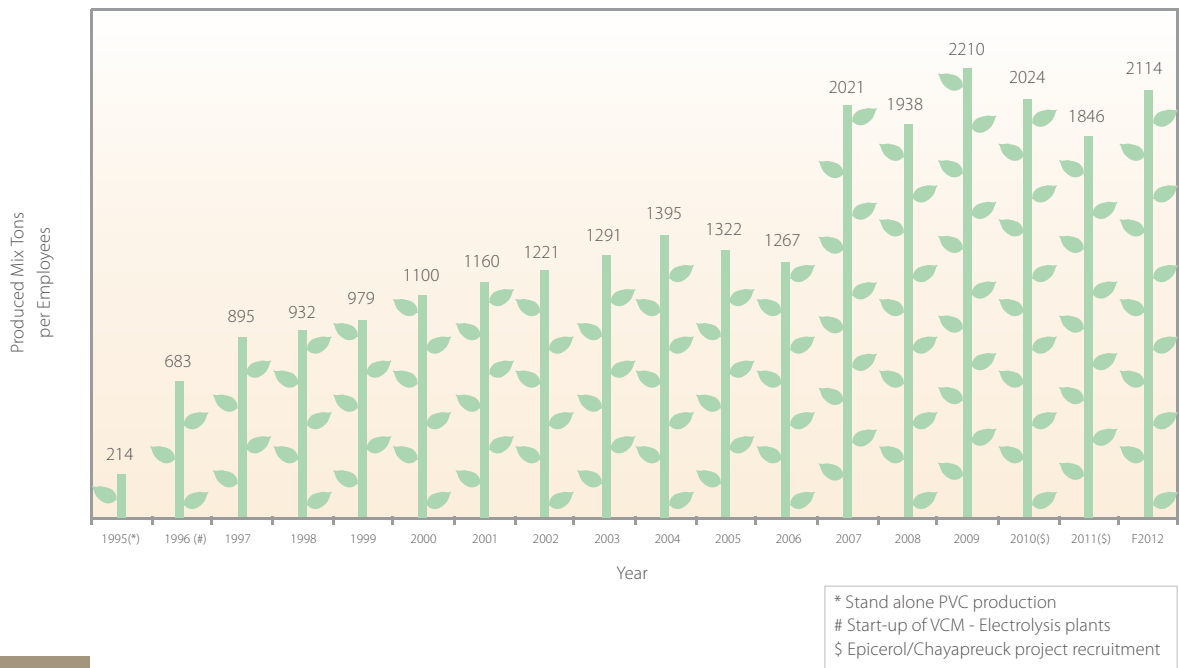
Demand for the Company’s products was slack in October and November 2011 due to the impact on customers of widespread floods in Thailand. It was necessary during this time to reduce plant load in order to avoid excessively high inventories. Thanks to the good cooperation and flexibility of personnel, the situation

was well managed and the Company’s profitability was protected.

Nor did these setbacks prevent the Company from achieving new monthly production records for electrolysis and PVC suspension and a new annual production record for emulsion.

The number of personnel employed by the Company increased during the year, from 432 to 464. The increase mainly reflected the need to recruit and train more personnel to staff the new Epichlorohydrin

VINYTHAI PRODUCTIVITY EVOLUTION



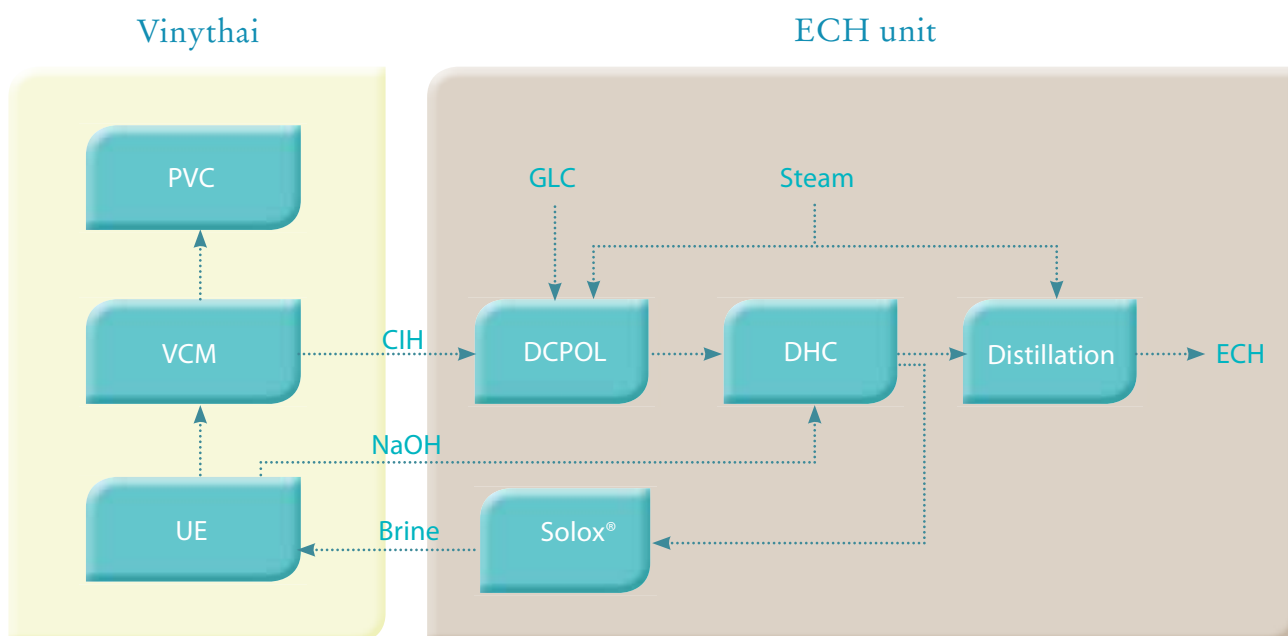
plant and Chlorine/Caustic Soda production expansions.

In September 2009, the Company announced its decision to acquire a 100% shareholding in Solvay Biochemical Thailand (SBT), subsequently renamed Advanced Biochemical (Thailand) Company Limited (ABT), the vehicle tasked with building a world-class Epichlorohydrin plant utilizing Solvay's new Epicerol® process. The project progressed according to schedule and within budget at the end of the final quarter of 2011. With an annual production capacity of 100,000 metric tons, the new plant will immediately launch ABT as an important producer of Epichlorohydrin which is seeing

rapid demand growth around the Asia-Pacific region.

Epicerol® is an innovative process developed by Solvay based on the transformation of glycerin, a renewable by-product of biodiesel production, using palm oil and other vegetable oils. The technology is noted for being environmentally sustainable, giving the product an added competitive advantage that should enable the Company to rapidly become a key player in the Asia-Pacific region Epichlorohydrin business.

The Epicerol® project diversifies the Company's product portfolio while maintaining its core competency focus on chlorine chemistry.



Good integration between fabrication (ClH, Caustic, Brine) with ECH

Meanwhile, May 2012 will see production from the Chlorine/Caustic Soda expansion projects start up, adding another 100,000 tons to the Company's Caustic Soda capacity. A large amount of the output from the expansion will be taken up by the new Epichlorohydrin plant.

Consistent with its strong commitment to responsible care and social sustainability, the Company further strengthened its quality, occupational health and safety management systems in 2011. Indicative of the

success of these efforts, Vinythai passed its surveillance audit for Quality System (ISO 9001:2008), and certification audits for Occupational Health and Safety Management System (OHSAS 18001:2007) and Environmental Management System (ISO 14001:2004), as independently assessed by Bureau Veritas Quality International (BVQI).

The principle of permanent improvement remains deeply imbedded in the Company, guaranteeing that all personnel are thoroughly prepared for the challenges to come in 2012 and beyond.



PVC Resin

In 2011, by the continued economic uncertainties of the developed countries in Europe and America by the high inflation and tight monetary policy in China and by the impact of tsunami in Japan in March, the global GDP grew at a lower pace, at around 3%. Consequently, the PVC demand in Asia didn't grow as much as in 2010.

In Thailand, the GDP grew significantly during the first three quarters of the year, but dramatically shrunk during the last quarter, affected by the severe flooding in Bangkok and in the nearby provinces. At the end, the GDP grew on average by 1.7% through the year.

Our capacity had been less utilized in 2011 with an annual shutdown for maintenance in February and a periodic slowdown in October and November due to flooding in Thailand.

The Company recorded S-PVC sales amounting

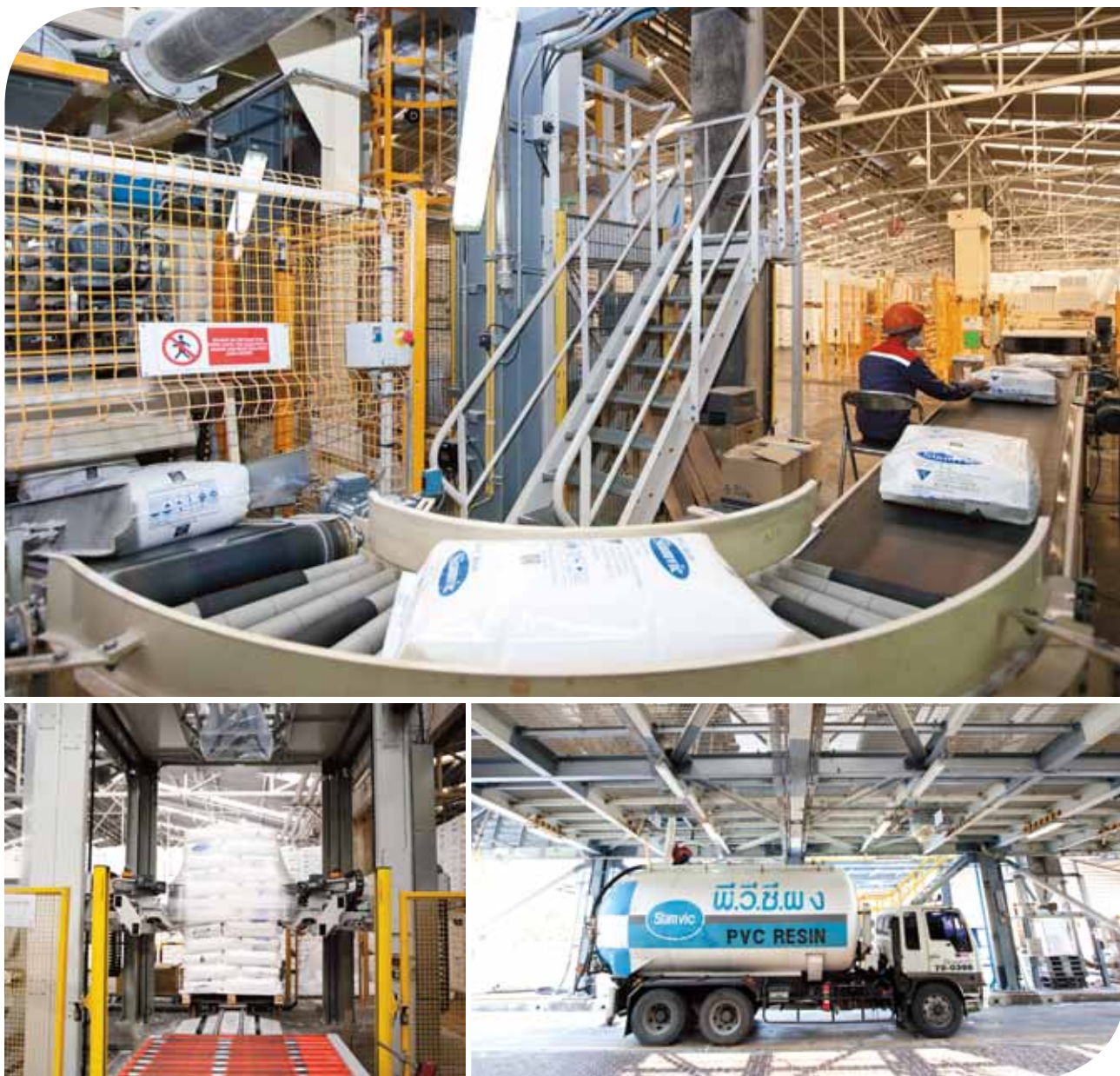
to 7,010 MTHB in 2011, up 0.8% from 2010. This resulted from significantly 6.3% higher average selling prices compared to 2010 despite 4.5% lower volume.

E-PVC sales revenue was 1,298 MTHB, 18.5% higher than 2010, reflecting 20.7% higher average selling price and 1.5% less volume compared to 2010.

For PVC resin, the percentages of domestic and export sales revenue were 60% and 40% respectively.

With existing surplus capacity, PVC price will remain very competitive in 2012 despite increasing costs level.

To maintain our competitiveness, the Company will continue to develop products and services, both technically and logistically, and cultivate strong partnerships with its customers.



VCM

Sales of surplus VCM in 2011 earned 2,935 MTHB in total revenue which was 5.8% higher than 2010 reflecting 5.1% higher average selling price and 0.6% higher volume.

Caustic Soda

In general, there was still over capacity of Caustic Soda production in Asia especially in China. However, the increasing consumption at major Caustic Soda users had boosted the demand growth versus 2010 to 10.5%. In addition, the increasing energy costs in China and the

shutdown of significant capacities in Japan after tsunami had significantly reduced the supply and reasonably stabilized the average regional price at 400 US\$/DMT CFR.

Revenue from Caustic Soda sales in 2011 was 2,657 MTHB, mainly for domestic sales and 42% higher than 2010. This was mainly due to a significant increase of 46.6% in average selling price and despite a volume contraction of 3.5%.

In 2012, huge surplus capacity in China will still put certain pressures on the market price despite increasing energy costs.



An Analysis of Performance*

Analysis of Income

In 2011, the Company and its subsidiary recorded total revenues of 14,191 MTHB, of which 14,100 MTHB earned from sales revenue. The sales revenue increased by 1,223 MTHB or 9.5% comparing to 2010. The main reason was higher sales revenue of PVC, Caustic Soda and VCM due to increasing of average selling price of all products. PVC sales increased by 272 MTHB or 3.4%, Caustic Soda sales increased by 792 MTHB or 42.1% and VCM sales increased by 163 MTHB or 5.9%.

In 2011, PVC, Caustic Soda and VCM sales represented 59.1%, 19.0% and 20.8% of total sales revenue, respectively and 75.6 % of sales revenue comes from the domestic sales.

The Company and its subsidiary had other income of 92 MTHB in 2011 decreasing by 50 MTHB comparing to last year mainly due to the compensation receipt from insurance claims amounting to 54 MTHB in 2010 (see more information in Note to Financial Statement No. 29).

Moreover, its subsidiary is under plant construction, the commercial run is expected in the beginning of the year 2012.

Analysis of Cost and Expenses

1. In 2011, Cost of sales amounting to 11,203 MTHB increased by 548 MTHB comparing to 10,655 MTHB in 2010 or 5.1% increase. This increment is mainly due to the average price of ethylene in 2011 that was higher than 2010.

2. In 2011, Selling & Administrative Expenses was 910 MTHB, increased by 77 MTHB or 9.2% from 2010. This increment was mainly due to pre-operating expenses of its subsidiary company for plant construction and commercial run starting in early 2012.

3. Financial expenses for 2011 was 13 MTHB, increased by 2 MTHB comparing to last year. The financial expenses are mostly from risk management fee and any bank charges.

Summary of Performance

The performance for 2011, the Company and its subsidiary recorded net profit of 1,989 MTHB (2,116 MTHB from separate financial statements which presented in cost method), increasing by 480 MTHB or 31.8% from



net profit of 1,509 MTHB in previous year. The gross profit of 2011 was 2,896 MTHB which represents 20.5% gross profit margin and the Company's net profit margin was 14.0%.

Higher spread margin and the capability in maintaining high level of production capacity together with the effective cost control are the main reason of the improvement of the Company and its subsidiary's performance.

** Note: Please find further information in the consolidated financial statements.*

An Analysis of Financial Status*

Analysis of Assets

As at 31 December 2011, the Company and its subsidiary had total assets totaling 19,625 MTHB which increased by 2,656 MTHB or 15.7% comparing to previous year.

Details of the major changes were following:

1. As at 31 December 2011, the Company and its subsidiary had net cash and cash equivalents amounting to 1,173 MTHB, increasing by 294 MTHB comparing to 879 MTHB at the end of 2010 (see further information in analysis of cash flow)

2. The balance of trade and other receivables at the end of 2011 was 2,032 MTHB, decreasing by 79 MTHB comparing to 2,111 MTHB at the end of 2010.

3. The Company and its subsidiary had net inventories at the end of 2011 amounting to 654 MTHB, increasing by 48 MTHB.

4. At the end of 2011, the Company and its subsidiary had net property, plant and equipment amounting to 15,084 MTHB or increasing by 2,328 MTHB comparing to 12,757 MTHB at the end of 2010 mainly for the Company and its subsidiary's assets under installation and under construction.

Analysis of Liabilities

The Company and its subsidiary had total liabilities at the end of 2011 amounting to 3,339 MTHB which sharply increased by 1,541 MTHB or 85.7% comparing to 2010. The major change of the liabilities was the increase of long-term loan by 1,300 MTHB and in during 2011 the Company also recorded on employee benefit provision of 66 MTHB.

Analysis of Shareholders' Equity

As at 31 December 2011, the shareholders' equity was 16,285 MTHB which increased by 1,114 MTHB or 7.3% comparing to 15,171 MTHB at the end of 2010. The major changes in shareholders' equity were following:

** Note: Please find further information in the consolidated financial statements.*

1. The Company and its subsidiary recorded net profit for 2011 amounting to 1,989 MTHB of which 106 MTHB distributed to appropriate legal reserve. The remaining unappropriated earning for 2011 was 1,883 MTHB.

2. The Company paid dividend of 830 MTHB, in respect of the 2010 earnings.

Analysis of Cash Flow

As of 31 December 2011, the Company and its subsidiary's Cash Flow Statement presented 1,173 MTHB of cash and cash equivalents, increasing by 294 MTHB comparing to 879 MTHB at the end of 2010. The sources and uses of funds were following:

1. In 2011, the net cash flow from operating activities was 3,138 MTHB which increased by 789 MTHB or 33.6% comparing to net cash flow from operating activities in 2010 amounting to 2,349 MTHB.

2. In 2011, the net cash flow used in investing activities was 3,315 MTHB which increased by 867 MTHB comparing to its amount of 2,448 MTHB for 2010. The cash flow used in investing activities mainly came from the acquisition of property, plant and equipment amounting to 3,272 MTHB which were mostly for construction in progress of the Company and its subsidiary's plant.

3. In 2011, the net cash flow from financing activities totaling of 470 MTHB comprising of 1,300 MTHB long-term loan drawdown and 830 MTHB dividend payment.

Financial Ratios

	2011	2010
Gross Profit margin	20.5%	17.4%
Net Profit margin	14.0%	11.6%
Debt to Equity ratio	0.21	0.12
Earning per share	1.68	1.27

Gross Profit Margin = Gross Profit (Total Sales - Cost of Sales) to Sales

Net Profit Margin = Net Profit to Total Revenues

Debt to Equity = Total Liabilities to Net Equity

Conclusion

As a result of maintaining high level of production capacity together with higher average selling price, and also with effective cost control in 2011, these factors led the Company and its subsidiary had better performance than the previous year. In 2011, the

Company and its subsidiary had the return on average asset at 10.9% comparing to 9.3% of last year and the return on average equity improved to 12.7% comparing to 10.3% of last year.

Yours faithfully,



(Mr. Bruno van der Wielen)
Managing Director



Total Quality Management

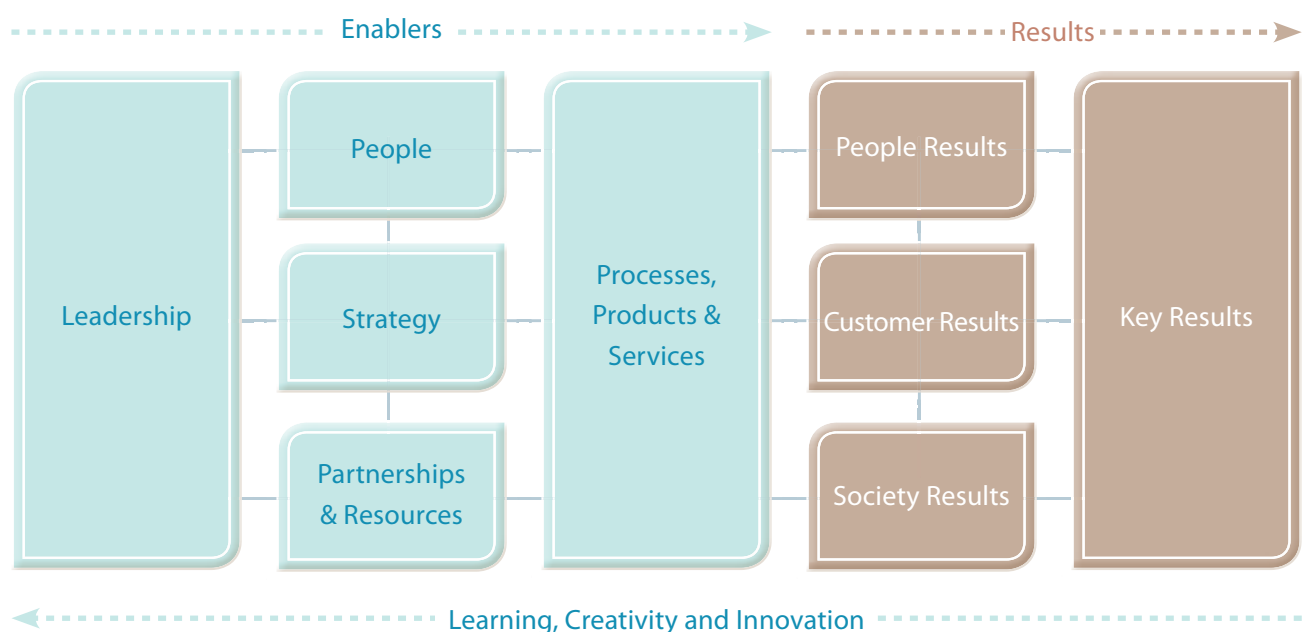
Company Action Plan and Self Assessment

In anticipation of the addition of a new product in early 2012, namely Epichlorohydrin, produced by the Company's subsidiary Advanced Biochemical (Thailand) Company Limited, the Company reviewed its Vision and Mission, revised its plans, reassessed the potential risks

to achievement of its business targets, and reformatted its downstream economy measures.

In the frame of the Excellence Model of EFQM (European Foundation for Quality Management), the Company assessed its performance in each operating area (Leadership, Strategy, People, Partnerships & Resources, and Processes, Products & Services) and evaluated their potential impact on the key company's results. The findings were duly introduced, with potential corrective actions into an updated business plan.

The EFQM Excellence Model





Customer Satisfaction Survey

Vinythai desires that its products should be the first choice of its customers. To this end, the Company consistently monitors and measures customer satisfaction. In 2011, the Company's marketing team outsourced an independent survey among both domestic and export customers. The results of both surveys were satisfactory. The conclusions of the surveys were used to design marketing plans closely tailored to both individual customers and market trends, implementation of which is expected to further strengthen the Company's position going forward.

Customer satisfaction surveys in 2011 were performed on eight areas of customer perception: product, price, sales representation, delivery, financial/shipping documentation, credit policy, technical services and Corporate Social Responsibility. Responses indicated increased levels of satisfaction. Nevertheless, the Company is committed to continuously improve its customer satisfaction levels in each area in the coming year and beyond.

The Company also tracks customer complaints and acts to prevent or resolve problems. These internal measures are used by the Company to monitor, understand, predict and improve its overall performance. Meanwhile, several visits to both Thai and foreign customers of the Company's PVC and Caustic Soda output were undertaken during 2011. In all cases, these indicated high levels of customer satisfaction.

Besides external customers, the Company has internal suppliers who are very much instrumental in achieving external customer satisfaction and, as such, these too are surveyed. Here the objective is to gain information which can be used to improve internal process efficiency. Surveyed areas include the Company's testing laboratory and its quality control, maintenance and engineering departments.

Finally, these efforts to accentuate customer satisfaction once again included complimentary provision of specialist technical training in connection with the Company's products.



Management Systems

In order to achieve the Company's goals, spread understanding and awareness of targets, and keep everyone moving in the same direction, the Management team has fixed Key Performance Indicators which are communicated to all employees via the Company's intranet and through various public relations activities.

On a quarterly basis, the Managing Director presents performance results and goals to all managers, supervisors and engineers which they, in turn, convey to all staff.

The Company remains fully committed to conscientiously conducting its business in a socially responsible fashion, including maintaining systems that ensure compliance with the Department of Industrial Works' Corporate Social Responsibility Standard (CSR-DIW)

During 2011, the Company participated in several projects promoting responsible social conduct in industry, including PVC telescopes for schools, planting coral and donating Sodium Hypochlorite for flood victim relief, among others.

Also in this connection, the Company in 2011 implemented an energy conservation program that resulted in it achieving three noteworthy certifications, namely:

- Carbon Footprint Label issued by the Thailand Greenhouse Gas Management Organization (TGO) for carbon dioxide emission reduction during production of PVC Suspension, PVC Emulsion and Sodium Hydroxide as well as intermediate products, namely, Vinyl Chloride Monomer and Ethylene Dichloride.

- Carbon Reduction Label for Laboratory Buildings from Thailand Environment Institute (TEI). This label testifies that carbon dioxide emissions from the laboratory building were reduced by at least 10% from 2002.

- Green Industry Certificate issued by the Ministry of Industry at its Green CEOs for Green Industries 2011 seminar.

The certifications testify to Vinythai's strong commitment to sustainable business, social responsibility and environment friendliness, both internally and throughout its supply chain, not to mention its constant quest for improvement.

Related current product licenses and management standards for which the Company is certified are as follows:

Product licenses

- Thai Industrial Standards Institute license to display a Standard Grade stamp on PVC piping resin.
- Thai Industrial Standards Institute license to display a Standard stamp on 32% & 50% sodium hydroxide, quality level 1.
- Food and Drug Administration (FDA), Ministry of Public Health, Thailand, license to display an FDA stamp on 32% & 50% sodium hydroxide food additives.
- A Central Islamic Committee of Thailand license to display a Halal stamp on 32% & 50% sodium hydroxide food additives.
- Thailand Greenhouse Gas Management Organization (TGO) license to display a Carbon Reduction



Label for PVC Suspension, PVC Emulsion, and 32% & 50% Sodium Hydroxide.

Management standards

- ISO 9001:2008 certification, as assessed by Bureau Veritas Certification Thailand.
- ISO 14001:2004 certification, as assessed by Bureau Veritas Certification Thailand.
- OHSAS 18001:2007 certification, as assessed by Bureau Veritas Certification Thailand.
- ISO/IEC17025:2005 laboratory accreditation, originally certified by the Thai Industrial Standards Institute (TISI).
- Certified compliance with Standard for Corporate Social Responsibility (CSR-DIW) B.E. 2552 of the Department of Industrial Works, Ministry of Industry.

Innovation

Faced with persistent international economic uncertainty and ever intensifying competition, the Company remains committed to continuously foster innovation through its whole organization. Suggestions from personnel are actively cultivated in order to develop strategic tools that strengthen business performance and enhance development while remaining consistent with the Company's values and fundamental policy of sustainable development.

Throughout 2011, the Company especially focused on creative cost saving and resource management with particular reference to energy conservation. The Company's Innovation and Suggestion

Committee proactively promoted the cause of continuous innovation.

These efforts to involve staff continued to be well-received, generating an average of 3.4 proposals per person in 2011, an increase over 2010. Implementation of suggestions gathered in this way resulted in approximate cost savings in excess of 150 million baht.

The Company once again demonstrated its appreciation of the importance of innovation and suggestion activities in 2011 by organizing another round of Innovation Awards which recognized and rewarded the following outstanding suggestions:

- Reduction of greenhouse gas (carbon dioxide) emissions by approx. 17,800 ton annually by technology improvements on the Chlor-Alkali production unit
- Improved product quality through stripping column management
- Saving energy consumption by changing fan blades and controlling rotation speed

In addition to production areas, selected suggestions from support functions were also recognized for their merits, as follows:

- Knowledge sharing with PVC users
- Purchase order process improvement
- Energy saving at the Laboratory (recognized with Thailand Environment Institute certification)

Taken together, these activities once again succeeded in their underlying objective of stimulating creative thinking and promoting teamwork through sharing and learning together.



People Survey 2011 – Express Yourself! HR Information System

Firmly believing that employee contributions and commitment help an organization succeed, the Company conducts a People Survey every two years that reaches out to staff at all levels to measure their engagement and the aspects of their working environment that influence it. As previously, the feedback from the 2011 survey was impressive:

- 100% of staff participated in the survey.
- Employee Engagement strengthened to 73% from 71% in 2009.
- Top three strengths were Customer and Quality Focus (76%), Organizational Effectiveness (75%) and Safety and Responsibility (74%).

The People Survey 2011 evidenced the tremendous commitment of Vinythai employees to the Company. Based on the survey outcome, an Improvement Action Plan to strengthen engagement levels going forward was developed and implemented.

With a will to offer employees value-adding services and provide them with requisite information, the Company acquired a cutting-edge human resources information system, called “**Renaissance**”, commencing with coverage of managerial and engineering positions. Renaissance delivers HR e-Services as an automated-tool connecting the entire package of HR processes. Phase 1 of the project, involving organizational charts and a competency-based Performance Management System, drove empowerment and generated data that was particularly useful in helping to formulate the Company’s training and development programs. In phase 2, the system will expand to include learning support and career development.



Training and Development

As the Company appreciates that learning adds value to the organization, it allocates budget for a range of training and development programs at every employee level.

Activities in 2011 covered: technical training, both domestically and overseas; quality management; health, safety & environment, and; English language training.

Meanwhile, on-the-job training (OJT) remains

the cornerstone of the Company's employee learning activities. This especially applies to transfers of essential knowledge whereby employees gain the specialist expertise applicable to their position and section. This, in turn, cultivates higher proficiency and productivity while adding new competencies. Another underlying objective of these activities is to ensure smooth successions.

Sustainable Development for Quality, Safety, Health and the Environment

Vinythai has continuously improved its safety, occupational health and environment performance with a commitment to achieve its defined objectives and targets, ensuring continuous compliance with the internationally-recognized management system for occupational health, safety and environment, and developing "Responsible Care" as practiced in chemical industries globally.

Deployed the Excellence Model to improve the Company's integrated quality, health, safety and environment management systems

Regular audits of the Company's compliance with ISO 9001, ISO 14001 and OHSAS 18001 management systems are carried out by independent assessors. The audits cover everything from the operational status to management systems in order to guarantee planned improvements. In 2011 these audits found no instances of non-compliance with the stated management systems.

Implementation of Health Risk Management System

Improvement in the Company's measures to safeguard employee health continued with a successful change of its health risk assessment to a new approach with new harmonized and integrated information management tools integrated into its health risk management programs. These tools have been developed by the Company's major shareholder, Solvay, with the objective of establishing a high-level of medical monitoring and eliminating all health risks.

Workplace injury prevention: the 'Zero Injury' challenge

Vinythai maintained its record of no accidents with lost working days in 2011 among either the Company's or its contractors' personnel. This earned the Company a special award from the Ministry of Labor for achieving three million consecutive work hours without lost working day accident.

Vinythai Sustainable Development



Achieving “Good Safety Culture Organization” status through “Behavior Based Safety Campaign”

Good safety attitudes and behavior-based safety measures are continuously implemented among employees so as to reduce risky behaviors at work and promote a safety culture. To this end, the Company has deployed a “Behavior Based Safety” campaign under which over 4,000 safety dialogues have been held with both the Company’s and its contractors’ staff at all levels.

Process Safety Management Program Enhancement

The Company places a top priority on process safety in order to maintain its operations without accident. To ensure effective process safety management, process safety management systems are proactively implemented and fully supported by regular “Process

Safety Management (PSM)” training. A systematic approach is taken to evaluate the entirety of process safety knowledge and other elements that affect each process.

Transport Safety Management Systems: Extended to all supply networking chains

The Company extends its Responsible Care commitment to transportation safety. To this end, the Company applies international safety management tools to its transport risk assessment of both final products and raw materials. The mission is reviewed by a designated team who regularly monitors performance throughout the logistic network. Transport Safety Management System training with an external instructor is arranged for people responsible for product transportation.



Compliance with voluntary commitments to environment impact prevention

In 2011, the Company was able to maintain its environmental prevention measures by complying with agreed stringent voluntary industrial charters for sustainable environmental protection established by the European Council of Vinyl Manufacturer (ECVM) and Sustainability program of The European Chlor-Alkali Industry (Euro Chlor). The Company's compliance with these programs was regularly monitored and reviewed by a specialist task force.

Several development plans were initiated, implemented and monitored through the Company's integrated management systems while also being subject to regular Management committee review.

Promoting "THE THREE (3) Rs: Reduce, Reuse and Recycle" in Waste Management to achieve "ZERO LANDFILLS"

Vinythai takes a systematic approach to its ongoing solid waste management strategy. Relevant strategies are implemented to ensure that all solid waste is managed in compliance with applicable regulations. As a measure of their success in 2011, the Company achieved "ZERO LANDFILLS" for solid waste.

In light of the continuous improvement that characterizes Vinythai's environmental performance, in 2011 the Company won the "Environmental Corporate Governance Award" from the Industrial Estate Authority of Thailand for the fourth consecutive year with the rating "Excellent".



Corporate Social Responsibility (CSR)

Vinythai being fully cognizant of the symbiotic relationship between the sustainability of its enterprises and the health of society at large, it maintained Corporate Social Responsibility (CSR) as a core component of its operations in 2011. The aim of achieving mutual benefit and harmony between the Company's industrial activities and the communities they neighbor, the environment they embrace, and the interests of society in general was further enhanced in a number of ways. These ongoing efforts include several collaborative projects involving other like-minded businesses, community organizations and social groups and are noteworthy for the concrete and enduring benefits they propagate.

Essentially, Vinythai's CSR initiatives can be categorized as follows:

Health

The Company positively engages with government and private sector entities to promote occupational health and safety, not only in its commercial operations but in the broader community.

Two examples are apropos:

- In honor of His Majesty the King's 84 Birthday

Anniversary, the Company co-organized "Nurnpra Municipality - Vinythai Super Mini Marathon" which reinforced the importance of maintaining good health in the minds of hundreds of residents of Rayong living in proximity to the Company's plant.

- Providing continuous support for the Camillian Social Center at the Relief Center for HIV/AIDS Sufferers at St. Camillus Foundation of Thailand.

Environment

- Vinythai staff volunteers collaborated with Map Cha Lood community to plant trees and release fishes into Chak Klang Canal.

- Vinythai engages in a wide range of environmental conservation activities, including joining the Map Ta Phut Group of Industries Public Relations Club and Map Ta Phut Industrial Estate's beach-cleaning exercises at Rayong, in addition to planting trees

Education

Vinythai views education as being vital to national development and is keen to contribute. To this end, the Company provides scholarships to students who would otherwise lack sufficient financial support



to pursue their studies. In addition, the Company regularly helps to organize various activities in support of schools in Rayong and nearby provinces. These activities include co-organizing Children's Day activities, supporting construction of school buildings, helping to raise funding for inadequately-staffed schools to hire more teachers and sponsoring school sports programs.

Activities supporting religion, traditions and important days

The Company cooperates with communities, temples, schools and public sector entities in Map Ta Phut, including Rayong Provincial Administration and the Industrial Estate Authority of Thailand, to organize events and activities that respect and celebrate the religions, cultures and traditions of Thailand. One example is the ceremonial presentation of robes the Company makes to Buddhist monks every year. Other examples include the support the Company provides to schools and temples and for the staging of traditional ceremonies such as the pouring of water onto the hands of revered elders and seeking their blessing during the annual Thai New Year or Songkran Festival. Vinythai is also a perennial supporter of Thailand's colorful Loy Kratong Festival in November each year. In addition to this, Vinythai staff regularly volunteer for worthy causes undertaken as part of significant national celebrations.

Community Development

- Vinythai staff regularly visit communities around Map Ta Phut and Ban Chang to spread awareness and understanding of its operations and synchronize areas of mutual interest. The Company listens and responds to suggestions that help resolve issues and generate income in the communities.

- Vinythai supports the efforts of The Occupational Group to help communities at Map Kha Map Nai and Soi Ruam Patthana produce commercial quality crafts. The Company also provides marketing and



management know-how. The objective is to help the communities produce products that achieve a 5-star OTOP [One Tambon One Product (Thailand)] rating.

- Vinythai joins the Community Partnership Association which is the cooperation of industrial plants in Map Ta Phut, the first kind in Thailand, to mutually agree to develop an exemplar of environmentally friendly plant that exceeds legal requirement and monitor each other as well as promote life quality of communities in terms of health, education in order to allow industry and community to live sustainably.

Starting Coral Cultivation (80,000 Branches) for His Majesty the King Project

Vinythai has for many years been a key supporter of the collaborative project to revive coral beds by cultivating coral on artificial structures and then planting them in the sea. Dubbed the “Coral Cultivation (80,000 Branches) for His Majesty the King Project”, over 20,000 volunteers from government and private sectors are involved, ranging from students to locals and the disabled.

With its innovative approach and audacious

objective of regenerating coral communities around the country’s shores, the project has gained a high profile in the media. So far five documentaries and other programs have featured the project on TV, in addition to 45 news items and feature articles in newspapers, magazines and websites.

In addition, several special coral cultivation and conservation events have been staged in collaboration with national, provincial & local authorities, local communities, and media, including:

- a coral cultivation event at Samed Island, Rayong
- a coral cultivation event with the Belgian Ambassador at Samaesan, Chon Buri
- a Mother’s Day coral conservation event at Samaesan
- a Father’s Day coral conservation event at Samaesan
- a Father’s Day coral conservation event at Kham Island, Chon Buri
- a coral cultivation event at Samaesan, Chon Buri, involving 100 members of four communities in the Map Ta Phut area
- a science camp and coral cultivation event for students from Rayong Withayakom School in the Map Ta Phut area



The Board of Directors recognizes its duties and responsibilities as directors of a listed company under The Public Limited Companies Act B.E. 2535 (A.D. 1992) and the importance of conformity with all applicable rules and regulations in preparing financial statements for each financial year.

The financial statements and information set out in Vinythai Public Company Limited's Annual Report 2011 have been prepared in compliance with the generally accepted accounting principles in Thailand, under Accounting Act B.E. 2543 (A.D. 2000), and other appropriate and consistent accounting policies, and with careful consideration. Thus, the Company has disclosed all important information in the Notes under the Financial Statements, in a proper and fully transparent manner.

The Board of Directors provides and maintains appropriate and efficient internal control systems, ensuring that all accounting records are accurate, complete and sufficient to prevent fraud or mismanagement and to protect the Company's assets.

In this regard, the Board of Directors has appointed the Audit Committee to review the financial reporting and internal audit procedures. The Audit Committee has monitored, evaluated, commented on, and reported to the Board of Directors the findings of the external auditor, Ernst & Young Office Limited, and the Internal Audit Department, so as to ensure the development of a thorough risk management program. The Committee also ensures that internal control systems are adequate, appropriate and in compliance with all relevant laws and regulations. The Audit Committee's Report is presented accordingly in this Annual Report.

The Board of Directors agrees that the overall internal control systems of the Company are satisfactory. It further concurs that the financial statement of Vinythai Public Company Limited for the year ending 31 December 2011 has been prepared in accordance with the generally accepted accounting principles in Thailand and that it complies with all relevant rules and regulations.

(Mr. Roger Lester Kearns)
Chairman of the Board of Directors

(Mr. Bruno van der Wielen)
Managing Director



Financial Report



Go Green, Grow Up

Vinythai Plc. gives supreme importance to environmentally oriented management and production process in order to produce environmentally-friendly products that are fully responsible for society, which helps foster the Company's continuous growth and prosperity.

Vinythai Public Company Limited and its subsidiary

Report and consolidated financial statements

31 December 2011 and 2010

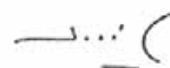
Report of Independent Auditor To the Shareholders of Vinythai Public Company Limited

I have audited the accompanying consolidated statements of financial position of Vinythai Public Company Limited and its subsidiary as at 31 December 2011 and 2010, and the related consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the years then ended; and have also reviewed the separate financial statements of Vinythai Public Company Limited for the same periods. These financial statements are the responsibility of the management of the Company and its subsidiary as to their correctness and the completeness of the presentation. My responsibility is to express an opinion on these financial statements based on my audits.

I conducted my audits in accordance with generally accepted auditing standards. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audits provide a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Vinythai Public Company Limited and its subsidiary and of Vinythai Public Company Limited as at 31 December 2011 and 2010, and the results of their operations, and cash flows for the years then ended in accordance with generally accepted accounting principles.

Without qualifying my opinion on the aforementioned financial statements, I draw attention to the matter as discussed in Note 3 to the financial statements. During the current year, the Company adopted a number of revised and new accounting standards as issued by the Federation of Accounting Professions, and applied them in the preparation and presentation of its financial statements.



(Mr. Narong Puntawong)
Certified Public Accountant (Thailand) No. 3315
Ernst & Young Office Limited
Bangkok: 21 February 2012

Vinythai Public Company Limited and its subsidiary

Statements of financial position

As at 31 December 2011 and 2010

(Unit:Baht)					
	Note	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
		<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Assets					
Current assets					
Cash and cash equivalents	8	1,172,532,791	879,001,116	1,069,890,622	823,017,628
Trade and other receivables	9	2,032,226,831	2,110,890,252	2,037,956,587	2,123,732,528
Short-term loans to subsidiary	10	-	-	2,100,000,000	1,020,000,000
Inventories	11	653,896,432	605,571,882	642,297,559	605,571,882
Other current assets		<u>268,776,949</u>	<u>218,272,106</u>	<u>174,210,039</u>	<u>134,446,560</u>
Total current assets		<u>4,127,433,003</u>	<u>3,813,735,356</u>	<u>6,024,354,807</u>	<u>4,706,768,598</u>
Non-current assets					
Investment in subsidiary	12	-	-	954,097,446	954,097,446
Investment in associated company	13	381,035,672	378,693,702	397,678,320	397,678,320
Long-term loan to subsidiary	10	-	-	1,400,000,000	100,000,000
Property, plant and equipment	14	15,083,592,668	12,756,822,484	10,864,763,679	10,466,393,730
Non-operating assets	15	-	-	-	-
Deferred arrangement fee					
for long-term loan		10,920,982	12,286,106	-	-
Other non-current assets		<u>21,516,377</u>	<u>7,553,853</u>	<u>12,420,671</u>	<u>4,199,111</u>
Total non-current assets		<u>15,497,065,699</u>	<u>13,155,356,145</u>	<u>13,628,960,116</u>	<u>11,922,368,607</u>
Total assets		<u>19,624,498,702</u>	<u>16,969,091,501</u>	<u>19,653,314,923</u>	<u>16,629,137,205</u>

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

Vinythai Public Company Limited and its subsidiary

Statements of financial position (continued)

As at 31 December 2011 and 2010

(Unit:Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2011	2010	2011	2010
Liabilities and shareholders' equity					
Current liabilities					
Trade and other payables	16	1,752,152,730	1,544,416,684	1,580,630,398	1,140,840,683
Other current liabilities		<u>121,133,391</u>	<u>153,705,694</u>	<u>114,059,720</u>	<u>123,980,922</u>
Total current liabilities		<u>1,873,286,121</u>	<u>1,698,122,378</u>	<u>1,694,690,118</u>	<u>1,264,821,605</u>
Non-current liabilities					
Long-term loan, net of current portion	17	1,400,000,000	100,000,000	1,400,000,000	100,000,000
Provision for long-term employee benefits	18	<u>65,978,000</u>	<u>-</u>	<u>65,978,000</u>	<u>-</u>
Total non-current liabilities		<u>1,465,978,000</u>	<u>100,000,000</u>	<u>1,465,978,000</u>	<u>100,000,000</u>
Total liabilities		<u>3,339,264,121</u>	<u>1,798,122,378</u>	<u>3,160,668,118</u>	<u>1,364,821,605</u>
Shareholders' equity					
Share capital					
Registered					
1,185,193,444 ordinary shares of Baht 6 each		<u>7,111,160,664</u>	<u>7,111,160,664</u>	<u>7,111,160,664</u>	<u>7,111,160,664</u>
Issued and fully paid					
1,185,193,444 ordinary shares of Baht 6 each		7,111,160,664	7,111,160,664	7,111,160,664	7,111,160,664
Premium on ordinary shares		1,303,712,790	1,303,712,790	1,303,712,790	1,303,712,790
Change in the value of derivative instruments		(4,702,509)	(10,247,187)	(2,868,769)	4,300,728
Deficit on combination of business under common control	2	(25,120,722)	(25,120,722)	-	-
Retained earnings					
Appropriated - statutory reserve	19	570,659,229	464,857,658	570,659,229	464,857,658
Unappropriated		<u>7,329,525,129</u>	<u>6,326,605,920</u>	<u>7,509,982,891</u>	<u>6,380,283,760</u>
Total shareholders' equity		<u>16,285,234,581</u>	<u>15,170,969,123</u>	<u>16,492,646,805</u>	<u>15,264,315,600</u>
Total liabilities and shareholders' equity		<u>19,624,498,702</u>	<u>16,969,091,501</u>	<u>19,653,314,923</u>	<u>16,629,137,205</u>

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

Vinythai Public Company Limited and its subsidiary

Statements of comprehensive income

For the years ended 31 December 2011 and 2010

		(Unit:Baht)			
		Consolidated financial statements		Separate financial statements	
	Note	2011	2010	2011	2010
Profit or loss:					
Revenues					
Sales		14,099,686,334	12,877,019,148	14,099,686,334	12,877,019,148
Other income					
Interest income		20,305,186	12,540,785	97,569,577	19,064,501
Exchange gain		27,499,587	38,411,800	28,152,537	26,891,712
Compensation from insurance claims	29	-	54,396,156	-	54,396,156
Others		43,963,000	36,227,158	160,820,800	97,840,932
Total other income		<u>91,767,773</u>	<u>141,575,899</u>	<u>286,542,914</u>	<u>198,193,301</u>
Total revenues		<u>14,191,454,107</u>	<u>13,018,595,047</u>	<u>14,386,229,248</u>	<u>13,075,212,449</u>
Expenses					
Cost of sales		11,203,734,752	10,655,461,321	11,203,734,752	10,655,461,321
Selling expenses		646,624,754	634,041,771	646,624,754	634,041,771
Administrative expenses		263,597,701	199,295,746	292,639,030	220,101,991
Loss on disposal of equipment		<u>77,534,425</u>	<u>11,510,418</u>	<u>77,534,425</u>	<u>11,510,418</u>
Total expenses		<u>12,191,491,632</u>	<u>11,500,309,256</u>	<u>12,220,532,961</u>	<u>11,521,115,501</u>
Income before shares of income from investment in associate and finance cost					
		1,999,962,475	1,518,285,791	2,165,696,287	1,554,096,948
Shares of income from investment in associate		<u>2,341,970</u>	<u>1,308,269</u>	<u>-</u>	<u>-</u>
Income before financial cost		2,002,304,445	1,519,594,060	2,165,696,287	1,554,096,948
Finance cost		<u>(13,052,950)</u>	<u>(11,010,895)</u>	<u>(49,664,870)</u>	<u>(12,128,830)</u>
Income for the years	21	<u>1,989,251,495</u>	<u>1,508,583,165</u>	<u>2,116,031,417</u>	<u>1,541,968,118</u>
Other comprehensive income:					
Change in the value of derivative instruments		5,544,678	(11,350,910)	(7,169,497)	3,197,005
Actuarial losses		<u>(4,058,000)</u>	<u>-</u>	<u>(4,058,000)</u>	<u>-</u>
Other comprehensive income for the years		<u>1,486,678</u>	<u>(11,350,910)</u>	<u>(11,227,497)</u>	<u>3,197,005</u>
Total comprehensive income for the years		<u>1,990,738,173</u>	<u>1,497,232,255</u>	<u>2,104,803,920</u>	<u>1,545,165,123</u>
Basic earnings per share					
Profit attributable to equity holders of the Company	23	<u>1.68</u>	<u>1.27</u>	<u>1.79</u>	<u>1.30</u>

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

Vinythai Public Company Limited and its subsidiary

Statements of changes in shareholders' equity

For the years ended 31 December 2011 and 2010

(Unit:Baht)

		Consolidated financial statements						
		Other components of equity						
		Other comprehensive income		Deficit on business combination under common control		Total other components of shareholders' equity		Total
Note	Issued and paid-up share capital	Premium on share capital	Retained earnings	Change in the value of derivative instruments				
			Statutory reserve	Unappropriated				
Balance as at 31 December 2009	7,111,160,664	1,303,712,790	387,759,252	5,309,938,866	1,103,723	1,103,723	14,113,675,295	
Cumulative effect of the adjustment of deficit on business combination under common control	2	-	-	-	-	(25,120,722)	(25,120,722)	(25,120,722)
Balance as at 31 December 2009	7,111,160,664	1,303,712,790	387,759,252	5,309,938,866	1,103,723	(24,016,999)	14,088,554,573	
Dividend paid	26	-	-	(414,817,705)	-	-	(414,817,705)	
Transfer unappropriated retained earnings to statutory reserve	19	-	77,098,406	(77,098,406)	-	-	-	
Total comprehensive income for the year		-	-	1,508,583,165	(11,350,910)	(11,350,910)	1,497,232,255	
Balance as at 31 December 2010	<u>7,111,160,664</u>	<u>1,303,712,790</u>	<u>464,857,658</u>	<u>6,326,605,920</u>	<u>(10,247,187)</u>	<u>(25,120,722)</u>	<u>15,170,969,123</u>	
Balance as at 31 December 2010	7,111,160,664	1,303,712,790	464,857,658	6,326,605,920	(10,247,187)	(35,367,909)	15,170,969,123	
Cumulative effect of the change in accounting policy for employee benefits	5	-	-	(46,837,304)	-	-	(46,837,304)	
Dividend paid	26	-	-	(829,635,411)	-	-	(829,635,411)	
Transfer unappropriated retained earnings to statutory reserve	19	-	105,801,571	(105,801,571)	-	-	-	
Total comprehensive income for the year		-	-	1,985,193,495	5,544,678	-	1,990,738,173	
Balance as at 31 December 2011	<u>7,111,160,664</u>	<u>1,303,712,790</u>	<u>570,659,229</u>	<u>7,329,525,129</u>	<u>(4,702,509)</u>	<u>(29,823,231)</u>	<u>16,285,234,58</u>	

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

Vinythai Public Company Limited and its subsidiary

Statements of changes in shareholders' equity (continued)

For the years ended 31 December 2011 and 2010

(Unit:Baht)

Separate financial statements

	Note	Issued and paid-up share capital	Premium on share capital	Retained earnings		Change in the value of derivative	Total
				Statutory reserve	Unappropriated		
Balance as at 31 December 2009		7,111,160,664	1,303,712,790	387,759,252	5,330,231,753	1,103,723	14,133,968,182
Dividend paid	26	-	-	-	(414,817,705)	-	(414,817,705)
Transfer unappropriated retained earnings to statutory reserve	19	-	-	77,098,406	(77,098,406)	-	-
Total comprehensive income for the year		-	-	-	1,541,968,118	3,197,005	1,545,165,123
Balance as at 31 December 2010		<u>7,111,160,664</u>	<u>1,303,712,790</u>	<u>464,857,658</u>	<u>6,380,283,760</u>	<u>4,300,728</u>	<u>15,264,315,600</u>
Balance as at 31 December 2010		7,111,160,664	1,303,712,790	464,857,658	6,380,283,760	4,300,728	15,264,315,600
Cumulative effect of the change in accounting policy for employee benefits	5	-	-	-	(46,837,304)	-	(46,837,304)
Dividend paid	26	-	-	-	(829,635,411)	-	(829,635,411)
Transfer unappropriated retained earnings to statutory reserve	19	-	-	105,801,571	(105,801,571)	-	-
Total comprehensive income for the year		-	-	-	2,111,973,417	(7,169,497)	2,104,803,920
Balance as at 31 December 2011		<u>7,111,160,664</u>	<u>1,303,712,790</u>	<u>570,659,229</u>	<u>7,509,982,891</u>	<u>(2,868,769)</u>	<u>16,492,646,805</u>

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

Vinythai Public Company Limited and its subsidiary

Statements of cash flows

For the years ended 31 December 2011 and 2010

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Cash flows from operating activities				
Profit	1,989,251,495	1,508,583,165	2,116,031,417	1,541,968,118
Adjustments to reconcile profit to net cash				
provided by (paid from) operating activities:				
Depreciation	898,165,612	894,560,804	897,929,861	894,428,522
Increase (decrease) in allowance for diminution				
in value of inventories	(760,490)	3,800,000	(760,490)	3,800,000
Unrealized loss on exchange	685,873	1,202,202	882,546	1,923,125
Reversal of allowance for unused fixed assets	-	(5,896,983)	-	(5,896,983)
Amortization of arrangement fee				
for long-term loan	-	149,831	-	149,831
Share of income from investment in				
associated company	(2,341,970)	(1,308,269)	-	-
Loss on disposal of property, plant				
and equipment	77,534,425	11,510,418	77,534,425	11,510,418
Provision for long-term employee benefits	15,799,608	-	15,799,608	-
Interest income	(5,377,403)	-	(85,717,334)	-
Interest expenses	<u>3,937</u>	<u>1,147</u>	<u>36,773,044</u>	<u>1,176,325</u>
Income from operating activities before changes				
in operating assets and liabilities	2,972,961,087	2,412,602,315	3,058,473,077	2,449,059,356
Decrease (increase) in operating assets				
Trade and other receivables	81,688,834	(148,705,173)	89,149,752	(165,113,674)
Inventories	(47,564,060)	25,971,197	(35,965,187)	25,971,197
Other current assets	(53,885,342)	(66,205,870)	(43,364,226)	7,687,632
Increase (decrease) in operating liabilities				
Trade and other payables	212,240,173	87,439,009	208,323,757	25,132,812
Other current liabilities	(26,682,475)	39,545,140	(16,863,763)	24,936,740
Provision for long-term employee benefits	<u>(716,912)</u>	<u>-</u>	<u>(716,912)</u>	<u>-</u>
Cash flows from operating activities	3,138,041,305	2,350,646,618	3,259,036,498	2,367,674,063
Cash paid for interest expenses	<u>-</u>	<u>(1,161,373)</u>	<u>(36,448,220)</u>	<u>(1,161,373)</u>
Net cash flows from operating activities	<u>3,138,041,305</u>	<u>2,349,485,245</u>	<u>3,222,588,278</u>	<u>2,366,512,690</u>

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

Vinythai Public Company Limited and its subsidiary

Statements of cash flows (continued)

For the years ended 31 December 2011 and 2010

			(Unit:Baht)	
	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
Cash flow from investing activities				
Cash paid for investment in subsidiary	-	(359,999,856)	-	(954,097,446)
Increase in short-term loans to subsidiary	-	-	(1,080,000,000)	(1,020,000,000)
Increase in long-term loan to subsidiary	-	-	(1,300,000,000)	(100,000,000)
Cash received from interest income	5,377,403	-	85,392,510	-
Acquisition of property, plant and equipment	(3,271,877,204)	(2,088,964,445)	(1,145,287,148)	(412,324,154)
Cash paid for interest capitalized as part of construction in progress	(36,448,220)	-	-	-
Proceeds from sales of property, plant and equipment	2,036,325	1,591,830	2,036,325	1,591,830
Decrease (increase) in other non-current assets	(13,962,523)	(522,233)	(8,221,560)	850,631
Net cash flows used in investing activities	<u>(3,314,874,219)</u>	<u>(2,447,894,704)</u>	<u>(3,446,079,873)</u>	<u>(2,483,979,139)</u>
Cash flows from financing activities				
Cash received from long-term loan	1,300,000,000	100,000,000	1,300,000,000	100,000,000
Cash paid for arrangement fee for long-term loan	-	(12,862,075)	-	-
Dividend paid	(829,635,411)	(414,817,705)	(829,635,411)	(414,817,705)
Net cash flows from (used in) financing activities	<u>470,364,589</u>	<u>(327,679,780)</u>	<u>470,364,589</u>	<u>(314,817,705)</u>
Net increase (decrease) in cash and cash equivalents	293,531,675	(426,089,239)	246,872,994	(432,284,154)
Cash and cash equivalents at beginning of year	<u>879,001,116</u>	<u>1,305,090,355</u>	<u>823,017,628</u>	<u>1,255,301,782</u>
Cash and cash equivalents at end of year	<u><u>1,172,532,791</u></u>	<u><u>879,001,116</u></u>	<u><u>1,069,890,622</u></u>	<u><u>823,017,628</u></u>
Supplementary cash flow information:				
Non-cash transaction:				
Purchase of equipment and construction in progress for which no cash has been paid	433,164,547	368,906,290	266,136,199	35,552,787

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

Vinythai Public Company Limited and its subsidiary

Notes to financial statements For the years ended 31 December 2011 and 2010

1. General information

Vinythai Public Company Limited ("The Company") is a public company incorporated and domiciled in Thailand. Major shareholders of the Company are Solvay Vinyls Holding AG, which is incorporated in Switzerland and PTT Global Chemical Public Company Limited (formerly known as "PTT Chemical Public Company Limited"), a company incorporated in Thailand. The Company is principally engaged in the manufacture and distribution of Polyvinyl Chloride, Vinyl Chloride Monomer and Sodium Hydroxide (Caustic Soda) and its registered address is No. 2, I-3 Road, Tambon Map Ta Phut, Amphoe Mueang, Rayong.

2. Basis of preparation

2.1 The financial statements have been prepared in accordance with accounting standards enunciated under the Accounting Professions Act B.E. 2547 and their presentation has been made in compliance with the stipulations of the Notification of the Department of Business Development dated 28 September 2011, issued under the Accounting Act B.E. 2543.

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

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

2.2 Basis of consolidation

a) The consolidated financial statements include the financial statements of Vinythai Public Company Limited ("the Company") and the following subsidiary company ("the subsidiary"):

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			2011	2010
			Percent	Percent
Advanced Biochemical (Thailand) Company Limited	Manufactured and trading of chemical product	Thailand	100	100

b) On 4 January 2010, the Company acquired 100 percent of the ordinary shares of Advanced Biochemical (Thailand) Company Limited from Solvay Chemicals and Plastics Holding B.V. (the Company's major shareholder) for a total consideration of Baht 360 million. The acquisition is considered to be a business combination of entities under common control. The difference between the cost of this business combination and the net book value of the subsidiary's equity amounting to Baht 25 million was thus presented as "Deficit on combination of business under common control" in shareholders' equity in the statements of financial position.

In March and July 2010, the Company paid an additional share capital of Baht 94 million and Baht 500 million, respectively, into Advanced Biochemical (Thailand) Company Limited while its shareholding in that company remains unchanged at 100 percent.

c) A subsidiary is fully consolidated from the date of acquisition, being the date on which the Company obtains control, and continues to be consolidated until the date when such control ceases.

d) The financial statements of the subsidiary are prepared using the same significant accounting policies as the Company.

e) Material balances and transactions between the Company and its subsidiary have been eliminated from the consolidated financial statements.

2.3 The separate financial statements, which present investments in the subsidiary and associated company under the cost method, have been prepared solely for the benefit of the public.

3. Adoption of new accounting standards during the year

During the current year, the Company adopted a number of revised and new accounting standards, issued by the Federation of Accounting Professions, as listed below.

Accounting standards :

TAS 1 (revised 2009)	Presentation of Financial Statements
TAS 2 (revised 2009)	Inventories
TAS 7 (revised 2009)	Statement of Cash Flows
TAS 8 (revised 2009)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10 (revised 2009)	Events after the Reporting Period
TAS 11 (revised 2009)	Construction Contracts
TAS 16 (revised 2009)	Property, Plant and Equipment
TAS 17 (revised 2009)	Leases
TAS 18 (revised 2009)	Revenue

TAS 19	Employee Benefits
TAS 23 (revised 2009)	Borrowing Costs
TAS 24 (revised 2009)	Related Party Disclosures
TAS 26	Accounting and Reporting by Retirement Benefit Plans
TAS 27 (revised 2009)	Consolidated and Separate Financial Statements
TAS 28 (revised 2009)	Investments in Associates
TAS 29	Financial Reporting in Hyperinflationary Economies
TAS 31 (revised 2009)	Interests in Joint Ventures
TAS 33 (revised 2009)	Earnings per Share
TAS 34 (revised 2009)	Interim Financial Reporting
TAS 36 (revised 2009)	Impairment of Assets
TAS 37 (revised 2009)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38 (revised 2009)	Intangible Assets
TAS 40 (revised 2009)	Investment Property

Financial reporting standards:

TFRS 2	Share-Based Payment
TFRS 3 (revised 2009)	Business Combinations
TFRS 5 (revised 2009)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 6	Exploration for and Evaluation of Mineral Resources

Financial reporting standard interpretations:

TFRIC 15	Agreements for the Construction of Real Estate
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Accounting standard interpretations:

SIC 31	Revenue-Barter Transactions Involving Advertising Services
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These accounting standards do not have any significant impact on the financial statements, except for the following accounting standards.

TAS 19 Employee Benefits

This accounting standard requires employee benefits to be recognized as expense in the period in which the service is performed by the employee. In particular, an entity has to evaluate and make a provision for post-employment benefits or liabilities arising from other defined benefit plans and other long-term employee benefits using actuarial techniques. The Company and its subsidiary previously accounted for such employee benefits when they were incurred.

The Company and its subsidiary have changed this accounting policy in the current year and recognized the liability in the transition period through an adjustment to the beginning balance of retained earnings in the current year.

4. New accounting standards issued during the years not yet effective

The Federation of Accounting Professions issued the following new/revised accounting standards that are effective for fiscal years beginning on or after 1 January 2013.

Accounting standards:

TAS 12	Income Taxes
TAS 20 (revised 2009)	Accounting for Government Grants and Disclosure of Government Assistance
TAS 21 (revised 2009)	The Effects of Changes in Foreign Exchange Rates

Accounting Standards Interpretations:

SIC 10	Government Assistance - No Specific Relation to Operating Activities
SIC 21	Income Taxes - Recovery of Revalued Non-Depreciable Assets
SIC 25	Income Taxes - Changes in the Tax Status of an Entity or its Shareholders

The Company's management believes that these accounting standards will not have any significant impact on the financial statements for the year when they are initially applied, except for the following accounting standards.

TAS 12 Income Taxes

This accounting standard requires an entity to identify temporary differences, which are differences between the carrying amount of an asset or liability in the accounting records and its tax base, and to recognize deferred tax assets and liabilities under the stipulated guidelines.

At present, the management is evaluating the impact on the financial statements in the year when this standard is adopted.

5. Cumulative effect of changes in accounting policies due to the adoption of new accounting standards

This represents the cumulative effect of the change in accounting policy for employee benefits as a result of the adoption of revised and new accounting standards as discussed in Note 3.

6. Significant accounting policies

6.1 Revenue recognition

Sales of goods

Sales of goods are recognized when the significant risks and rewards of ownership of the goods have passed to the buyer. Sales are the invoiced value, excluding value added tax, of goods supplied after deducting discounts and allowances.

Interest income

Interest income is recognized on an accrual basis based on the effective interest rate.

6.2 Cash and cash equivalents

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

6.3 Trade accounts receivable

Trade accounts receivable are stated at the net realizable value. Allowance for doubtful accounts is provided for the estimated losses that may be incurred in collection of receivables. The allowance is generally based on collection experience and analysis of debt aging.

6.4 Inventories

Finished goods and work in process are valued at the lower of average cost and net realizable value. Cost includes all production costs and attributable factory overheads.

Raw materials, packing material, spare parts and factory supplies are valued at the lower of average cost and net realizable value and are charged to production costs whenever consumed.

6.5 Investments

Investments in subsidiary and associated company are accounted for in the separate financial statements using the cost method.

Investment in associated company is accounted for in the consolidated financial statements using the equity method.

6.6 Property, plant and equipment/Depreciation

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

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

Buildings and improvement	- 10 to 50 years
Leasehold improvement	- 50 years
Machinery and equipment	- 5 to 30 years
Furniture, fixtures and office equipment	- 3 to 10 years
Motor vehicles	- 5 to 10 years

Depreciation is included in determining income.

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

6.7 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of

the cost of the respective assets. All other borrowing costs are expensed in the period they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

6.8 Related party transactions

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

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

6.9 Foreign currencies

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

Gains and losses on exchange are included in determining income.

6.10 Impairment of assets

The Company and its subsidiary assess at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, the Company and its subsidiary estimate the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's fair value less costs to sell and its value in use and is determined for an individual asset. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

6.11 Employee benefits

Short-term employee benefits

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

Post-employment benefits and other long-term employee benefits

Defined contribution plans

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

Defined benefit plans and other long-term employee benefits

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

The obligation under the defined benefit plan and other long-term employee benefit plans is determined by a professionally qualified independent actuary, using the projected unit credit method.

Actuarial gains and losses arising from post-employment benefits are recognized immediately in other comprehensive income.

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

For the first-time adoption of TAS 19 Employee Benefits, the Company elected to recognize the transitional liability, which exceeds the liability that would have been recognized at the same date under the previous accounting policy, through an adjustment to the beginning balance of retained earnings in the current year.

6.12 Provisions

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

6.13 Income tax

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

6.14 Derivatives

Forward exchange contracts

The Company and its subsidiary enter into forward exchange contracts to reduce its exposure to exchange rate risk. The Company and its subsidiary record such forward exchange contracts at fair value, with changes in fair value being recognized in shareholders' equity and/or profit or loss.

7. Significant accounting judgments and estimates

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

Allowance for doubtful accounts

In determining an allowance for doubtful accounts, the management needs to make judgment and estimates based upon, among other things, past collection history, aging profile of outstanding debts and the prevailing economic condition.

Property plant and equipment/Depreciation

In determining depreciation of plant and equipment, the management is required to make estimates of the useful lives and salvage values of the Company and its subsidiary's plant and equipment and to review estimate useful lives and salvage values when there are any changes.

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

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

8. Cash and cash equivalents

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
Cash on hand	8,021	1,692	8,001	1,682
Cash at banks - current accounts and saving accounts	564,718	267,509	462,096	211,536
Bank of Thailand bonds	599,794	609,800	599,794	609,800
Total	1,172,533	879,001	1,069,891	823,018

9. Trade accounts receivable

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
<u>Trade receivables - related parties</u>				
Aged on the basis of due dates				
Not yet due	13,251	10,235	13,840	10,235
Past due				
Up to 3 months	-	10,556	-	10,556
Total trade receivables - related parties	13,251	20,791	13,840	20,791
<u>Trade receivables - unrelated parties</u>				
Aged on the basis of due dates				
Not yet due	1,722,027	1,933,924	1,722,027	1,933,924
Past due				
Up to 3 months	264,968	150,181	264,968	150,181
Over 12 months	484,750	484,810	484,750	484,810
Total	2,471,745	2,568,915	2,471,745	2,568,915
Less: Allowance for doubtful debts	(494,588)	(494,588)	(494,588)	(494,588)
Total trade receivables - unrelated parties, net	1,977,157	2,074,327	1,977,157	2,074,327
Total trade receivables - net	1,990,408	2,095,118	1,990,997	2,095,118
<u>Other receivables</u>				
Other receivables - related parties	41,518	15,772	46,659	28,615
Other receivables - unrelated parties	301	-	301	-
Other receivables	41,819	15,772	46,960	28,615
Trade and other receivables - net	2,032,227	2,110,890	2,037,957	2,123,733

10. Related party transactions

The following are relationships with enterprises and individuals that control, or are controlled by, the Company, whether directly or indirectly, or which are under common control with the Company.

Name of entities	Country of incorporation	Nature of relationship
Solvay Vinyls Holding AG	Switzerland	Parent Company
Advanced Biochemical (Thailand) Company Limited	Thailand	Subsidiary company
Pimai Salt Company Limited	Thailand	Associated company

Name of entities	Country of incorporation	Nature of relationship
PTT Global Chemical Public Company Limited (formerly known as "PTT Chemical Public Company Limited")	Thailand	Related company
Solvay Peroxythai Limited	Thailand	Related company
Solvay S.A. and Solvay Group companies	Belgium	Related company
Thai Tank Terminal Limited	Thailand	Related company
Solvay Asia Pacific Company Limited	Thailand	Related company
MTP HP JV (Thailand) Company Limited	Thailand	Related company

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

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements		Transfer pricing policy
	2011	2010	2011	2010	
<u>Transactions with subsidiary</u> (eliminated from the consolidated financial statements)					
Service income	-	-	119	71	Normal market rates
Interest income	-	-	80	7	Normal market rates
<u>Transaction with associated company</u>					
Purchase of raw materials	366	369	366	369	Contract prices of salt which approximate production costs
<u>Transactions with related companies</u>					
Sales of goods	139	595	139	595	Market prices
Other income	12	17	6	7	Market prices
Purchase of raw materials	6,120	5,681	6,120	5,681	Average Ethylene market prices in major regions worldwide and market prices
Purchase of spare parts, services expenses and others	96	46	94	44	Market prices
License expenses and technical assistance services	130 ¹	660 ¹	84	48	Normal market rates
Commission expenses	5	4	5	4	Normal market rates
Insurance premium and management commission expenses	9	5	9	5	Normal market rates

¹ Including fees of Baht 46 million (2010: Baht 612 million), relating to construction of a new plant as mentioned in Note 27.1.2, which is included in property, plant and equipment.

As at 31 December 2011 and 2010, the balances of the accounts between the Company and those related companies are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
<u>Trade and other receivables - related parties (Note 9)</u>				
Subsidiary	-	-	10,291	15,039
Related companies (related by major shareholder)	54,769	36,563	50,208	34,367
Total trade and other receivables - related parties	54,769	36,563	60,499	49,406
<u>Trade and other payables - related parties (Note 16)</u>				
Associated company	39,048	33,494	39,048	33,494
Related companies (related by major shareholder)	657,378	590,183	653,689	520,269
Total and other payables - related parties	696,426	623,677	692,737	553,763

Short-term loans to subsidiary

As at 31 December 2011, the outstanding balance represented loans to subsidiary, carrying interest at normal market rate, and repayable at call.

Long-term loans to subsidiary

On 22 July 2011, the Company entered into a Baht 4,500 million loan agreement with its subsidiary to finance the investment project of the subsidiary. The loan is repayable in fourteen, equal, semi-annual installments commencing from 2013. The loan carries interest at a floating rate based on THBFIX plus a certain percentage.

During the year ended 31 December 2011, movements of loans to subsidiary are as follows:

(Unit: Million Baht)

	Separate financial statements			
	Balance as at 1 January 2011	During the year		Balance as at 31 December 2011
		Increase	Decrease	
<u>Short-term loans to subsidiary</u>				
Advanced Biochemical (Thailand) Company Limited	1,020	2,230	(1,150)	2,100
<u>Long-term loans to subsidiary</u>				
Advanced Biochemical (Thailand) Company Limited	100	1,300	-	1,400

Directors and management's benefits

During the year ended 31 December 2011 and 2010, the Company and its subsidiaries had employee benefit expenses payable to their directors and management as follows:

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
Short-term employee benefits	92	81	81	71
Post-employment benefits	1	-	1	-
Total	93	81	82	71

11. Inventories

(Unit: Thousand Baht)

	Consolidated financial statements					
	Cost		Allowance to reduce cost to net realizable value		Inventory-net	
	2011	2010	2011	2010	2011	2010
Finished goods	257,210	179,488	-	-	257,210	179,488
Work in process	-	15,099	-	-	-	15,099
Raw materials	198,525	202,797	(53)	(53)	198,472	202,744
Packing materials	5,759	7,342	-	-	5,759	7,342
Spare parts and factory supplies	203,152	212,399	(10,697)	(11,500)	192,455	200,899
Total	664,646	617,125	(10,750)	(11,553)	653,896	605,572

(Unit: Thousand Baht)

	Separate financial statements					
	Cost		Allowance to reduce cost to net realizable value		Inventory-net	
	2011	2010	2011	2010	2011	2010
Finished goods	257,210	179,488	-	-	257,210	179,488
Work in process	-	15,099	-	-	-	15,099
Raw materials	186,927	202,797	(53)	(53)	186,874	202,744
Packing materials	5,759	7,342	-	-	5,759	7,342
Spare parts and factory supplies	203,152	212,399	(10,697)	(11,500)	192,455	200,899
Total	653,048	617,125	(10,750)	(11,553)	642,298	605,572

12. Investment in subsidiary

Details of investment in subsidiary as presented in separate financial statements are as follows:

(Unit: Thousand Baht)

Company's name	Paid-up capital		Shareholding percentage		Cost	
	2011	2010	2011 (%)	2010 (%)	2011	2010
Advanced Biochemical (Thailand) Company Limited	1,000,000	1,000,000	100	100	954,098	954,098

13. Investment in associate

(Unit: Thousand Baht)

Company's name	Nature of business	Country of incorporation	Shareholding percentage		Carrying amounts based on equity method	
			2011 (%)	2010 (%)	2011	2010
Pimai Salt Company Limited	Manufacture and trading of industrial salt	Thailand	28.49	28.49		
- Cost					397,678	397,678
- Accumulated share of loss					(16,642)	(18,984)
Total investment value based on equity method					381,036	378,694

During the year ended 31 December 2011 and 2010, the Company received no dividend from this associated company.

Financial information of the associated company for the year ended 31 December 2011 and 2010 is summarized below.

(Unit: Million Baht)

	2011	2010
Paid-up capital	194	194
Total assets	2,431	2,547
Total liabilities	1,249	1,375
Total revenues	1,480	1,410
Net income	11	2

14. Property, plant and equipment

(Unit: Thousand Baht)

	Consolidated financial statements						
	Land	Buildings and building improvement	Machinery and equipment	Furniture, fixtures and office equipment	Motor vehicles	Assets under installation and under construction	Total
Cost:							
1 Jan 2010	2,909	1,952,985	15,384,171	364,803	6,719	374,653	18,086,240
Additions	-	-	-	295	-	2,441,682	2,441,977
Transferred in (out)	-	5,203	85,989	4,490	-	(95,682)	-
Disposals	-	(1,861)	(10,954)	(4,100)	-	-	(16,915)
31 Dec 2010	2,909	1,956,327	15,459,206	365,488	6,719	2,720,653	20,511,302
Additions	-	22,307	169,611	7,844	-	3,104,746	3,304,508
Transferred in (out)	-	-	34,204	(34,204)	-	-	-
Disposals	-	(44,449)	(86,817)	(106)	-	-	(131,372)
31 Dec 2011	2,909	1,934,185	15,576,204	339,022	6,719	5,825,399	23,684,438
Accumulated depreciation:							
1 Jan 2010	-	556,155	6,001,378	299,958	6,707	-	6,864,198
Depreciation for the year	-	43,462	840,363	10,723	12	-	894,560
Depreciation on disposals	-	(631)	(5,824)	(3,254)	-	-	(9,709)
31 Dec 2010	-	598,986	6,835,917	307,427	6,719	-	7,749,049
Depreciation for the year	-	43,708	846,701	7,757	-	-	898,166
Transferred in (out)	-	-	20,118	(20,118)	-	-	-
Depreciation on disposals	-	(13,698)	(38,021)	(82)	-	-	(51,801)
31 Dec 2011	-	628,996	7,664,715	294,984	6,719	-	8,595,414
Allowance for impairment loss:							
31 Dec 2010	-	-	-	-	-	5,431	5,431
31 Dec 2011	-	-	-	-	-	5,431	5,431
Net book value:							
31 Dec 2010	2,909	1,357,341	8,623,289	58,061	-	2,715,222	12,756,822
31 Dec 2011	2,909	1,305,189	7,911,489	44,038	-	5,819,968	15,083,593
Depreciation for the year							
2010 (Baht 877 million included in manufacturing cost, and the balance in selling and administrative expenses)							894,560
2011 (Baht 880 million included in manufacturing cost, and the balance in selling and administrative expenses)							898,166

(Unit: Thousand Baht)

	Separate financial statements						
	Land	Buildings and building improvement	Machinery and equipment	Furniture, fixtures and office equipment	Motor vehicles	Assets under installation and under construction	Total
Cost:							
1 Jan 2010	2,909	1,952,985	15,384,171	364,479	6,719	73,031	17,784,294
Additions	-	-	-	-	-	447,877	447,877
Transferred in (out)	-	5,203	85,989	4,490	-	(95,682)	-
Disposals	-	(1,861)	(10,954)	(4,100)	-	-	(16,915)
31 Dec 2010	2,909	1,956,327	15,459,206	364,869	6,719	425,226	18,215,256
Additions	-	22,307	169,611	7,270	-	1,176,683	1,375,871
Transferred in (out)	-	-	34,204	(34,204)	-	-	-
Disposals	-	(44,449)	(86,817)	(106)	-	-	(131,372)
31 Dec 2011	2,909	1,934,185	15,576,204	337,829	6,719	1,601,909	19,459,755
Accumulated depreciation:							
1 Jan 2010	-	556,155	6,001,377	299,904	6,707	-	6,864,143
Depreciation for the year	-	43,461	840,364	10,591	12	-	894,428
Depreciation on disposals	-	(630)	(5,824)	(3,255)	-	-	(9,709)
31 Dec 2010	-	598,986	6,835,917	307,240	6,719	-	7,748,862
Depreciation for the year	-	43,708	846,701	7,521	-	-	897,930
Transferred in (out)	-	-	20,118	(20,118)	-	-	-
Depreciation on disposals	-	(13,698)	(38,021)	(82)	-	-	(51,801)
31 Dec 2011	-	628,996	7,664,715	294,561	6,719	-	8,594,991
Net book value:							
31 Dec 2010	2,909	1,357,341	8,623,289	57,629	-	425,226	10,466,394
31 Dec 2011	2,909	1,305,189	7,911,489	43,268	-	1,601,909	10,864,764
Depreciation for the year							
2010 (Baht 877 million included in manufacturing cost, and the balance in selling and administrative expenses)							894,428
2011 (Baht 880 million included in manufacturing cost, and the balance in selling and administrative expenses)							897,930

Construction of the plant has been financed with a loan from financial institutions and borrowing costs totaling approximately Baht 38 million were capitalized during the year. The weighted average rate used to determine the amount of borrowing costs eligible for capitalization was based on the relevant contracts.

15. Non-operating assets, net

(Unit: Thousand Baht)

	Consolidated/ Separate financial statements	
	2011	2010
Machinery and equipment	50,194	50,194
Less: Accumulated depreciation / Allowance for unused fixed assets	(50,194)	(50,194)
Non-operating assets, net	-	-

16. Trade and other payables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
Trade payables - related parties	667,959	553,239	667,959	553,239
Trade payables - unrelated parties	468,563	504,789	468,563	504,789
Other payables - related parties	28,467	70,438	24,778	524
Other payables - unrelated parties	433,797	369,214	266,136	35,552
Accrued expenses	153,367	46,737	153,194	46,737
Total trade and other payables	1,752,153	1,544,417	1,580,630	1,140,841

17. Long-term loan

On 11 February 2010, the Company entered into a Baht 4,500 million loan agreement with commercial banks to finance the investment project of the Company and its subsidiary. The loan is repayable in fourteen, equal, semi-annual installments commencing from 2013, and carries interest at a floating rate based on THBFIX plus a certain percentage. Up to 31 December 2011, the Company has drawn down a total of Baht 1,400 million from such facility (31 December 2010: Baht 100 million). The loan contains various covenants and conditions with which the Company has to comply.

18. Provision for long-term employee benefits

Provision for long-term employee benefits as at 31 December 2011, which is compensations on employees' retirement and other long-term employee benefits, were as follows:

(Unit: Thousand Baht)

	Consolidated/Separate financial statements		
	Legal Severance Payment Plan	Long service awards	Total
Cumulative effect of the change in accounting policy for employee benefits adjusted against beginning balance of retained earnings (Note 5)	42,791	4,046	46,837
Current service cost	9,498	1,052	10,550
Interest cost	4,718	532	5,250
Benefits paid during the year	-	(1,447)	(1,447)
Actuarial loss	4,058	730	4,788
Balance at end of year	61,065	4,913	65,978

Long-term employee benefit expenses as included in the profit or loss for the year ended 31 December 2011 amounted to Baht 16 million.

The cumulative amount of actuarial losses recognized in other comprehensive income is Baht 4 Million.

Principal actuarial assumptions at the valuation date were as follows:

	Consolidated/Separate financial statements (% per annum)
Discount rate	3.8
Future salary increase rate	6.0
Staff turnover rate (depending on employee's age)	1.9 - 22.9

19. Statutory reserve

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

20. Expenses by nature

Significant expenses by nature are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
Salaries and wages and other employee benefits	609,645	483,133	593,689	473,777
Depreciation	898,166	894,561	899,446	894,429
Rental expenses	56,468	51,296	54,530	48,627
Raw materials and consumables used	7,501,152	6,839,468	7,501,124	6,839,465
Electricity and fuel cost	2,493,484	2,474,284	2,493,484	2,474,283
Changes in inventories of finished goods and work in progress	(28,894)	31,924	(28,894)	31,924

21. Corporate income tax

The Company has no corporate income tax liability on earnings of the non-promoted operation since it has tax losses of the BOI-promoted operations brought forward from prior years.

22. Promotional privileges

The Company has been granted promotional privileges by the Board of Investment subject to certain significant conditions. Significant privileges of the Company are as follows:

Details of investment promotional privileges					
1. Certificate No.	1051/2532	1579/2541	1166(2)/2548	1164(2)/2550	9010(2)/2553
2. Promotional privileges for	Manufacture of PVC and VCM	Manufacture of additional volumes of PVC and VCM, and Caustic Soda	Manufacture of additional volumes of VCM and Caustic Soda	Manufacture of additional volume of PVC	Manufacture of additional volumes of PVC, VCM and Caustic Soda, and Chlorine Gas
3. Significant privileges:					
3.1 Exemption from corporate income tax for net income from the promoted operations and exemption from income tax on dividends paid from the income of the operations throughout the period in which the corporate income tax is exempted.	7 years	8 years	8 years	8 years	3 years
3.2 50% reduction of corporate income tax on net income derived from the promoted operations for a period of five years after the tax-exemption period ends.	Granted	Granted	Granted	Granted	Not granted
3.3 Permission to deduct twice the amount expended on transportation, electricity and water, for a period of ten years from the date of first earning revenue from the operations.	Granted	Granted	Granted	Granted	Not granted
4. Date of first earning operating income	1 August 1992	1 June 2002	1 January 2007	1 August 2008	21 July 2010

The Company's operating revenues, divided between promoted and non-promoted operations, are as follows:

(Unit: Thousand Baht)

	Separate financial statements					
	Promoted operations		Non-promoted operations		Total	
	2011	2010	2011	2010	2011	2010
Revenues						
Sales	9,405,392	8,749,885	4,694,294	4,127,134	14,099,686	12,877,019
Other income						
Interest income	17,230	1,068	80,340	17,996	97,570	19,064
Exchange gain	18,779	18,273	9,373	8,619	28,152	26,892
Others	22,666	10,085	138,155	142,152	160,821	152,237
Total revenues	9,464,067	8,779,311	4,922,162	4,295,901	14,386,229	13,075,212

The Company's subsidiary, Advanced Biochemical (Thailand) Company Limited, has also been granted promotional privileges by the Board of Investment for the manufacture of certain volume of Epichlorohydrin, pursuant to the promotion certificate No. 1694(2)/2551 issued on 10 July 2008. The privileges include an exemption from corporate income tax for a period of eight years from the date the promoted operations commence generating revenues, a 50% reduction of corporate income tax on income derived from the promoted operations for a period of five years after the tax-exemption period ends and permission to deduct twice the amount expended on transportation, electricity and water, for a period of ten years from the date of first earning revenue from the operations. The subsidiary has not yet commenced its trading operations.

The consolidated operating revenues of the Company and its subsidiary, divided between promoted and non-promoted operations, are set out below.

(Unit: Thousand Baht)

	Consolidated financial statements					
	Promoted operations		Non-promoted operations		Total	
	2011	2010	2011	2010	2011	2010
Revenues						
Sales	9,405,392	8,749,885	4,694,294	4,127,134	14,099,686	12,877,019
Other income						
Interest income	17,230	1,068	3,075	11,473	20,305	12,541
Exchange gain	18,779	18,273	8,721	20,139	27,500	38,412
Others	22,666	10,085	21,297	80,538	43,963	90,623
Total revenues	9,464,067	8,779,311	4,727,387	4,239,284	14,191,454	13,018,595

23. Earnings per share

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

24. Financial information by segment

The Company and its subsidiary operations comprise the manufacturing and distribution of PVC, VCM and related by-products for both domestic and export markets. For the year then ended 31 December 2011, the export sales represented approximately 24 percent (For year then ended 31 December 2010: 26 percent) of total sales. The Company and its subsidiary operations involve a single industry segment and are carried out from a single geographic area in Thailand

25. Provident fund

The Company and its employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. Both employees and the Company contribute to the fund monthly. During the year 2011, the Company contributed approximately Baht 16 million (2010: Baht 15 million) to the fund.

26. Dividend

Dividends declared in 2011 and 2010 consisted of the following:

(Unit: Thousand Baht)

	Approved by	Total dividends	Dividend per share	Paid on
Dividend from 2010 retained earnings	Annual General Meeting of the shareholders on 28 April 2011	829,636	0.70	27 May 2011
Dividend from 2009 retained earnings	Annual General Meeting of the shareholders on 29 April 2010	414,818	0.35	27 May 2010

27. Commitments and contingent liabilities

27.1 Capital commitments

27.1.1 As at 31 December 2011, the Company and its subsidiary had capital commitments of approximately Baht 90 million and Euro 1 million, relating to the construction of factory buildings and acquisition of machinery and equipment (the Company only: Baht 8 million).

27.1.2 For the purpose of construction of a new plant and expansion of production capacity, the Company and its subsidiary entered into license agreements and technical assistance services agreements with Solvay S.A. As at 31 December 2011, the Company and its subsidiary had outstanding commitments related to the agreements for a total of Euro 5 million (the Company only: Euro 2 million).

27.2 Lease commitments

As at 31 December 2011, the Company and its subsidiary had the following lease commitments:

a) Lease of land. Future minimum rentals payable under this lease is summarized below.

	Million Baht
Payable within 1 year	9
Payable between 2 and 5 years	38
Payable after 5 years	52
Total	99

b) Leases of Caustic Soda tanks, motor vehicles, and equipment. Future rentals payable under these leases are as follows:

	Million Baht
Payable within 1 year	136
Payable between 2 and 5 years	472
Payable after 5 years	927
Total	1,535

27.3 Other commitments

a) The Company has entered into an agreement to buy raw materials from a local related company at the quantity and price as stipulated in the agreement.

b) The Company has also entered into an agreement with an associated company to purchase raw materials produced by this associated company at the quantity and at the price stipulated in the relevant joint venture agreement.

c) A subsidiary has entered into agreements to buy raw materials from local companies at the quantity and price as stipulated in the agreements.

27.4 Bank guarantees

As at 31 December 2011, there were outstanding bank guarantees and standby letters of credit totaling Baht 21 million (the Company only: Baht 19 million) issued by banks on behalf of the Company and its subsidiary as required in their normal course of business.

28. Financial instruments

28.1 Financial risk management

The Company and its subsidiary's financial instruments, as defined under Thai Accounting Standard No.107 "Financial Instruments: Disclosure and Presentations", principally comprise cash and cash equivalents, Trade and other receivables, Trade and other payables, short-term loan and long-term loan. The financial risks associated with these financial instruments and how they are managed is described below.

Credit risk

The Company and its subsidiary are exposed to credit risk primarily with respect to trade accounts receivable. The Company and its subsidiary manage the risk by adopting appropriate credit control policies and procedures. In addition, the Company and its subsidiary provide credit to a varied and large customer base and therefore it does not expect to incur material financial losses. The maximum exposure to credit risk is limited to the carrying amounts of receivables as stated in the statement of financial position.

Interest rate risk

The Company's exposure to interest rate risk relates primarily to its cash at banks, short-term and long-term borrowings. However, since most of the Company's financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate, the interest rate risk is expected to be minimal.

Significant financial assets and liabilities as at 31 December 2011 classified by type of interest rate are summarized in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the repricing date if this occurs before the maturity date.

(Unit: Million Baht)

	Consolidated financial statements					
	Fixed interest rates			Floating interest rate	Non-interest bearing	Total
	Within 1 year	1 - 5 years	Over 5 years			
Financial assets						
Cash and cash equivalents	600	-	-	573	-	1,173
Trade and other receivables	-	-	-	-	2,032	2,032
Total	600	-	-	573	2,032	3,205
Financial liabilities						
Trade and other payables	-	-	-	-	1,752	1,752
Long-term loan	-	-	-	1,400	-	1,400
Total	-	-	-	1,400	1,752	3,152

(Unit: Million Baht)

	Separate financial statements					
	Fixed interest rates			Floating interest rate	Non-interest bearing	Total
	Within 1 year	1 - 5 years	Over 5 years			
Financial assets						
Cash and cash equivalents	600	-	-	470	-	1,070
Trade and other receivables	-	-	-	-	2,038	2,038
Short-term loan to subsidiary	2,100	-	-	-	-	2,100
Long-term loan to subsidiary	-	-	-	1,400	-	1,400
Total	2,700	-	-	1,870	2,038	6,608
Financial liabilities						
Trade and other payables	-	-	-	-	1,581	1,581
Long-term loan	-	-	-	1,400	-	1,400
Total	-	-	-	1,400	1,581	2,981

Foreign currency risk

The Company and its subsidiary's exposure to foreign currency risk arises mainly from trading transactions that are denominated in foreign currencies. The Company and its subsidiary seek to reduce this risk by entering into forward exchange contracts when it considers appropriate.

As at 31 December 2011, the Company and its subsidiary had outstanding forward exchange contracts, of which details are presented below.

Foreign currencies	Bought amount (Million)	Sold amount (Million)	Average contractual exchange rate	
			Bought	Sold
			(Baht per 1 unit of foreign currency)	
US dollar	-	11.7	-	31.5012
Euro	1.8	-	43.1785	-

The outstanding balances of the Company and its subsidiary financial assets and liabilities denominated in foreign currencies as at 31 December 2011 are summarized below.

Foreign currencies	Financial assets (Million)	Financial liabilities (Million)	Average exchange rate as at 31 December 2011 (Baht per 1 unit of foreign currency)
US dollar	8.3	0.1	31.6912
Euro	0.1	0.9	41.0274
Japanese yen	-	10.0	0.4124

28.2 Fair values of financial instruments

Since the majority of the Company and its subsidiary's financial instruments are short-term in nature or bear floating interest rates, their fair value is not expected to be materially different from the amounts presented in statements of financial position.

A fair value is the amount for which an asset can be exchanged or a liability settled between knowledgeable, willing parties in an arm's length transaction. The fair value is determined by reference to the market price of the financial instruments or by using an appropriate valuation technique, depending on the nature of the instrument.

29. Temporary plant shutdown

On 10 February 2010, the utilities and steam plant of Glow Energy Public Company Limited, a utilities and steam supplier located in Map Ta Phut Industrial Estate, encountered technical problems, as a result of which the olefin plant of a supplier of raw materials to the Company had to shut down. As a consequence, the Company's plant had to cease operation from 10 February 2010 to 23 February 2010. The incident is covered by insurance policy. The Company has received a compensation of Baht 54 million from the insurer.

30. Capital management

The primary objective of the Company and its subsidiary's capital management is to ensure that it has an appropriate financial structure and preserves the ability to continue its business as a going concern.

The Company and its subsidiary manages its capital position with reference to its debt-to-equity ratio. As at 31 December 2011, the Company and its subsidiary's debt-to-equity ratio was 0.21:1 (2010: 0.12:1) and the Company's was 0.19:1 (2010: 0.09:1).

31. Reclassification

To comply with the Notification of the Department of Business Development relating to the financial statement presentation as described in Note 2 and as the result of the adoption of revised and new accounting standards as described in Notes 3 and 5, certain amounts in the financial statements for the year ended 31 December 2010 have been reclassified to conform to the current year's classification, without any effect to the previously reported profit or shareholder's equity.

32. Approval of financial statements

These financial statements were authorized for issue by the Company's Board of Directors on 21 February 2012.

General Information

Company Information

Vinythai Public Company Limited was registered as a limited company type juristic person under the Civil and Commercial Code of Thailand on 27 December 1988. The Company's purpose is to produce and supply petrochemical products, including PVC resins, Chlor-Alkali and other by-products from PVC production. Then, the Company registered its conversion to a public limited company, registration no. 0107536000846, on 16 August 1993.

Vinythai's plant and head office is located at: No. 2, I-3 Road, Map Ta Phut Industrial Estate, Tambon Map Ta Phut, Amphoe Mueang, Rayong Province, Telephone No. 0-3892-5000, Fax No. 0-3868-3048. The Company's business office is located at: 14th Floor, Green Tower 3656/41 Rama IV Road, Khet Klongtoey, Bangkok 10110, Telephone No. 0-2229-9100 (30 lines), Fax No. 0-2240-1383, 0-2240-1386, 0-2240-1375. Vinythai's website address is www.vinythai.co.th.

The Company's registered capital currently stands at Baht 7,111,160,664, divided into 1,185,193,444 ordinary shares of par value 6 Baht each. The Company's paid-up capital stands at Baht 7,111,160,664. The number of fully paid-up shares stands at 1,185,193,444. The major shareholders in the Company are Solvay Vinyls Holding AG and PTT Global Chemical Public Company Limited (formerly known as "PTT Chemical Public Company Limited"), holding 58.77%* and 24.98%* of the Company respectively.

* at the latest closing date of Vinythai's share register (as at 15 March 2011)

Information concerning Juristic Person in which Vinythai holds at least 10% of the issued shares

Advance Biochemical (Thailand) Co., Ltd.

Advanced Biochemical (Thailand) Limited [formerly known as "Solvay Biochemicals (Thailand) Limited"], the subsidiary company of Vinythai, principally engaged in manufacturing and trading of chemical product. Vinythai holds 100% of the company's total issued shares amounting to 15,000,000 ordinary shares at par value of Baht 100 each.

Advanced Biochemical (Thailand) Limited's plant and head office is located at: No. 2/1, I-3 Road, Map Ta Phut Industrial Estate, Tambon Map Ta Phut, Amphoe Mueang, Rayong Province, Telephone No. 0-3892-5000, Fax No. 0-3868-3048. The company's business office is located at: 14th Floor, Green Tower 3656/41 Rama IV Road, Khet Klongtoey, Bangkok 10110, Telephone No. 0-2229-9100 (30 lines), Fax No. 0-2240-1383, 0-2240-1386, 0-2240-1375.

Pimai Salt Co., Ltd.

Pimai Salt, an associated company of Vinythai, is a producer of pure refined salt. The company was established under a joint venture agreement between Thasco Chemical Co., Ltd., Thai Refined Salt Co., Ltd. and Vinythai, to produce and supply pure refined salt. Vinythai holds 552,331 ordinary shares in Pimai Salt, equivalent to 28.49% of the company's total issued shares, amounting to 1,938,915 ordinary shares at par value of Baht 100 each.

Pimai Salt's plant is located in Amphoe Pimai, Nakhon Ratchasima Province, Thailand. Pimai Salt's head office is located at: 2nd Floor, Srifuengfung Building, 1016 Rama IV Road, Silom, Khet Bangrak, Bangkok 10500, Telephone No. 0-2633-9380-6, Fax No. 0-2633-9390.



Other References

Ordinary Share Registrar:	Thailand Securities Depository Company Limited 62 The Stock Exchange of Thailand Building, Ratchadapisek Road, Klongtoey, Bangkok 10110, Thailand Tel. (66 2) 229-2800 and Call Center (66 2) 229-2888 Fax (66 2) 359-1259
Auditor:	Mr. Narong Puntawong and/or Mr. Supachai Phanyawattano and/or Ms. Thipawan Nananuwat and/or Ms. Siraporn Ouaanunkun Ernst & Young Office Limited 33rd Floor, Lake Rajada Building 193/136-137 New Rajadapisek Road Bangkok 10110 Tel. 0-2264-0777 Fax 0-2264-0790
Legal Counsel:	Chandler and Thong-Ek Law Offices Limited 7th Floor, Bubhajit Building 20 North Sathorn Road Bangkok 10500 Tel. 0-2266-6485 Fax 0-2266-6483-4

Audit Fee

For fiscal year ended 2011, the Company paid audit fees of Baht 1,120,000 and recorded non-audit fees for tax services of Baht 248,000 for Ernst & Young Office Limited.

Shareholder

(a) Major Shareholders:

No.	Names of Shareholders	15 March 2011 (latest closing date of Vinythai's share register)	
		Number of shares (shares)	%
1.	SOLVAY VINYL HOLDING AG	696,511,059	58.77
2.	PTT CHEMICAL PUBLIC COMPANY LIMITED*	296,038,689	24.98
3.	CHAROEN POKPHAND HOLDING CO., LTD.	26,100,000	2.20
4.	CPPC PUBLIC COMPANY LIMITED	13,431,385	1.13
5.	MR. CHAVENG APATA	12,682,900	1.07
6.	MR. ANUCHA KITTHANAMONGKONCHAI	10,620,002	0.90

Remark : The latest closing date for right to receive dividend in May 2011. Shareholders and investors can find a current list of major shareholders at www.vinythai.co.th.

: Major shareholders no. 7, 8, 9 and 10 hold not over 0.50 percent of shares.

(b) At the above-mentioned latest closing date of the share register, the group of major shareholders who can significantly influence and determine the policy, management and operations of the Company are as follows:

- Solvay Group held a total of 696,511,059 shares, or 58.77%, in the Company:
 - 1. SOLVAY VINYL HOLDING AG 58.77%
- PTT Chemical Public Company Limited holds a total of 296,038,689 shares, or 24.98%, in the Company.
 - 1. PTT Chemical Public Company Limited* 24.98%

* In 2011, PTT Chemical Public Company Limited and PTT Aromatics and Refining Public Company Limited which was under the same group, had process to business combination and rename to **PTT Global Chemical Public Company Limited**. However, the new company holds shares of vinythai at the same amount.

Investor Relations: Please visit Vinythai's website at <http://www.vinythai.co.th> or contact Mrs. Jamjuree Sirovetnukul, Vice President Finance and Accounting Tel. 0-2229-9100 (30 lines) Fax 0-2240-1375 or e-mail at jamjuree.s@vinythai.co.th

Dividend Policy

It is the policy of the Company to pay an annual dividend of not less than 30 percent of net profit after tax and legal reserve.

2011 Significant Related Transactions

The Company had significant business transactions with subsidiary, associated and related parties as following:

	Product or nature of business	Nature of relationship and connected transactions	Transaction between companies	2011 (Thousand Baht)
<u>Transaction with subsidiary</u>				
1. Advanced Biochemical (Thailand) Co., Ltd.	Production of Epichlorohydrin (ECH)	Vinythai holds 100 percent of its shares.	Service income Interest income Sale of caustic soda	118,872 80,340 550
<u>Transaction with associated company</u>				
1. Pimai Salt Co., Ltd.	Manufactured and trading of industrial salt	Vinythai holds 28.49 percent.	Purchase of raw materials	366,252
<u>Transactions with related Companies</u>				
1. C.A. Petrochemical Co., Ltd.	Production and distribution of PVC pipes and fittings	Company owned by Charoen Pokphand Group Co., Ltd.	Sales of PVC	-
2. Solvay S.A. and Solvay's Subsidiaries	Production and distribution of products in two core businesses: Chemical and Plastics	Solvay S.A. holds 100 percent of Solvay Vinyls Holding AG's shares.	Sales of PVC Commission income Purchase of raw materials Purchase of spare parts, services expenses and others License expenses and technical assistance services Commission expenses Insurance premium and management commission expenses Other service income	- 6,031 21,167 62,182 83,921 4,653 8,533 4,786
3. Solvay Peroxythai Co., Ltd.	Production and distribution of Hydrogen peroxide	Company owned by Solvay's subsidiaries holds 100 percent of its shares.	Sales of Hydrogen Service income Purchase of Hydrogen peroxide 50% Purchase of spare parts	116,812 181 675 -
4. PTT Global Chemical Public Co., Ltd. (formerly known as "PTT Chemical Public Co., Ltd.")	Production and distribution of petrochemical products, by-products and the provision of support services	Holds 24.98 percent.	Sales of NaOH Purchase of ethylene Throughput fee and services	19,280 6,097,861 2,565
5. Thai Tank Terminal Limited	Provides storage and transport services for liquid chemicals, oil and gas.	Company owned by PTT Global Chemical Public Co., Ltd.	Rental tank and services	29,325
6. Solvay Asia Pacific Co., Ltd.	Regional Office Headquarter to provide services and consulting for business administrative and technical assistances to affiliates.	Solvay S.A. holds 100 percent of Solvay Asia Pacific's shares.	Service income	120
7. MTP HP JV (Thailand) Co., Ltd.	Production and distribution of Hydrogen peroxide	Company owned by Solvay's subsidiaries	Sale caustic soda	2,660

Remark : The above related party transactions are in the ordinary course of business. The amounts shown above were already included in the Statements of Earning. There are additional explanations in Notes no.10 to the 2011 financial statements as examined and reported by the auditor under his audit report dated 21 February 2012.